

Opening up new opportunities

Securities Note relating to an offer for subscription

of Ordinary Shares of 1p each in Hargreave Hale AIM VCT to raise up to £20,000,000, with an over-allotment facility of up to a further £10,000,000.



Tax years: 2020/2021 and 2021/2022



This document constitutes a securities note (the “Securities Note”) relating to Hargreave Hale AIM VCT plc (the “Company”). Additional information relating to the Company is contained in a registration document issued by the Company (the “Registration Document”). This Securities Note, the Registration Document and a summary (“Summary”) constitute a prospectus issued by the Company dated 2 September 2020. This Securities Note has been approved by the Financial Conduct Authority (the “FCA”), as competent authority under Regulation (EU) 2017/1129. The FCA only approves this Securities Note as meeting the standards of completeness, comprehensibility and consistency imposed by EU Regulation 2017/1129. Such approval should not be considered as an endorsement of the issuer that is the subject of this Securities Note. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares. This Securities Note has been drawn up as part of a simplified prospectus in accordance with Article 14 of Regulation (EU) 2017/1129. This document will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at www.hargreaveaimvcts.co.uk.

The Directors of the Company, whose names appear on pages 27 and 28 of this Securities Note, and the Company each accept responsibility for the information contained in this document. To the best of the knowledge of the Directors and the Company the information contained in this Securities Note is in accordance with the facts and this Securities Note makes no omission likely to affect its import.

Hargreave Hale AIM VCT plc

(Incorporated in England and Wales under the Companies Act 1985 with registered number 05206425)

Offer for Subscription of Ordinary Shares in Hargreave Hale AIM VCT plc to raise up to £20 million, together with an Over-allotment Facility to raise up to a further £10 million

The existing Shares issued by the Company are listed on the premium segment of the Official List of the FCA and traded on the London Stock Exchange’s main market for listed securities. Application will also be made to the FCA and the London Stock Exchange for the Offer Shares to be admitted to the premium segment of the Official List of the FCA and to trading on the London Stock Exchange’s main market for listed securities. It is expected that such admission will become effective and that dealings will commence within 10 business days of each allotment in respect of the Offer Shares. The Offer will open on 2 September 2020 and may be closed at any time thereafter but, in any event, not later than 12.00 p.m. on 1 April 2021 for the 2020/21 tax year and 12.00 p.m. on 20 August 2021 for the 2021/22 tax year, unless closed prior to that date. All subscription monies will be payable in full in cash on application.

The distribution of this document in jurisdictions other than the UK may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any of these restrictions. Any failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. Accordingly, no person receiving a copy of this document in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase Offer Shares unless, in such territory, such offer or invitation could lawfully be made.

The offer and sale of the Offer Shares is not being made, directly or indirectly, in or into, or by the use of the mails, or by any means or instrumentality (including, without limitation, facsimile transmission, telex and telephone) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction. Accordingly, copies of this document are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from, or to any resident of, the United States, Canada, Australia, Japan, the Republic of South Africa or any other Restricted Jurisdiction and persons receiving this document (including custodians, nominees and trustees) must not mail or otherwise distribute or send it in, into or from such jurisdictions. The Offer Shares have not been, and will not be, registered under the US Securities Act or under any of the relevant securities laws of, or with any securities regulatory authority of, any state of the United States or of Canada, Australia, Japan or the Republic of South Africa. Accordingly, unless an exemption under such act or laws is applicable, the Offer Shares may not be offered, sold or delivered, directly or indirectly, in or into the United States, Canada, Australia, Japan or the Republic of South Africa or to, or for the account or benefit of, any resident of the United States, Canada, Australia, Japan or the Republic of South Africa. The Company has not been and will not be registered under the US Investment Company Act and recipients of this document and investors will not be entitled to the benefits of that Act.

2 September 2020

Cultivate your investments



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1 Risk factors

The risk factors set out below are those which the Directors consider to be material but are not the only risks relating to the Company or the Shares. There may be additional risks that the Directors do not currently consider to be material, or which are not presently known to the Directors. Before investing in the Offer Shares, potential investors should consult their stockbroker, bank manager, solicitor, accountant or other suitably qualified and independent financial adviser authorised under FSMA if they are in the United Kingdom or, in the case of a potential investor who is located outside the United Kingdom, another appropriately authorised financial adviser.

An investment in the Company should not be regarded as short-term in nature and involves risks that could lead to the loss of all or part of that investment. An investment in the Company is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to bear any loss which might result from such an investment. In particular before making an investment in the Company investors should consider that a disposal of the Offer Shares within five years of subscription may lead to HMRC clawing back the 30 per cent. income tax relief received by those investors.

The Directors believe that the risks described below are the material risks relating to an investment in the Shares at the date of this document. If any of the adverse events described below occur, the financial condition, performance and prospects of the Company and the market price of the Shares could be materially adversely affected and Shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this document, or that the Directors considered to be immaterial at the date of this document, may also have an adverse effect on the financial condition, performance and prospects of the Company and the market price of the Shares.

Potential investors should carefully consider all the information in the Prospectus, including the following material risk factors in relation to the Company and the Shares, before deciding to invest in the Company.

Risks relating to VCTs

Changes to governmental, economic, fiscal, monetary or political policy

Any change of governmental, economic, fiscal, monetary or political policy, in particular any changes to taxation, tax reliefs and changes to the VCT Rules, could materially affect, directly or indirectly, the operation and/or the performance of the Company (and the portfolio companies in which it invests), the value of and returns from Shares and/or the ability of the Company to achieve or maintain VCT status.

Loss of tax reliefs

The information, including references to tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. While it is

the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.

State Aid

As a result of the tax status of VCTs, investments by VCTs in underlying portfolio companies are regarded as State Aided investments. Where the European Commission believes that State Aid has been provided which is not in accordance with the Risk Finance Guidelines, they may require that the UK Government recovers that State Aid. There is currently no mechanism in place for this, but recovery may be from the investee company, the VCT or the VCT's investors.

Brexit

On 31 January 2020 the UK left the EU in a process commonly referred to as "Brexit". The UK Government is currently negotiating the terms of the UK's future relationship with the EU. It is unknown at this time what terms will emerge, whether regulatory control affecting VCTs will increase or decrease or how the eventual terms will affect positively or negatively the business model, business operations and financial results or impact sales demand, material and labour costs, availability and cost of finance for the Company or an underlying investee company. In particular, it is not clear if State Aid rules will apply to the UK going forward.

The Finance Act 2018

The provisions of the Finance Act 2018 include a "risk-to-capital" condition for Qualifying Investments, designed to focus investments towards earlier stage, growing businesses, and away from investments in more established businesses which could be regarded as lower risk. The Company may not make any prohibited Non-Qualifying Investments, including those which breach the "risk-to-capital" condition, and the potential penalty for contravention of these rules can include loss of VCT status with a resultant claw back of VCT tax reliefs from Investors. Over time, as the Company's portfolio is brought in to line with the amended VCT Rules, Shareholder returns and dividends payable by the Companies may take longer to generate and the levels of those returns may be more volatile due to the nature of investing in earlier stage companies.

Specific risks relating to the Company

The portfolio

The primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies. Investment in AIM-traded companies, by its nature, may involve a higher degree of risk than investment in companies traded on the main market of the London Stock Exchange. In particular, AIM-traded companies are often smaller companies which may have limited product and service lines, markets or financial resources and may be dependent for their management on a smaller number of key individuals. The fact that a share is traded on AIM does not guarantee its liquidity. The valuation of the portfolio and opportunities for the Company to realise AIM-traded investments within the portfolio may also depend on market conditions.

Although the primary focus of the Company's qualifying portfolio is on investments in AIM-traded companies, the Company has built a portfolio of investments in unlisted private companies and will make further investments in unlisted private companies if the Investment Manager identifies attractive investment opportunities. It is unlikely that there will be a liquid market for the shares and other securities that the Company holds in unlisted investee companies and, therefore, it may be difficult for the Company to realise such investments. The value of unlisted stock is often more difficult to predict than the value of stock in listed companies. In addition, as unlisted companies tend to have less mature businesses, less depth of management and a higher risk profile, the risk of insolvency in unlisted companies is higher than in listed investments.

In addition, valuations of the unquoted investments may be based on unaudited information and may be subject to limited verification or other due diligence. If the realised value of an unquoted investment or other asset held by the Company is less than its valuation this may have a material adverse effect on future Shareholder returns.

Realisation of investments

Investments in AIM-traded companies are likely to be more illiquid than investments in companies traded on the main market of the London Stock Exchange. Investments may not be able to be realised within a reasonable timeframe or at all. Such illiquidity may affect the ability of the Company to vary its portfolio or dispose of investments in a timely fashion and at satisfactory prices in response to changes in economic or other conditions. This could have an adverse effect on the financial condition and results of operations of the Company as it could reduce the profits and proceeds expected to be realised from such investments by the Company.

The Shares

Although the Ordinary Shares are listed on the Official List and are admitted to trading on the London Stock Exchange, and the Offer Shares will be listed on the Official List and admitted to trading on the London Stock Exchange, it is likely that there will not be a liquid market in the Offer Shares and Shareholders may have difficulty in selling them, primarily because the initial income tax relief is only available to those subscribing for newly issued shares. The Ordinary Shares usually trade at a discount

to the Net Asset Value of the Company. The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per Share (as measured against the mid-price) by making secondary market purchases of its Shares in accordance with parameters set by the Board. This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, Shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.

Third party service providers

The Company has no employees and all of the Directors have been appointed on a non-executive basis. The Company relies upon third party service providers to perform certain functions. In particular, the Investment Manager, Administrator and Registrar will perform services that are integral to the Company's operations and financial performance.

The Company is dependent on the skills of the Investment Manager to manage its investments. If the Investment Manager ceases to act as investment manager or if key personnel cease to be employed by the Investment Manager or be involved in the management of the Company's portfolio, there is no assurance that suitable replacements will be found. If this occurs, there may be an adverse effect on the performance of the Company and the value of the Shares.

The Company is also dependent on those service providers to protect against breaches of the Company's legal and regulatory obligations, including those in relation to data protection. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, to exercise due care and skill, or to perform its obligations to the Company at all as a result of insolvency, fraud, breaches of cybersecurity, failures in business continuity plans or other causes, could have a material adverse effect on the Company's operations and performance and on returns to Shareholders. The termination of the Company's relationship with any third party service provider, or any delay in appointing a replacement for any such service provider, could materially disrupt the business of the Company and could have a material adverse effect on the Company's performance and returns to Shareholders.

COVID-19 pandemic

The COVID-19 pandemic and the measures taken to control the outbreak have led to volatility and a substantial downturn in the UK's economy and the economies of many overseas countries. The future development and the long-term impacts of the outbreak are unknown and it remains to be seen how and when economies will recover from the impact of the pandemic and what effect any secondary outbreaks may have on economies and financial markets. It is unknown at this time whether the COVID-19 pandemic will have a material adverse impact on the future investment returns of the Company, the price of the Ordinary Shares and the ability of the Investment Manager to find and realise suitable investments.

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Specialist capability



Introduction

Hargreave Hale AIM VCT

Hargreave Hale AIM VCT is an established Venture Capital Trust that aims to generate capital gains and income from its portfolio and to make distributions to Shareholders from capital or income whilst maintaining its status as a Venture Capital Trust.

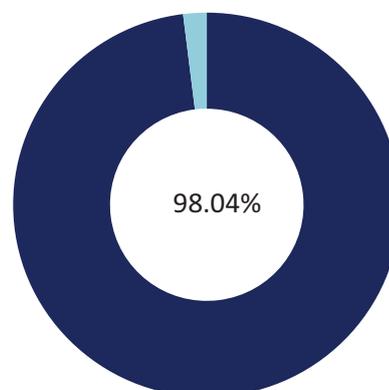
Although the Company's Qualifying Investments are primarily in companies that are listed on AIM, it also has investments in private companies. The Company will also make Non-Qualifying Investments in equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits and the Marlborough Special Situations Fund.

Highlights

- £40.1 million returned to Shareholders through dividends since launch.
- £22.5 million returned to Shareholders through share buy-backs and a tender offer.
- Net assets of £135.1 million (unaudited as at 31 July 2020).
- 25 Qualifying Investments made in the 10 month period to 31 July 2020 totalling £16.0 million.
- Low Ongoing Charges Ratio of approximately 2.4 per cent. per annum.
- Further Offer to raise £20 million, plus the option to utilise the Over-allotment Facility of £10 million, giving investors the opportunity to invest in a VCT with an established portfolio.

The Company was approved as a VCT by HMRC at launch in 2004. It has at all times satisfied the various tests required to maintain its status as a VCT.

% invested in Qualifying Investments⁽¹⁾



(1) As at 31 July 2020.

The HMRC investment tests are set out in Chapter 3 of Part 6 of the Income Tax Act 2007. Funds raised by VCTs are first included in the investment tests from the start of the accounting period containing the third anniversary of the date on which the funds were raised. Therefore, the allocation of Qualifying Investments as defined by the legislation can be different to the portfolio weighting as measured by market value relative to the net assets of the Company.

Hargreave Hale

Hargreave Hale was founded in 1897. It has been part of the Canaccord Genuity Wealth group of companies since September 2017. The Investment Manager is a leading UK small cap fund manager with a team of 16 fund managers and analysts and with more than £4.1 billion of funds under management across six unit trusts and the Company, including £3.0 billion invested in small UK companies.

Canaccord Genuity Wealth Limited

Canaccord Genuity Wealth Limited ("CGWL") is a subsidiary of Canaccord Genuity Inc., a full service financial services company listed on the Toronto Stock Exchange. CGWL has provided administration, company secretarial and custodian services to the Company since June 2019.

£4.1
BILLION
OF FUNDS UNDER
MANAGEMENT

OVER
£3.0
BILLION
INVESTED IN SMALL UK
COMPANIES

22
YEAR
TRACK RECORD

OVER
1,700
MEETINGS WITH
POTENTIAL INVESTEE
COMPANIES PER ANNUM

The boxes above set out key figures relating to the Investment Manager's fund management business as at 31 July 2020

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In focus



Terms of the Offer

Timetable for the Offer

Offer opens	2 September 2020
First allotment	On or around 9 October 2020
Subsequent allotments	Monthly (or at such other times as the Board, in its sole discretion, may determine)
Closing date for the 2020/21 tax year	12 p.m. on 1 April 2021
Dispatch of Share and tax certificates	Within 15 business days of any allotment
Admission and dealings expected to commence	Within 10 business days of any allotment

Details of the Offer

Total Offer size:	£20,000,000 with £10,000,000 Over-allotment Facility
Offer Price	3.5 per cent. premium to last published NAV per Ordinary Share
Minimum subscription per Investor	£5,000

The Offer is conditional on the Offer Agreement referred to in paragraph 8.1 of the section headed "Additional Information" becoming unconditional and not being terminated in accordance with its terms.

Pricing formula

Offer Shares will be issued at a 3.5 per cent. premium to the last published NAV per Ordinary Share to offset the costs of the Offer. The price of the Offer Shares will be calculated in pence to two decimal places by reference to the Pricing Formula:

$$\text{Price of Offer Shares} = \frac{\text{Last Published NAV per Ordinary Share}}{0.965}$$

The NAV per Ordinary Share will be the last published by the Company prior to the date of allotment, adjusted as necessary for dividends declared but not yet paid if the allotment occurs whilst the Shares are classified as ex-dividend.

Adviser charges and commission

Financial Intermediaries

Introductory commission is available to Financial Intermediaries in respect of non-advised subscriptions to the Offer of:

- 1 per cent. initial commission, no trail commission; or
- 0.5 per cent. initial commission plus trail commission of 0.375 per cent. of the amount subscribed by an investor per annum (limited to five years).

The commission to be paid to Financial Intermediaries will be paid by the Administrator.

The introductory commission may be rebated by Financial Intermediaries and reinvested by them on behalf of their clients through additional Offer Shares (the rebate in each case may be in part or in whole in 25 per cent. increments).

Financial Advisers

The Company is not permitted to pay commission to Financial Advisers where advice has been given to Investors in relation to their subscription under the Offer. However, the Company can facilitate the payment of an Adviser Charge on behalf of an Investor in relation to their subscription under the Offer.

4 Letter from the Chairman

Dear Investor,

The Offer

We are pleased to launch a new offer for subscription to raise £20 million, together with an Over-allotment Facility of £10 million, this follows the success of our last offer in 2018 under which we raised £25 million. The Offer will provide the Company with additional capital to invest in small UK companies whilst allowing new and existing Investors to invest in small companies through a tax efficient structure with an award-winning fund management team.

The Offer will remain open until 12 p.m. on 1 April 2021 for Investors seeking tax relief in the 2020/21 tax year and 12 p.m. on 20 August 2021 for Investors seeking tax relief in the 2021/22 tax year, unless the Offer is fully subscribed at an earlier date.

Investment policy

The Board has been working with the Investment Manager to update the Company's investment policy whilst also making it clearer for investors to follow. The investment policy set out below is the updated investment policy which is subject to Shareholder approval at the General Meeting.

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed interest securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager's criteria and companies listed on the AQSE Growth Market. These small companies will be UK based or have a UK presence and, whilst of high risk, will have the potential for significant capital appreciation.

To maintain its status as a VCT the Company must have 80 per cent. of all funds raised from the issue of new Shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those Shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

The Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager's view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company. The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager.

Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

Investment outlook

As a result of the COVID-19 pandemic, UK equity markets fell sharply in March 2020. Since then equity markets have experienced a strong rebound catalysed, in part, by the fiscal and monetary response to the economic and financial consequences of the pandemic.

It remains to be seen how and when the UK economy will fully recover from the pandemic. As the UK Government commences the staged withdrawal of financial assistance for businesses, which has thus far masked the true impact of the pandemic on the economy, it is likely that equity market volatility will continue and may increase further in the event of a secondary wave of the COVID-19 virus, particularly if full lockdown measures are re-introduced. In addition, uncertainty continues in relation to BREXIT and the impact that the eventual trade deal between the EU and UK may have on market volatility.

Despite a lack of IPO activity on the AIM market, the Company has been able to deploy capital into Qualifying Investments and realise legacy investments ahead of schedule. Increased investment activity led to the sale of the Company's investment in the Marlborough Special Situations Fund and a reduced allocation to Non-Qualifying Investments in the portfolio.

Notwithstanding the wider uncertainties, the Board believes that the changes brought about by the COVID-19 pandemic will benefit companies with relevant products or services and those able to adjust quickly to the challenges posed by the pandemic, whilst also continuing to create attractive long term investment opportunities on favourable terms over the next 12 months as small UK companies seek to raise additional capital.

Board composition

At the annual general meeting of the Company held on 4 February 2020 Sir Aubrey Brocklebank stepped down as Chairman of the Company and was succeeded by David Brock. Aubrey has taken on the role of chairman of the audit committee, which was previously held by David, until a new Director with the skills necessary to undertake this role has been appointed. Following a transition period, Aubrey intends to retire from the Board fully at the next annual general meeting of the Company expected to be held in February 2021.

Angela Henderson was appointed to the Board on 29 October 2019. Angela is a non-executive director at Credit Suisse Asset Management Limited with over 20 years experience in the financial services sector having worked at Citco Fund Services and the equities divisions of Deutsche Bank and Barclays. The Board believe that Angela brings knowledge and experience which are complimentary to the existing Board.

Tax benefits

Investors who pay income tax in the United Kingdom should be able to claim up to 30 per cent. income tax relief at the point of investment provided they pay sufficient income tax to offset against the claim for income tax relief and commit to holding their shares for at least 5 years. Other tax reliefs available to Investors include an exemption from income tax on any dividend distributions made by the Company and an exemption from capital gains tax on disposal of their shares. Investors should note that VCT investments are not loss allowable for the purposes of capital gains tax. Tax reliefs can be subject to change and are dependent on an individual's circumstances, we encourage Investors to consult their accountant or financial adviser and confirm their suitability before proceeding with an investment.

Dividend re-investment scheme

The Directors are pleased to inform Shareholders that, subject to Shareholder approval at the General Meeting, the Company will be offering a dividend re-investment scheme ("DRIS") going forward. The DRIS allows Shareholders to elect to receive all or part of their dividends from the Company in the form of new Ordinary Shares.

Investors may elect to participate in the DRIS when applying for Offer Shares by ticking the appropriate box in section 10 of the Application Form and completing the DRIS mandate form which accompanies this Securities Note. Shareholders may elect to join the DRIS at anytime by completing a DRIS mandate form, which will be provided on request from the Registrar.

Financial reporting

The Company's annual report and accounts are made up to 30 September in each year and are normally published in December. The Company publishes its unaudited interim results for the six month period ending 31 March in June each year.

The life of the company

Investments in VCTs are of a long term nature, in particular investors should be aware that the full benefit of the associated tax reliefs are only available where the Offer Shares are held for more than five years.

Although the Company is an 'evergreen' VCT, the Articles provide that at the annual general meeting of the Company to be held in 2025 a vote on the continuation of the Company should be put to Shareholders. If the

continuation of the Company is not approved the Directors must put forward proposals for the liquidation, reorganisation or reconstruction of the Company as soon as possible, but in any event no later than nine months following the date of the annual general meeting at which the continuation vote was proposed.

The annual general meeting of the Company to be held in 2025 will be held within five years of some of the Offer Shares being issued. Therefore, at the General Meeting a resolution will be put to Shareholders to approve the extension of the continuation vote to the annual general meeting of the Company to be held in 2027. If approved, this will ensure that all Offer Shares issued will be held for the minimum five year period before a continuation vote is held.

Prospectus

This Securities Note is one of three parts of the Prospectus. Please ensure that you also read the Summary and Registration Document in full before completing the Application Form attached to this document. These can be found on our website (www.hargreaveaimvcts.co.uk). If you would like to discuss the Offer further, please direct your enquiries to Hargreave Hale on 0207 523 4837, although no investment advice can be given.

Yours faithfully

A handwritten signature in black ink, appearing to read 'David Brock', written over a horizontal dotted line.

DAVID BROCK

Chairman

Hargreave Hale AIM VCT

5

Fertile ground for growth



What is a VCT?

Introduction

A Venture Capital Trust is a company, broadly similar to an investment trust, which has been approved by HMRC and which subscribes for shares in (or lends money to) small unquoted companies, including those traded on AIM. VCTs and their investors enjoy certain tax reliefs. In return for these tax reliefs, HMRC requires each VCT to comply with complex legislation that restricts the Company's investment activity to a tightly defined group of small UK companies.

Tax reliefs for VCT investors resident in the UK

The tax position of individual investors, resident in the UK, in VCTs is summarised below. Investors should take their own tax advice from a professional adviser ahead of making an investment in the Company. The tax reliefs are restricted to a maximum investment of £200,000 in any single tax year.

Income tax

- *Relief from income tax on investment*
Investors who subscribe for new shares can claim income tax relief at the rate of 30 per cent. of their investment, subject to the £200,000 maximum or that amount that reduces their income tax liability to nil.
Income tax relief is restricted if, within 6 months of the subscription for shares in a VCT (before or after), the investor has disposed of shares in that VCT or in a VCT that merges with the VCT, if the merger was known about at the time the shares were issued. Investors who hold their VCT shares for less than 5 years may have to repay some or all of their 30 per cent. income tax relief.
- *Dividend tax relief*
Investors will not be liable for income tax on dividends paid by the VCT. Dividend tax relief can be claimed on VCT shares purchased through the secondary market as well as through a new share issue.
- *Withdrawal of relief*
Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses or in the event of death) within five years of issue or if the VCT loses its approval within this period.

Capital gains tax

A disposal by an Investor of Offer Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax.

Capital gains tax relief can be claimed on VCT shares purchased through the secondary market.

Obtaining tax reliefs

The Company will issue tax relief certificates to Investors. These can be used to claim income tax relief through an immediate adjustment to an Investor's tax coding from HMRC or through the end of year tax return.

Category of potential investors

VCTs are not suitable for every category of investor. The Offer is designed for individuals over 18 years of age who:

- pay UK income tax;
- can invest between £5,000 and £200,000 in a tax year;
- can tolerate a high level of investment risk; and
- can accept a minimum holding period of five years.

Before deciding whether to subscribe for Offer Shares, Investors are strongly encouraged to consult an independent adviser authorised under FSMA and to carefully consider the suitability of an investment into the Company in light of their personal circumstances.

VCTs' obligations

VCTs must:

- have 80 per cent. (by value) of all funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those shares are issued;
- have at least 70 per cent. by value of Qualifying Investments in Eligible Shares;
- have at least 30 per cent. of all new funds raised by the Company invested in Qualifying Investments within 12 months of the end of the accounting period in which the Company issued the shares;
- have no more than 15 per cent. by value of its investments in a single company (as valued in accordance with the VCT Rules at the date of investment); and
- not retain more than 15 per cent. of its income derived from shares and securities in any accounting period.

VCTs must not:

- make an investment in any company that:
 - has (as a result of the investment) received more than £5 million from State Aid investment sources in the 12 months prior to the investment (£10 million for Knowledge Intensive Companies);
 - has (as a result of the investment) received more than £12 million from State Aid investment sources in its lifetime (or £20 million for Knowledge Intensive Companies);
 - has been generating commercial revenues for more than seven years (or 10 years for Knowledge Intensive Companies); or
 - will use the investment to fund an acquisition of another company (or its trade and assets).
- make any investment which is not a Qualifying Investment unless permitted by section 274 ITA; and/or
- return capital to shareholders before the third anniversary of the end of the accounting period during which the subscription for shares occurs.

Qualifying Investments

A Qualifying Investment consists of new shares or securities issued directly to the VCT by a Qualifying Company that at the point of investment:

- has gross assets of less than £15 million prior to investment and £16 million post investment;
- undertakes a Qualifying Trade;
- is a private company or is listed on AIM or the AQSE

Growth Market;

- has a permanent UK establishment;
- will deploy the money raised for the purposes of a Qualifying Trade within 2 years;
- has less than 250 employees (or less than 500 employees in the case of certain Knowledge Intensive Companies); and
- has not been set up for the purpose of accessing tax reliefs or is in substance a financing business.

The Finance Act 2018 introduced a principles based approach known as the risk to capital condition to establish whether the activities or investments of an investee company can qualify for VCT tax reliefs. This condition has two parts:

- whether the investee company has an objective to grow and develop over the long term; and
- whether there is a significant risk that there could be a loss of capital to the investor of an amount exceeding the net return.

Approval as a VCT

A VCT must be approved at all times by HMRC.

A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made.

The Directors intend to conduct the affairs of the Company so that it satisfies the conditions for approval as a VCT and that such approval will be maintained. HMRC has granted the Company approval under section 274 ITA as a VCT. The Company intends to comply with section 274 ITA and has retained Philip Hare & Associates LLP to advise it on VCT taxation matters.

Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied.

Withdrawal of approval generally has effect from the time when notice is given to the VCT but, in relation to capital gains of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

The above is only a summary of the conditions to be satisfied for a company to be treated as a VCT.

6

Investment objectives, policy and process

Investment objectives

The investment objectives of the Company are to generate capital gains and income from its portfolio and to make distributions from capital or income to Shareholders whilst maintaining its status as a Venture Capital Trust.

Investment policy

The Board has been working with the Investment Manager to update the Company's investment policy whilst also making it clearer for investors to follow. The investment policy set out below is the updated investment policy which is subject to Shareholder approval at the General Meeting.

The Company intends to achieve its investment objectives by making Qualifying Investments in companies listed on AIM, private companies and companies listed on the AQSE Growth Market, as well as Non-Qualifying Investments as allowed by the VCT Rules.

Qualifying Investments

The Investment Manager will maintain a diversified portfolio of Qualifying Investments which may include equities and fixed interest securities as permitted by the VCT Rules. Investments will primarily be made in companies listed on AIM but may also include private companies that meet the Investment Manager's criteria and companies listed on the AQSE Growth Market. These small companies will be UK based or have a UK presence and, whilst of high risk, will have the potential for significant capital appreciation.

To maintain its status as a VCT the Company must have 80 per cent. of all funds raised from the issue of Shares invested in Qualifying Investments throughout accounting periods of the VCT beginning no later than three years after the date on which those Shares are issued. To provide some protection against an inadvertent breach of this rule, the Investment Manager targets a threshold of approximately 85 per cent.

Non-Qualifying Investments

The Non-Qualifying Investments must be permitted by the VCT Rules and may include equities and exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund. Subject to the investment controls below, the allocation to each of these investment classes will vary to reflect the Investment Manager's view of the market environment and the deployment of funds into Qualifying Companies. The market value of the Non-Qualifying Investments (excluding bank deposits) will vary between nil and 50 per cent. of the net assets of the Company. The value of funds held in bank deposits will vary between nil and 30 per cent. of the net assets of the Company.

Investment controls

The Company may make co-investments in investee companies alongside other funds, including other funds managed by the Investment Manager.

Other than bank deposits, no individual investment shall exceed 10 per cent. of the Company's net assets at the time of investment.

Borrowings

The Articles permit the Company to borrow up to 15 per cent. of its adjusted share capital and reserves (as defined in the Articles). However, it is not anticipated that the Company will have any borrowings in place and the Directors do not intend to utilise this authority.

To the extent that any future changes to the Company's investment policy are considered to be material, Shareholder consent to such changes will be sought. Such consent applies to the formal investment policy described above and not the investment process set out below.

Investment process and strategy

The Investment Manager follows a stock specific investment approach based on fundamental analysis of the investee company.

The Hargreave Hale fund management team has significant reach into the market and meets with large numbers of companies each week. These meetings provide insight into investee companies, their end markets, products and services, or the competition. Investments are monitored closely and the Investment Manager usually meets or engages with their senior leadership team at least twice each year. Where appropriate the Company may co-invest alongside the other funds managed by the Investment Manager.

The key selection criteria used in deciding which investments to make include, inter alia:

- the strength and depth of the management team;
- the business strategy;
- a prudent approach to financial management and forecasting;
- a strong balance sheet;
- profit margins, cash flows and the working capital cycle;
- barriers to entry and the competitive landscape; and
- the balance of risk and reward over the medium and long term.

Qualifying Investments

Investments are made to support the growth and development of a Qualifying Company. The Investment Manager will maintain a diversified portfolio that balances opportunity with risk and liquidity. Qualifying Investments will primarily be made in companies listed on AIM but may also include private companies and

companies listed on the AQSE Growth Market. Seed funding is rarely provided and only when the senior leadership team includes proven business leaders known to the Investment Manager.

Working with advisers, the Investment Manager will screen opportunities, often meeting management teams several times prior to investment to gain a detailed understanding of the company. Investments will be sized to reflect the risk and opportunity over the medium and long term. In many cases, the Investment Manager will provide further funding as the need arises and the investment matures. When investing in private companies, the Investment Manager will shape the investment to meet the investee company's needs whilst balancing the potential for capital appreciation with risk management.

Investments will be held for the long term unless there is a material adverse change, evidence of structural weakness, or poor governance and leadership. Partial realisations will be made where necessary to balance the portfolio or, on occasion, to capitalise on significant mispricing within the stock market.

Non-Qualifying Investments

The Hargreave Hale VCT Team works closely with the wider Hargreave Hale fund management team to deliver the investment strategy when making Non-Qualifying Investments, as permitted by the VCT Rules. The Investment Manager will vary the exposure to the available asset classes to reflect its view of the equity markets, balancing the potential for capital appreciation with risk management, liquidity and income.

The Non-Qualifying Investments will typically include a focused portfolio of direct investments in companies listed on the main market of the London Stock Exchange. The portfolio will mix long term structural growth with more tactical investment to exploit short term mispricing within the market.

The use of the Marlborough Special Situations Fund enables the Company to maintain its exposure to small UK companies whilst the Investment Manager identifies opportunities to invest the proceeds of fundraisings into Qualifying Companies.

The Investment Manager may use certain exchange traded funds listed on the main market of the London Stock Exchange to gain exposure to asset classes not otherwise accessible to the Company.

Environmental, social and governance ("ESG") considerations

The Investment Manager is actively seeking to strengthen its current approach to ESG issues and will integrate a review of ESG issues into its investment decision-making process for investments in Qualifying Companies. The Investment Manager has already begun to implement its review of ESG issues in its due diligence process for

Qualifying Investments in private companies and seeks to identify material issues in the following areas:

- role, structure and operation of the board;
- treatment of employees;
- robustness of accounting and internal controls; and
- environmental and/or social impacts of the business.

The Investment Manager will seek to engage and influence private companies on any areas of improvement identified through due diligence and, for both public and private companies, material ESG issues that arise during the term of the investment.

As a signatory to the UK Stewardship Code 2020, the Investment Manager is developing a stewardship policy and a reporting structure to comply with the requirements of the UK Stewardship Code 2020, which has introduced a requirement to take ESG factors (including climate change) into account in the investment process and ongoing engagement with investee companies.

Risk management

The structure of the Company's investment portfolio and its investment strategy has been developed to mitigate risk where possible.

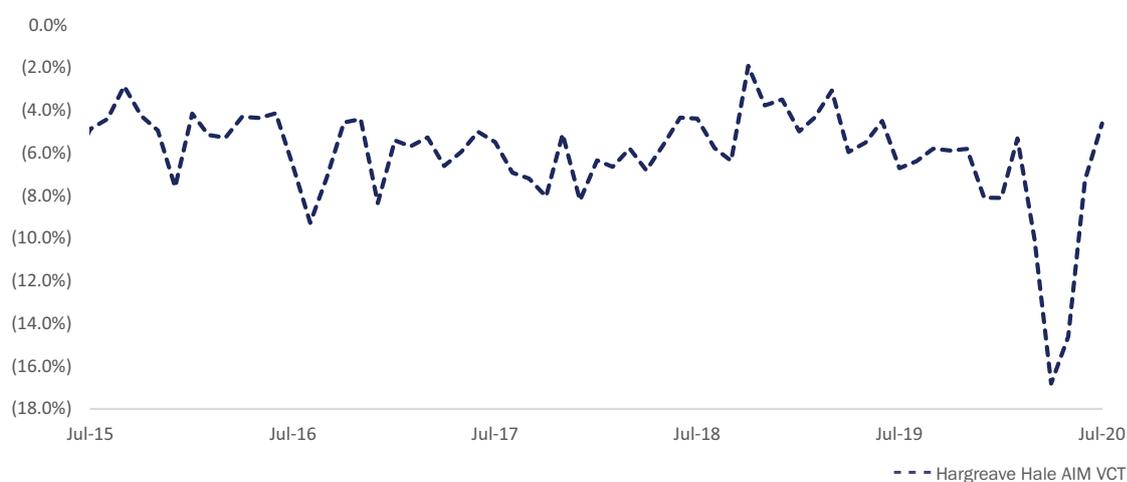
- The Company has a broad portfolio of investments to reduce stock specific risk.
- Flexible allocations to non-qualifying equities, exchange traded funds listed on the main market of the London Stock Exchange, fixed income securities, bank deposits that are readily realisable and the Marlborough Special Situations Fund, allow the Investment Manager to adjust portfolio risk without compromising liquidity.
- Regular meetings with investee companies aid the close monitoring of investments to identify potential risks and allow corrective action where possible. In order to address the additional risks posed by the current COVID-19 pandemic on smaller businesses, the Investment Manager has increased the number and frequency of meetings that it is holding with investee companies.
- Regular board meetings and dialogue with the Directors, along with policies to control conflicts of interests and co-investment with the Marlborough fund mandates, support strong governance.

Discount control policy and management of share liquidity

The Company aims to improve liquidity and to maintain a discount of approximately 5 per cent. to the last published NAV per Share (as measured against the mid-price) by making secondary market purchases of its Shares in accordance with parameters set by the Board.

This policy is non-binding and at the discretion of the Board. Its operation depends on a range of factors including the Company's liquidity, Shareholder permissions, market conditions and compliance with all laws and regulations. These factors may restrict the effective operation of the policy and prevent the Company from achieving its objectives.

Share price discount to NAV



7

Nurturing your investments



Dividends

Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end Net Asset Value.

The Company has a well established track record of paying out tax free dividends to Shareholders. Whether a Shareholder qualifies to receive tax free dividends from the Company or not, will depend on the personal circumstances of each individual Shareholder. If an Investor is uncertain as to their tax position they should consult their accountant or financial adviser.

The Company aims to pay an interim dividend in July each year and a final dividend in February. Special dividends may also be paid by the Company following significant realisations of investments.

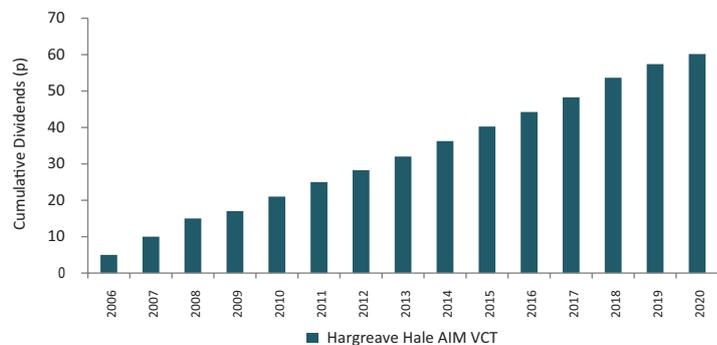
The ability to pay dividends is also dependent on the Company's available reserves and cash resources, the Act, the Listing Rules and the VCT Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

In common with many other VCTs, the Company has revoked its status as an investment company to allow it to pay dividends out of capital profits. VCTs can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Investors (subject to each individual Investor's personal circumstances). The Directors intend that the Company will take advantage of this by distributing some or all of its realised capital profits from time to time. The distribution of realised capital profits will have a negative impact on the Company's NAV per Share.

Dividend history

The tables below show dividend distributions by reference to the Company's accounting period.

Cumulative dividends payments



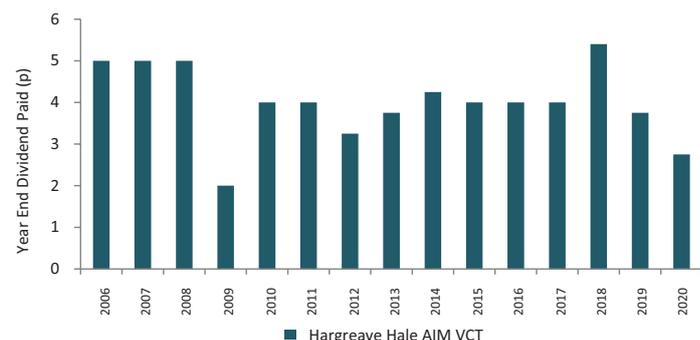
5%
TARGET NAV
YIELD

SEMI-ANNUAL
DIVIDENDS

60.15p⁽¹⁾
LIFETIME
DIVIDENDS

1. Total dividends distributed to Shareholders since launch

Dividend payments by financial year



Dividend Schedule:

Final Dividend: January

Interim Dividend: July

8

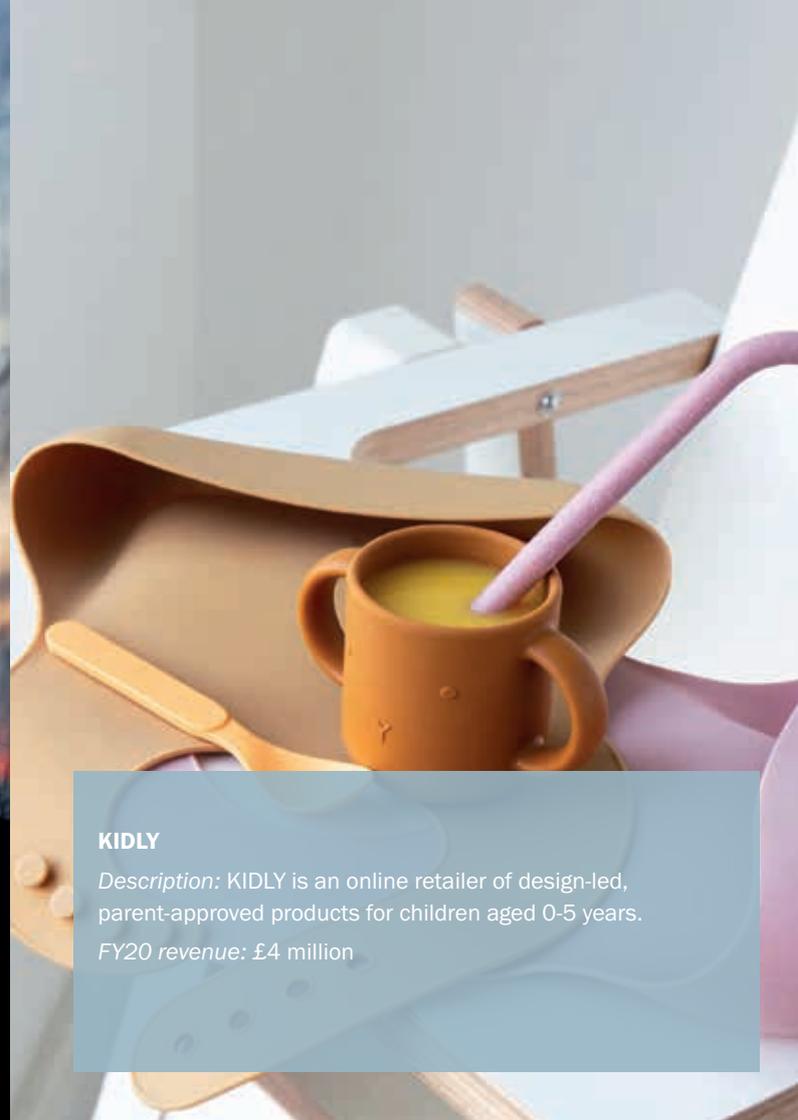


Cohort

Description: Cohort provides a wide range of services and products to customers in defence, security and related markets.

FY20 revenue: £131 million

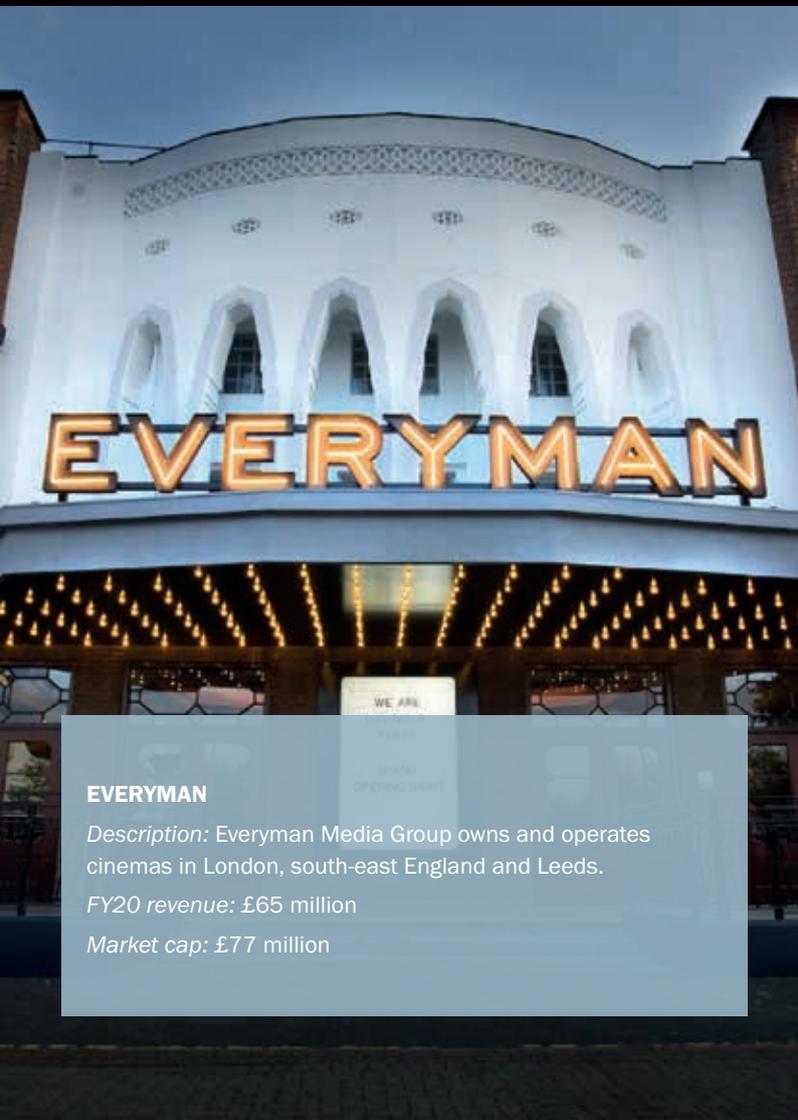
Market cap: £254 million



KIDLY

Description: KIDLY is an online retailer of design-led, parent-approved products for children aged 0-5 years.

FY20 revenue: £4 million



EVERYMAN

Description: Everyman Media Group owns and operates cinemas in London, south-east England and Leeds.

FY20 revenue: £65 million

Market cap: £77 million



Ilika

Description: Ilika specialises in the rapid development of new materials for energy and electronics applications through the use of advanced high throughput techniques.

FY20 revenue: £3 million

Market cap: £93 million

Performance

Shareholder returns

The table below outlines investors returns as at 31 July 2020 for the first allotment made in each offer period. The returns, which assume an initial investment of £10,000, are based on the offer price (inclusive of the 3.5 per cent offer premium) and the mid-price of the Shares as at 31 July 2020. Investors may not realise the mid-price of the Shares on a sale. The returns do not allow for any discounts an investor may have received. The return with tax relief assumes an investor was able to claim the income tax relief in full at the rate of 40 per cent. prior to 5 April 2006 and 30 per cent. thereafter.

Offer period	Issue price (p)	Current Value (£)	Dividends (£)	Total Return (£)	No tax relief	With tax relief ⁽³⁾
2004-05	100.00	6,400	6,015	12,415	24.2%	106.9%
2005-06 ⁽¹⁾	100.00	7,932	6,040	13,971	39.7%	132.9%
2006-07 ⁽²⁾	100.00	9,336	7,436	16,772	67.7%	139.6%
2010-11	67.52	9,478	6,391	15,869	58.7%	126.7%
2011	70.56	9,070	5,548	14,618	46.2%	108.8%
2012-13	63.79	10,033	5,275	15,308	53.1%	118.7%
2013-14	80.36	7,964	3,783	11,747	17.5%	67.8%
2014-15	80.04	7,996	3,298	11,294	12.9%	61.3%
2015-16	78.76	8,126	2,527	10,653	6.5%	52.2%
2016-17	76.82	8,331	2,070	10,401	4.0%	48.6%
2017-18	86.22	7,423	1,380	8,803	-12.0%	25.8%
2018-19	82.37	7,770	1,111	8,881	-11.2%	26.9%

Source: Hargreave Hale Limited

NAV Returns

The table below outlines the NAV total return (excluding income tax relief) as at 31 July 2020 for the first allotment made in each offer period. The returns are based on the unaudited NAV as at 31 July 2020 and are net of all costs and exclude income tax relief. The returns do not assume dividends are re-invested.

Offer period	Opening NAV (p)	Dividends (p)	NAV Total Return (p)	Gain/loss
2004-05	100.00	60.15	127.62	27.6%
2005-06 ⁽¹⁾	100.00	60.40	144.01	44.0%
2006-07 ⁽²⁾	100.00	74.36	172.78	72.8%
2010-11	64.14	43.15	110.62	72.5%
2011	67.03	39.15	106.62	59.1%
2012-13	61.88	33.65	101.12	63.4%
2013-14	77.55	30.40	97.87	26.2%
2014-15	77.24	26.40	93.87	21.5%
2015-16	76.00	19.90	87.37	15.0%
2016-17	74.13	15.90	83.37	12.5%
2017-18	83.20	11.90	79.37	-4.6%
2018-19	79.49	9.15	76.62	-3.6%

Source: Hargreave Hale Limited

5 year rolling NAV total returns	1Y	2Y	3Y	4Y	5Y
Hargreave Hale AIM VCT ⁽⁴⁾	1.66%	-9.78%	2.85%	17.59%	17.58%
FTSE AIM All-Share Total Return	-3.90%	-16.97%	-6.56%	23.43%	25.99%

Source: Hargreave Hale Limited and Bloomberg

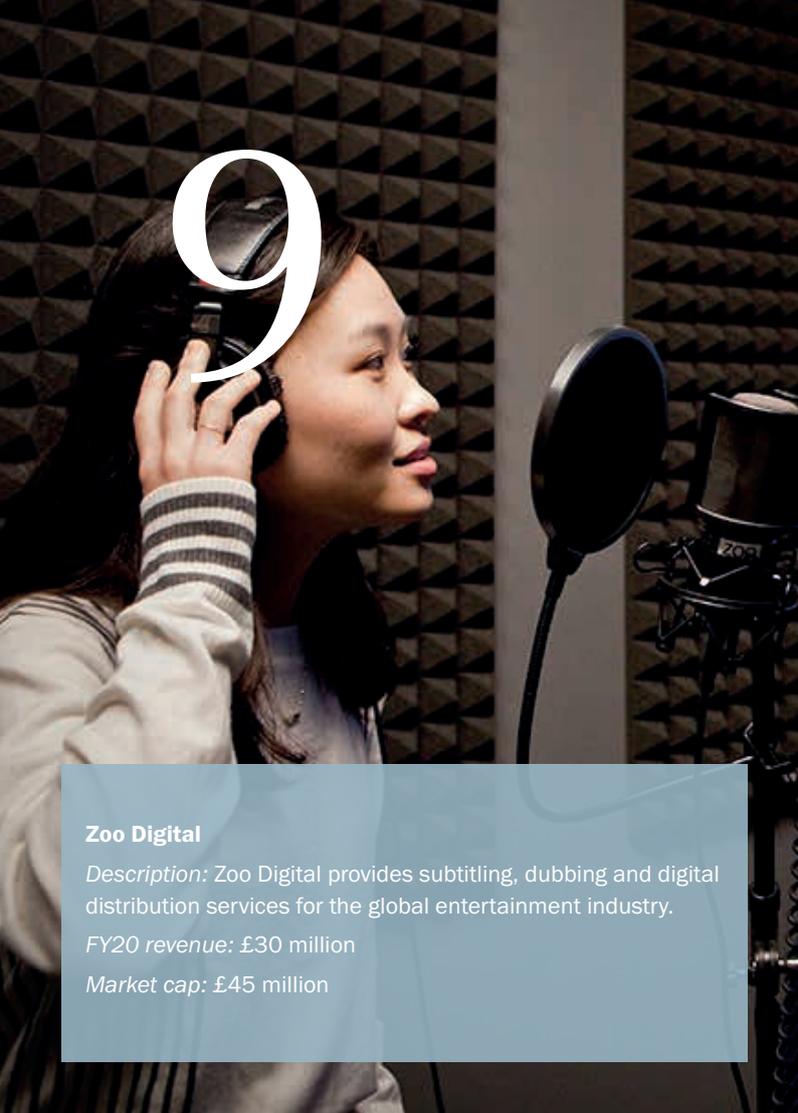
Discrete 12 month NAV total returns	07/2019 to 07/2020	07/2018 to 07/2019	07/2017 to 07/2018	07/2016 to 07/2017	07/2015 to 07/2016
Hargreave Hale AIM VCT ⁽⁴⁾	1.66%	-11.15%	13.45%	14.49%	0.77%
FTSE AIM All-Share Total Return	-3.90%	-13.60%	12.53%	32.10%	2.08%

Source: Hargreave Hale Limited and Bloomberg

The past performance of the Company is not a guide to its future performance.

- (1) The C shares were converted into Ordinary Shares on 8 October 2008 at a ratio of 1.23935 Ordinary Shares for every C share held.
- (2) Ordinary shares in Hargreave Hale AIM VCT 2 were converted into Ordinary Shares in Hargreave Hale AIM VCT 1 on 23 March 2018 at a ratio of 1.458754 Hargreave Hale AIM VCT 1 shares for every Hargreave Hale AIM VCT 2 share held.
- (3) Calculation based on the formula set out in paragraph 13.10 of Part 12 of this document.
- (4) Returns based on unaudited NAV as at 31 July 2020, including dividend distributions but excluding income tax relief.

9



Zoo Digital

Description: Zoo Digital provides subtitling, dubbing and digital distribution services for the global entertainment industry.

FY20 revenue: £30 million

Market cap: £45 million



Gousto

Description: Gousto is a data-driven recipe box company, offering the most meal choice in the market and delivering precise ingredients and easy-to-follow recipe cards direct to doorsteps across the UK.

FY19 revenue: £99 million



Creo

Description: Creo is a medical device company focused on the emerging field of surgical endoscopy.

Market cap: £306 million



My 1st Years

Description: My 1st Years is an e-commerce company supplying personalised baby outfits and gifts.

FY19 revenue: £13 million

Investment portfolio

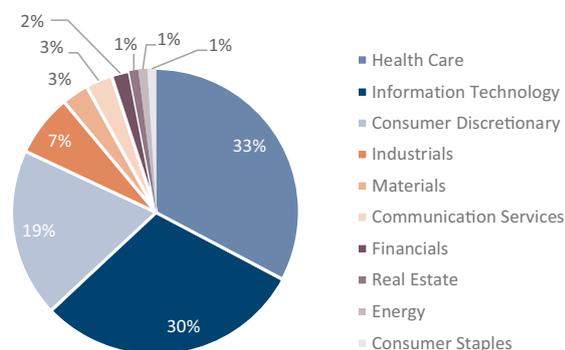
As at 31 July 2020, the unaudited NAV per Share was 67.47 pence.

Set out below are those investments as at the date of this document (the values being as at 31 July 2020) which have an aggregate value of at least 50 per cent. of its net assets (all of which information is unaudited). There has been no material change to the aggregate value of the Company's investment portfolio since 31 July 2020.

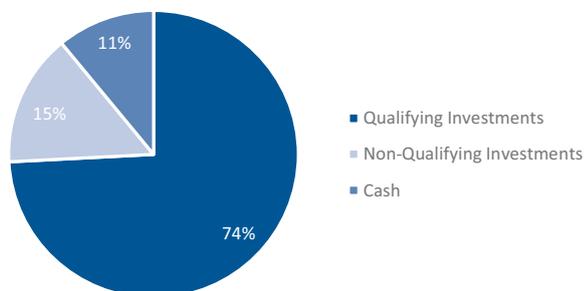
Qualifying Investments	Sector	Cost £000	Valuation £000	% of NAV
SCA Investments Ltd (Gousto) ⁽¹⁾	Consumer Discretionary	2,484	7,446	5.51%
Learning Technologies Group plc	Information Technology	2,238	5,981	4.43%
Ideagen plc	Information Technology	1,992	4,466	3.31%
Creo Medical Group plc	Health Care	2,329	4,416	3.27%
Oxford Genetics Ltd ⁽¹⁾	Health Care	3,186	4,410	3.26%
Diaceutics plc	Health Care	1,550	3,670	2.72%
Infinity Reliance Ltd (My 1st Years) ⁽¹⁾	Consumer Discretionary	2,500	3,188	2.36%
Cohort plc	Industrials	619	2,879	2.13%
PCI-PAL plc	Information Technology	2,355	2,861	2.12%
Zoo Digital Group plc	Information Technology	2,266	2,772	2.05%
Ilika plc	Industrials	1,376	2,507	1.86%
Blackbird plc	Information Technology	700	2,380	1.76%
Surface Transforms plc	Consumer Discretionary	1,480	2,368	1.75%
Maxcyte Inc	Health Care	1,514	2,181	1.61%
Abcam plc	Health Care	55	2,115	1.56%
Kidly Ltd ⁽¹⁾	Consumer Discretionary	1,500	1,932	1.43%
Beeks Financial Cloud Group plc	Information Technology	1,038	1,888	1.40%
Eagle Eye Solutions Group plc	Information Technology	1,642	1,887	1.40%
Polarean Imaging plc	Health Care	1,000	1,833	1.36%
Aquis Exchange plc	Financials	765	1,690	1.25%
Zappar Ltd ⁽¹⁾	Information Technology	1,600	1,600	1.18%
Craneware plc	Health Care	125	1,548	1.14%
Cloudcall Group plc	Communication Services	2,442	1,522	1.13%
Other Qualifying Investments		46,253	32,860	24.32%
Non Qualifying Investments		20,152	20,015	14.82%
Cash at bank		14,895	14,895	11.03%
Prepayments / Accruals			(221)	-0.16%
Net Assets		118,056	135,089	100.00%

(1) Private companies

Qualifying Investments by Sector



Portfolio Breakdown by Asset Class



10

The Investment Manager and the Administrator

The Investment Manager

The integration of Hargreave Hale Limited's private client business and support services into CGWL was completed on 8 April 2019. The fund management business remains within Hargreave Hale Limited, a wholly owned subsidiary of CGWL.

The lead manager at the Investment Manager in relation to the Company is Oliver Bedford, supported by Lucy Bloomfield, Giles Hargreave, Anna Salim and Barbara Walshe.

The VCT management team is also supported by the wider Hargreave Hale fund management team of 16 mainly in the delivery of the Non-Qualifying Investment Strategy through the direct investment of the Company's capital into companies listed on the main market of the London Stock Exchange, as permitted by the VCT rules. The Hargreave Hale fund management team manages approximately £4.1 billion as at 31 July 2020, including approximately £3.0 billion invested in small companies. Along with the scale of the investment in small companies and their track record, the breadth of the team and their reach into the market help attract Qualifying Investment deal flow.



Oliver Bedford BSc MCSI

Oliver Bedford graduated from Durham University with a degree in Chemistry. He served in the British Army for 9 years before joining the Investment Manager in 2004. As well as acting as the lead manager in relation to the Company, Oliver supports other unit trusts as part of the fund management team at the Investment Manager.



Lucy Bloomfield

Lucy Bloomfield joined the Investment Manager in August 2018. Prior to this she spent eight years as an analyst and UK Small & Mid-cap fund manager at BlackRock before her most recent role as a European Small & Mid-cap fund manager with Ennismore Fund Management. Lucy graduated from Durham University in 2007 with a degree in Economics and is a CFA charterholder.



Anna Salim

Anna Salim joined the Investment Manager in April 2018. Her prior experience includes European lower mid-market private equity investments at Revolution Capital Group and equity research at Cormark Securities. Anna graduated from the University of Toronto and holds an MBA from University of Western Ontario. She is a CFA charterholder.



Barbara Walshe

Barbara Walshe joined the Investment Manager as legal counsel in May 2020. She graduated from Oxford University and, following qualification as a solicitor in 2010, worked at Ashurst LLP and Linklaters LLP before her most recent role as chief legal officer at a VCT-backed sustainable recycling company.



Giles Hargreave

Giles Hargreave is head of fund management at the Investment Manager and manager of the Marlborough Special Situations Fund. He also co-manages the Marlborough UK Micro Cap Growth Fund and the Marlborough UK Nano-Cap Growth Fund.

The Board has been notified of Giles Hargreave's intention to step back from his role as Co-manager of the Company's portfolio, with effect from 31 December 2020. Since 1 July 2019, Giles Hargreave has primarily supported the delivery of the Company's Non-Qualifying Investment strategy. Although he will no longer hold a formal portfolio management role, it is the Board's expectation that he will continue to support the Company's fund management team.

Other members of the fund management team at Hargreave Hale include David Walton, Siddarth Chand Lall, Richard Hallett, George Finlay, Guy Feld, Will Searle, Eustace Santa Barbara (all pictured from left to right below), along with Dan Holmström, William Rosier, Phil Hallam, Caroline de La Soujeole and Tom Hutchinson.



The Administrator

Following the integration of Hargreave Hale into the CGWL group of companies, the Company appointed CGWL as its administrator and company secretary in June 2019. CGWL is a subsidiary of Canaccord Genuity Inc., a full service financial services company listed on the Toronto Stock Exchange.

Fees and expenses

The Annual Running Costs of the Company are capped at 3.5 per cent. of the net assets of the Company. The Investment Manager has agreed to indemnify the Company in relation to all costs that exceed this cap, such costs shall exclude any VAT payable on the Annual Running Costs of the Company.

Under the Management Agreement, the Investment Manager receives an annual management fee of 1.7 per cent. of the Net Asset Value of the Company. A maximum of 75 per cent. of the annual management charge will be chargeable against capital reserves, with the remainder being chargeable against revenue. The Company does not pay the Investment Manager a performance fee. As the investment manager to the Company and investment advisor to the Marlborough Special Situations Fund (in which the Company may invest), the Investment Manager adjusts the fee it receives under the Management Agreement to ensure that the Company is not charged twice for its services.

Following analysis of the due diligence and transactional services costs paid by the Company, the Investment Manager has expanded its team to allow due diligence and transactional services on potential investments to be carried out internally. Upon completion of an investment, the Investment Manager is permitted under the Management Agreement to charge private investee companies a fee equal to 1.5 per cent. of the investment amount. This fee is subject to a cap of £40,000 per investment and is payable directly from the investee company to the Investment Manager. The Investment Manager may recover due diligence and transactional services costs directly from private investee companies. It is expected that these changes will generate a reduction in transaction costs paid by the Company.

The Administrator charges the Company an annual aggregate fee of £212,000 (plus VAT) in relation to the provision of administration and company secretarial services. In addition, the Administrator receives a fee of £30,000 per annum in relation to its appointment as the Company's custodian.

11 Directors

Root and branch expertise



The Company has an experienced board consisting of five non-executive directors, four of whom are independent of the Investment Manager. The duties of the Board include:

- overseeing delivery of the investment strategy;
- monitoring compliance with VCT Rules;
- maintaining corporate governance standards; and
- overseeing the production of reports and accounts for Shareholders.

At the annual general meeting of the Company held on 4 February 2020, Sir Aubrey Brocklebank stepped down as Chairman of the Board and the role was taken over by David Brock. Aubrey has taken on the role of chairman of the audit committee, which was previously held by David Brock, until a new Director with the skills necessary to undertake this role has been appointed. Following a transition period, Aubrey intends to retire from the Board fully at the next annual general meeting of the Company, expected to be held in February 2021.



David Brock (Chairman)

An experienced company chairman in both private and public companies and a former main board director of MFI Furniture Group plc, David joined the Board in September 2010. David is chairman of Draper Esprit VCT plc, Episys Group Ltd, Primrose Group Ltd and Honest Brew Ltd and a non-executive director of Puma VCT 12 plc.



Oliver Bedford

Oliver sits on the Board as part of his role as lead manager at the Investment Manager in relation to the Company.



Sir Aubrey Brocklebank

After qualifying as a chartered accountant and following a career in corporate finance and venture capital, Aubrey assumed his first role within the VCT industry in 1997. Since then he has gone on to become one of the most experienced directors within the industry. Aubrey maintains a wide range of business interests and has been a director of six AIM-traded companies. He is chairman of Downing VCT 4 plc and a director of Edge Performance VCT



Ashton Bradbury

Ashton Bradbury was appointed a director on 14 May 2018. He is a non-executive director of Standard Life UK Smaller Companies Trust plc and has previously held roles at Charterhouse Tilney, Hill Samuel Investment Management and HSBC Asset Management Europe. He was until 2014 a fund manager with Old Mutual Global Investors where he established its UK small and mid cap equities team.



Angela Henderson

Angela Henderson was appointed on 29 October 2019. Angela is a non-executive director at Credit Suisse Asset Management Ltd. She was European legal counsel for Citco Fund Services before working in the equities divisions of Deutsche Bank and Barclays from 2000 to 2015. She has invested in and held board seats at small UK companies in the technology and financial services sectors and is a trustee of CW+, a hospital charity. Angela is a graduate (LLB Fr Hons) of the University of Leicester and solicitor of the Supreme Court of England and Wales.

Corporate Governance

The Board is accountable to Shareholders for the governance of the Company's affairs and is committed to maintaining the highest standards of corporate governance. Accordingly, the Board has considered the principles and recommendations of the UK Corporate Governance Code published by the Financial Reporting Council in July 2018 (the "UK Code") and the AIC Code of Corporate Governance published in January 2019 (the "AIC Code") and put in place arrangements which it considers appropriate for the Company to ensure proper corporate governance. Considering these principles applicable to the Company, the Board believes that the Company as at the date of this document complies, save as disclosed below, with the provisions of the UK Code and AIC Code.

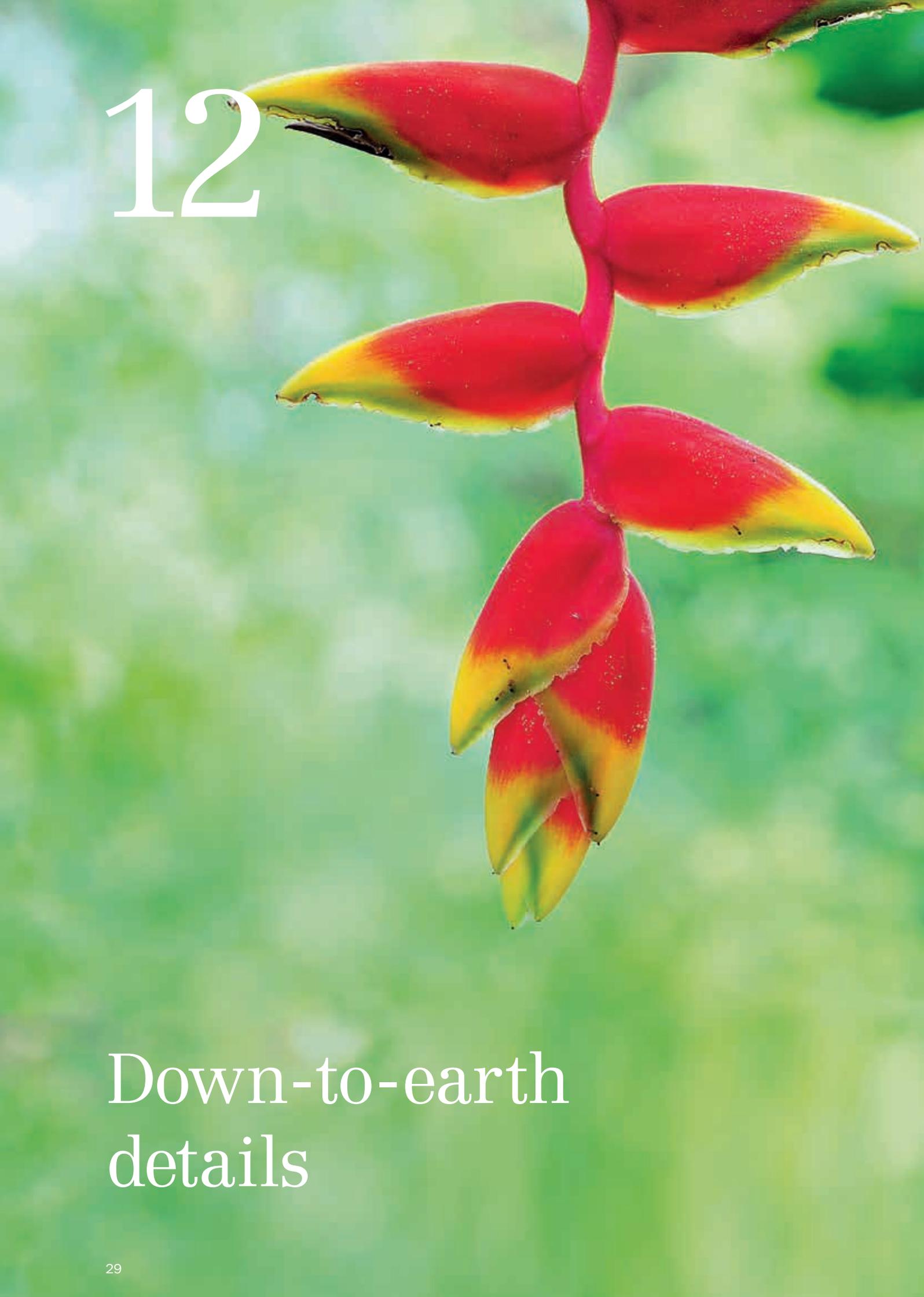
The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' and senior managers' remuneration;
- workforce engagement; and
- the need for an internal audit function.

For the reasons set out in the AIC Code and as explained in the UK Code, the Board considers these provisions are not relevant to the position of the Company, as all of the Company's day-to-day management and administrative functions are outsourced to external service providers. As a result, the Company has no executive directors, employees or internal operations.

Due to the size of the Board it has not set up separate nomination and remuneration committees on the grounds that the Board as a whole considers these matters. As all Directors are non-executives, the Board has not appointed a senior independent non-executive director as the Chairman performs the role.

An audit committee has been established. The audit committee comprises of Sir Aubrey Brocklebank as chairman, Ashton Bradbury and Angela Henderson. Aubrey has taken on the role of chairman of the audit committee, which was previously held by David Brock, until a new Director with the skills necessary to undertake this role has been appointed.

A close-up photograph of a hanging plant, likely a bromeliad, featuring vibrant red and yellow bracts. The bracts are arranged in a vertical, cascading pattern, with each bract showing a gradient from bright red at the top to yellow at the bottom. The background is a soft, out-of-focus green, suggesting a lush, natural environment. The number '12' is overlaid in the top left corner in a white, serif font.

12

Down-to-earth
details

Additional information

1. The Company

Hargreave Hale AIM VCT was incorporated and registered in England and Wales on 16 August 2004 under the Companies Act 1985 with registered number 05206425 as a public company limited by shares. It was incorporated with the name Keydata AIM VCT plc, which was changed to Hargreave Hale AIM VCT 1 plc on 7 October 2009 and Hargreave Hale AIM VCT plc on 6 September 2018. The Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31.

2. Registered office and principal legislation

- 2.1 The registered office of the Company is at 41 Lothbury, London EC2R 7AE. The administration office of the Company is at Talisman House, Boardmans Way, Blackpool, FY4 5FY. The telephone number is 01253 376622.
- 2.2 The principal legislation under which the Company operates and which governs the Shares is the Act.

3. Share capital

- 3.1 The Offer is being made and the Offer Shares are denominated in sterling. The maximum number of Offer Shares that may be issued under the Offer is 57,300,000 Ordinary Shares, being that number to be allotted under the resolutions to be proposed at the General Meeting as set out in paragraph 3.2 below.
- 3.2 The following resolutions will be proposed at the General Meeting, to be convened for 29 September 2020:
 - 3.2.1 THAT, in addition to all existing authorities, the directors of the Company be and hereby are generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot offer Shares and to grant rights to subscribe for, or to convert any security into Ordinary Shares up to an aggregate nominal amount of £573,000 million (being equal to approximately 28.7 per cent. of the Company's issued share capital (excluding treasury shares) as at 28 August 2020, being the latest practicable date prior to the date of the notice of the General Meeting), to such persons and on such terms as the Directors may determine, such authority will expire on 1 September 2021 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting;
 - 3.2.2 THAT, the Directors are generally and unconditionally authorised to offer holders of Ordinary Shares the right to elect to receive, in respect of all or part of their holding of Ordinary Shares, additional Ordinary Shares in the capital of the Company, credited as fully paid, instead of cash in respect of the whole or some part, of any dividends declared or paid from the date of this resolution and the Directors are permitted to do all acts and things required or permitted to be done in Article 149 of the Articles of Association of the Company;
 - 3.2.3 THAT, the investment policy as set out in Part 2 of the circular published by the Company on 2 September 2020 be and is hereby approved;
 - 3.2.4 THAT, in addition to all existing authorities, the directors of the Company be and hereby are generally empowered, pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) pursuant to the directors' general authority to allot Ordinary Shares as set out in paragraph 3.2.1 above, and to sell shares held by the Company in treasury, wholly for cash, as if Section 561(1) of the Act did not apply to any such allotment or sale, provided that this power:
 - (i) shall be limited to the allotment of equity securities and the sale of treasury shares for cash, up to an aggregate nominal amount of £573,000 (representing approximately 28.7 per cent. of the issued share capital of the Company, as at 28 August 2020); and
 - (ii) expires on 1 September 2021 or, if earlier, upon the expiry of the Prospectus unless renewed, varied or revoked by the Company in general meeting, save that the Company may before such expiry make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such an offer or agreement as if the power conferred hereby had not expired.

3.2.5 THAT, the articles of association produced to the General Meeting, and for the purpose of identification initialled by the Chairman, be adopted as the articles of association of the Company.

3.3 At 28 August 2020 (being the latest practical date prior to the publication of this document) the issued fully paid share capital of the Company is:

Issued (fully paid)			
Class of shares	Nominal value	£	Number of shares
Ordinary	£0.01	1,998,321.63	199,832,163

3.4 If the Offer Shares had been issued at an Offer Price of 69.92 pence (being the Offer Price calculated based on the NAV per share as at 31 July 2020), the issued fully paid share capital of the Company immediately after the Offer has closed (assuming the Offer is fully subscribed and the Over-Allotment facility is utilised in full) will be as follows:

Issued (fully paid)			
Class of shares	Nominal value	£	Number of shares
Ordinary	£0.01	2,427,383.41	242,738,341

3.5 The Company does not have in issue any securities not representing share capital.

3.6 The provisions of section 561(1) of the Act (to the extent not disapplied pursuant to section 570(1) of the Act) confer on shareholders certain rights of pre-emption in respect of the allotment of equity securities (as defined in section 570(1) of the Act) which are, or are to be, paid up in cash and will apply to the authorised but unissued share capital of the Company, except to the extent disapplied by the resolution referred to in paragraph 3.2.4. Subject to certain limited exceptions, unless the approval of Shareholders in a general meeting is obtained, the Company must normally offer Shares to be issued for cash to holders on a pro rata basis.

3.7 No Shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

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

3.9 Save as disclosed in paragraph 8 of this Part 12, no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company in the three years immediately preceding the date of this document.

3.10 Other than pursuant to the Offer, none of the Offer Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Offer Shares to be admitted to the Official List.

3.11 The Offer Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Offer Shares will be posted to allottees as soon as practicable following allotment.

3.12 The ISIN and SEDOL Code of the Ordinary Shares are GB00B02WHS05 and B02WHS0, respectively and the Legal Entity Identifier code of the Company is 213800LRYA19A69SIT31.

4. Articles of Association

4.1 The memorandum of association of the Company, which by virtue of Section 28 of the Act is now treated as being part of the Articles of Association of the Company, provides that the Company's principal object is to carry on the business of a VCT.

4.2 At the General Meeting it is intended that the Company will adopt new Articles of Association which will provide for the next continuation resolution to be put to Shareholders at the annual general meeting of the Company in 2027 instead of the annual general meeting to be held in 2025. The existing Articles of Association and the new Articles of Association of the Company contain, *inter alia*, the following provisions.

4.2.1 Voting Rights

Subject to any special terms as to voting on which Shares may be issued, on a show of hands every member present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every member who is present in person or by proxy shall have one vote for every Share of which they are the holder. The Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

4.2.2 Transfer of Shares

The Ordinary Shares are in registered form and are freely transferable. All transfers of Ordinary Shares must be effected by a transfer in any usual form or any other form approved by the Directors. The instrument of transfer of an Ordinary Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share by or on behalf of the transferee. The Directors may refuse to register any instrument of transfer unless: it is in respect of a fully paid share; it is in respect of shares on which the Company does not have a lien; it is in respect of only one class of share; and the transferees do not exceed four in number.

4.2.3 Dividends

The Company may in general meeting declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of an Ordinary Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.

All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

4.2.4 Disclosure of interest in Shares

If any member or other person appearing to be interested in shares of the Company is in default in supplying within 42 days (or 28 days where the shares represent at least 0.25 per cent. of issued share capital) after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in section 793 of the Act, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant shares and additionally in the case of a Shareholder representing at least 0.25 per cent. by nominal value of any class of shares of the Company then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant shares.

4.2.5 Distribution of assets on liquidation

On a winding-up any surplus assets of the Company will be divided amongst the holders of its Shares according to the respective numbers of Shares held by them in the Company and in accordance with the provisions of the Act, subject to the rights of any shares which may be issued with special rights or privileges. Such distributions shall be made in accordance with the class rights set out in paragraph 4.2.7. The Articles of Association provide that the liquidator may, with the sanction of a resolution and any other sanction required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

4.2.6 Changes in share capital

- (a) Without prejudice to any rights attaching to any existing shares, any share may be issued with such rights or restrictions as the Company may by ordinary resolution determine or in the absence of such determination, as the Directors may determine.
- (b) The Company may by ordinary resolution consolidate its share capital into shares of larger amount and cancel, and diminish the amount of its share capital by the nominal value, shares which have not been taken or agreed to be taken by any person and diminish the

amount of its share capital by the amount so cancelled or the amount of the reduction. The Company by special resolution may sub-divide its shares or any of them into shares of smaller amounts.

- (c) Subject to the Act, the Company may by special resolution reduce its share capital, any capital redemption reserve and any share premium account, and may also, subject to the Act (and by resolution of the holders of the shares repurchased where such shares are convertible shares), purchase its own shares.

4.2.7 Variation of rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may (unless otherwise provided by the terms of issue of that class) be varied or abrogated either with the consent in writing of the holders of not less than 75 per cent. of the nominal amount of the issued shares of the class or with the sanction of a special resolution passed at a separate meeting of such holders.

4.2.8 Borrowing powers

Subject to the restrictions set out in this paragraph, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 15 per cent. of the aggregate total amount received from time to time on the subscription of shares of the Company.

5. CREST

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument.

6. Directors' interests

As at 28 August 2020 (being the latest practical date prior to the publication of this document) the interests of the Directors and their immediate families (all of which are beneficial) in the share capital of the Company which (i) are or will be notified to the Company in accordance with the DTR by each Director; or (ii) are interests of a connected person (within the meaning in the DTR) of a Director which are or will be required to be disclosed under DTR 3 and the existence of which is known to or could with reasonable diligence be ascertained by that Director, are or are expected to be as follows:

Director	As at 28 August 2020		After the Offer has closed*	
	Ordinary Shares	Percentage of issued share capital	Number of Ordinary Shares	Percentage of issued share capital
David Brock	42,170	0.02%	42,170	0.02%
Sir Aubrey Brocklebank	4,845	0.00%	4,845	0.00%
Oliver Bedford	42,940	0.02%	42,940	0.02%
Ashton Bradbury	43,223	0.02%	43,223	0.02%
Angela Henderson	-	-	-	-

* Assuming that the Maximum Subscription is achieved in relation to the Offer Shares, taking into account of the Over-allotment Facility and that all the allotments are made on the basis of the NAV per Share as at 31 July 2020.

7. The City Code

7.1 Mandatory takeover bids

The City Code on Takeovers and Mergers (the “Code”) applies to all takeover and merger transactions in relation to the Company, and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover, and that shareholders of the same class are afforded equivalent treatment. The Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the Act. The Takeovers Directive applies, *inter alia*, to takeovers of companies which have their securities admitted to trading on a regulated market in the EU or European Economic Area.

The Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. “Voting rights” for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase their percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with them holding shares carrying more than 50 per cent. of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

7.2 Squeeze out

Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90 per cent. in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90 per cent., of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the Act must, in general, be the same as the consideration available under the takeover offer.

7.3 Sell out

Section 983 of the Act permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in the Company which amount to not less than 90 per cent., in value of all the voting shares in the Company and carry not less than 90 per cent., of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

8. Material Contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company in the two years immediately preceding the date of this document or which are expected to be entered into prior to Admission and which are, or may be, material or which have been entered into at any time by the Company and which contain any provision under which the Company has any obligation or entitlement which is, or may be, material to the Company at the date of this document:

- 8.1 An offer agreement dated 2 September 2020 between the Company and the Administrator (the “Offer Agreement”) under which the Administrator was appointed to administer the Offer on behalf of the Company

and act as receiving agent in relation to the Offer. Under the terms of the Offer Agreement the Administrator will receive a fee of 3.5 per cent. of the gross proceeds of the Offer for providing these services. The Administrator has agreed to discharge commissions payable to Financial Advisers in respect of accepted applications for Offer Shares submitted by them, including any trail commission. The Administrator has also agreed to discharge and/or reimburse all costs and expenses of and incidental to the Offer and the preparation of the Prospectus, including without limitation to the generality of the foregoing, FCA vetting fees in relation to the Prospectus, sponsor and legal fees and expenses of the Company and CGWL, the Company's tax adviser's fees and expenses, costs of printing, postage, advertising, publishing and circulating the Prospectus and marketing the Offer, including any introductory commission and discounts to Investors. However, the Administrator will not be responsible for the payment of listing fees associated with the admission of the Ordinary Shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange. Following the final allotment under the Offer the Company and the Administrator will agree on the aggregate costs of the Offer. If the aggregate fee paid by the Company to the Administrator exceeds the costs of the Offer by more than £25,000 then CGWL will rebate any surplus to the Company, subject to a maximum rebate of £75,000.

- 8.2 An agreement dated 25 June 2019 between the Company and the Investment Manager (the "Management Agreement") under which the Investment Manager agreed to provide discretionary investment management and advisory services to the Company. Under the terms of the Management Agreement, the Investment Manager is entitled to a management fee equal to 1.7 per cent. of the Net Asset Value of the Company as at the last business day immediately preceding the relevant payment date. The management fee is payable quarterly in arrears. The Management Agreement may be terminated by either party on not less than 12 months' notice in writing.
- 8.3 An agreement dated 25 June 2019 between the Company and the Administrator under which the Administrator agreed to provide administration services to the Company. Under the terms of this agreement, the Administrator is entitled to a fee of £195,000 per annum (plus VAT) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 8.4 An agreement dated 25 June 2019 between the Company and the Administrator under which the Administrator agreed to provide company secretarial services to the Company. Under the terms of this agreement, the Administrator is entitled to a fee of £17,000 per annum (plus VAT) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 8.5 An agreement dated 5 April 2019 between the Company and the Administrator under which the Administrator has agreed to provide the Company with custody services in respect of the Company's assets. Under the terms of this agreement, the Administrator is entitled to a fee of £30,000 per annum (inclusive of VAT if applicable) payable quarterly in arrears on 31 December, 31 March, 30 June and 30 September in each year. The fee will be reviewed by the parties on an annual basis. The agreement may be terminated by either party on not less than 3 months' notice in writing.
- 8.6 An offer agreement dated 19 September 2018, between the Company, the Directors, Hargreave Hale and Howard Kennedy pursuant to which Howard Kennedy agreed to act as sponsor to the Company in respect of the previous offer of the Company and Hargreave Hale agreed to use reasonable endeavours to procure subscribers for new Ordinary Shares under the previous offer. Under the agreement Hargreave Hale was paid a commission of 3.5 per cent. of the aggregate value of accepted applications for Ordinary Shares received pursuant to the previous offer. Gross funds of £25,000,000 were received under the previous offer. The 3.5 per cent. premium of £875,000 payable to Hargreave Hale under the terms of the previous offer was reduced by £426,670, being the discount awarded to investors in the form of additional Shares. A further reduction of £150 introductory commission was made resulting in fees payable to Hargreave Hale of £448,180 which were then used to pay other costs associated with the prospectus and marketing. Under this offer agreement, Hargreave Hale, the Company and the Directors gave certain warranties and indemnities to Howard Kennedy. The warranties and indemnities were in usual form for a contract of this type and the warranties were subject to limits of the lesser of (i) £10 million or (ii) the total proceeds of the previous offer for Hargreave Hale and in respect of the Directors one year's director fees for each Director. The Company also agreed to indemnify Howard Kennedy in respect of its role as sponsor.

8.7 In addition to the above material contracts the Company also entered into a letter of appointment with each of the Directors, further details of which are set out in paragraph 8.1 of Part 4 of the Registration Document.

9. Further Information on Investment Manager

Hargreave Hale Limited is regulated and authorised by the Financial Conduct Authority. It was incorporated as a private limited company in England and Wales on 16 January 1996 under number 03146580 and operates under the Act and the regulations made under the Act. Hargreave Hale Limited is domiciled in the UK. Its registered office is 41 Lothbury, London EC2R 7AE. The telephone number is 0207 523 4837.

10. Conflicts of interest

- 10.1 The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company.
- 10.2 The Investment Manager will have regard to its obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise.
- 10.3 Oliver Bedford is an employee of Hargreave Hale Limited, and, therefore, has an interest in the arrangements between the Company and the Investment Manager. Oliver Bedford is also a Director of the Company and as such there may be a potential conflict of interest between his duties owed to the Company and to the Investment Manager in relation to these arrangements. David Brock was appointed as chairman of Honest Brew Ltd, which is an investee company of the Company, on 25 July 2019. David sits on the board of Honest Brew Ltd as the Investment Manager's representative. David is also a shareholder in Honest Brew Ltd, however he does not control the entity.

11. Working capital

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this document.

12. Capitalisation and indebtedness

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 July 2020.

	31 July 2020 (£'000)
Total current debt	
- Guaranteed	-
- Secured	-
- Unguaranteed/unsecured	-
Total non-current debt	
- Guaranteed	-
- Secured	-
- Unguaranteed/unsecured	-
Shareholders' equity	
- Share capital	126,496
- Legal reserves (excl. revenue reserves)	-
- Other reserves	8,593
Total	135,089

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 July 2020.

The following table shows the Company's net indebtedness as at 31 July 2020. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 July 2020.

		£'000
A.	Cash	14,895
B.	Cash equivalent	-
C.	Trading securities	-
D.	Liquidity (A+B+C)	14,895
E.	Current financial receivable	128
F.	Current bank debt	-
G.	Current portion of non-current debt	-
H.	Other current financial debt	349
I.	Current financial debt (F+G+H)	349
J.	Net current financial indebtedness (I-E-D)	-14,674
K.	Non-current bank loans	-
L.	Bonds issued	-
M.	Other non-current loans	-
N.	Non-current financial indebtedness (K+L+M)	-
O.	Net financial indebtedness (J+N)	-14,674

13. General

- 13.1 The estimated costs and expenses relating to the Offer will be 3.5 per cent. of gross funds raised by the Company under the Offer. Assuming full subscription under the Offer (and no utilisation of the Over-allotment Facility), the total net proceeds of the Offer after all fees, are expected to be £19.3 million. The Company will be responsible for paying the London Stock Exchange fees in relation to listing the Offer Shares on the main market. As set out in paragraph 8.1, under certain circumstances the Company will be entitled to a rebate from the Administrator in relation to fees paid under the Offer Agreement. This rebate is capped at £75,000.
- 13.2 Investors will be separately liable for any Adviser Charges that they have agreed with their Financial Intermediary and the Company shall have no responsibility to any Investor or Financial Intermediary in respect of any such Adviser Charge. Any facilitation of the payment of such Adviser Charge by the Company shall be subject to the Terms and Conditions of the Adviser Charge Agreement. To the extent that an Investor wishes the Company to facilitate the payment of any Adviser Charge, such Investor should complete the relevant sections of the Application Form. Any applicable tax relief for Investors will only be available on the actual subscription amount which is applied to subscribe for Offer Shares on behalf of such Investor and will not be available in respect of any Adviser Charge that is paid by or on behalf of an Investor.
- 13.3 The Company consents to the use of this Prospectus by financial intermediaries and accepts responsibility for the information contained in this document in respect of any final placement of Offer Shares by any financial intermediary which was given consent to use this document. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this Prospectus is given commences on 2 September 2020 and closes at 12.00 p.m. on 20 August 2021. There are no conditions attaching to this consent. Financial intermediaries may only use

this document in the United Kingdom. Any financial intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent at this paragraph 13.3. Financial intermediaries must give Investors information on the terms and conditions of the Offer at the time they introduce the Offer to investors. No financial intermediary will act as principal in relation to the Offer.

- 13.4 Dickson Minto W.S. has its principal place of business at 16 Charlotte Square, Edinburgh EH2 4DF. Dickson Minto W.S. is regulated by the FCA and is acting in the capacity as Sponsor to the Company. Dickson Minto W.S. has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 13.5 The statements attributed to the Investment Manager in this document have been included in the form and context in which they appear with the consent and authorisation of the Investment Manager.
- 13.6 The Investment Manager accepts responsibility for those statements, and to the best of the knowledge of the Investment Manager (which has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and contains no omission likely to affect its import.
- 13.7 The Company does not assume responsibility for the withholding of tax at source.
- 13.8 The existing issued Ordinary Shares in the Company will represent 82.3 per cent. of the enlarged share capital of the Company immediately following completion of the Offer, assuming the Offer is fully subscribed at an Offer Price of 69.92 pence per Ordinary Share (being the Offer Price calculated on the basis of the NAV per Share as at 31 July 2020) and the Over-allotment Facility is fully utilised. On that basis, Shareholders who do not receive Offer Shares will, therefore, be diluted by 17.7 per cent.
- 13.9 All third party information in this Securities Note has been identified as such by reference to its source and in each instance has been accurately reproduced and, so far as the Company are aware and able to ascertain from information published by the relevant party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 13.10 In this document, where reference is made to a percentage gain with tax relief the calculation is based on the following formula:

$$\left(\frac{\text{(Total Return - Subscription net of initial income tax relief)}}{\text{(Subscription net of initial income tax relief)}} \right) \times 100$$

14. Forward looking statements

- 14.1 To the extent that this document includes "forward looking statements" concerning the Company, those statements are based on the current expectations of the Board and are naturally subject to uncertainty and changes in circumstances. Forward looking statements include, without limitation, statements typically containing words such as "intends", "expects", "anticipates", "targets", "estimates" and words of similar import.
- 14.2 By their nature, forward looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Given these risks and uncertainties, potential investors should not place undue reliance on forward looking statements as a prediction of actual results.
- 14.3 Nothing in the preceding two paragraphs seeks to limit or qualify, in any way, the working capital statement in paragraph 11 above.
- 14.4 The Company does not undertake any obligation to update publicly or revise forward looking statements, whether as a result of new information, future events or otherwise, except to the extent legally required.
- 14.5 Information in this document will be updated as required by the Prospectus Regulation Rules, Listing Rules, Disclosure Guidance and Transparency Rules and Market Abuse Regulation, as appropriate.

15. Results of the Offer and allotment and listing of Offer Shares

- 15.1 The details of each allotment, including the relevant Offer Price and number of shares issued, will be announced through a Regulatory Information Service on the day of allotment.
- 15.2 Application will be made to the FCA and the London Stock Exchange for the Offer Shares to be admitted to

the premium segment of the Official List of the FCA and to trading on the main market of the London Stock Exchange.

- 15.3 Investors who have access to a CREST account, may arrange to have their Offer Shares allotted directly to their CREST account, or subsequently to convert their holdings to dematerialised form in CREST.

16. Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Company at 41 Lothbury, London EC2R 7AE whilst the Offer remains open:

- 16.1 the Articles of Association of the Company;
- 16.2 the annual accounts for the Company for the period ended 30 September 2019 and the interim accounts for the period ended 31 March 2020;
- 16.3 the consent letter referred to in paragraph 13.3 above; and
- 16.4 the Prospectus.

Dated: 2 September 2020

Definitions

“Act”	Companies Act 2006, as amended
“Administrator” or “CGWL”	Canaccord Genuity Wealth Limited, which is authorised and regulated by the FCA
“Admission”	admission of the Offer Shares to trading on the main market of the London Stock Exchange and to the Official List
“Adviser Charge”	a charge due to a Financial Intermediary from an Investor in relation to the provision of advice and/or related services provided or to be provided by the Financial Intermediary to such Investor in connection with an investment in a Company which is agreed between the Financial Intermediary and the Investor in accordance with Applicable Laws
“AIM”	the Alternative Investment Market operated by the London Stock Exchange
“Annual Running Costs”	the running costs of the Company and includes the management fees payable to the Investment Manager, accounting and administration fees, as well as fees for directors, auditors, taxation advisers, sponsor, registrar, and the costs of communicating with shareholders; however, such costs shall exclude any VAT payable thereon (the payment of which is the responsibility of the Company)
“Application Form”	the form of application for Offer Shares under the Offer set out at the end of this document
“Applicable Laws”	any law, regulatory requirement or other industry requirement which applies to the Financial Intermediary
“AQSE Growth Market”	the Growth Market of the Aquis Stock Exchange, a recognised investment exchange for growth companies operated by Aquis Exchange PLC
“Articles of Association” or “Articles”	the articles of association of the Company in force from time to time
“Circular”	the circular to Shareholders issued by the Company on or around the date of this Prospectus convening the General Meeting to approve various proposals in connection with the Offer
“Company”	Hargreave Hale AIM VCT plc
“CREST”	the relevant system (as defined in the Regulations) operated by Euroclear
“Directors” or “Board”	the directors of the Company
“Disclosure and Transparency Rules” or “DTR”	the Disclosure Guidance and Transparency Rules published by the FCA from time to time
“Eligible Shares”	shares in Qualifying Companies which do not carry preferential rights to dividends and/or assets on a winding-up or redemption
“Existing Shareholders”	holders of Shares as at the date of this document
“FCA”	the Financial Conduct Authority in the United Kingdom and/or any successor or replacement body or bodies from time to time
“Financial Intermediary” or “Financial Adviser”	in relation to an Investor, his financial intermediary as identified at section 14 of the Application Form
“FSMA”	the Financial Services and Markets Act 2000, as amended
“General Meeting”	the general meeting of the Company to be held on 29 September 2020 (or any adjournment thereof) convened by a notice contained in the Circular
“HMRC”	HM Revenue & Customs
“Investment Manager” or “Hargreave Hale”	Hargreave Hale Limited, which is authorised and regulated by the FCA

“Investor(s)”	subscriber for Offer Shares under the Offer
“ITA”	Income Tax Act 2007, as amended
“Knowledge Intensive Companies”	a company satisfying the conditions in Section 331(A) of Part 6 ITA
“Listing Rules”	the listing rules prescribed by the FCA
“London Stock Exchange”	London Stock Exchange plc
“Management Agreement”	the agreement dated 25 June 2019 (as amended) between the Company and the Investment Manager governing the management of the Company’s investments
“MAR” or “Market Abuse Regulation”	Market Abuse Regulation (596/2014/EU)
“Marlborough Special Situations Fund”	the Marlborough Special Situations Fund launched on 12 July 1995 being an authorised collective investment scheme as defined in FSMA
“Maximum Subscription”	the receipt of the maximum subscription monies under the Offer, being an aggregate amount of £30,000,000
“Money Laundering Regulations”	the Money Laundering Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (as amended)
“NAV per Share”	the NAV divided by the appropriate number of Ordinary Shares in issue
“Net Asset Value” or “NAV”	the value of the Company’s assets less its liabilities
“Non-Qualifying Investment”	investments made by the Company which are not Qualifying Investments and are permitted under the VCT Rules
“Offer”	the offer for subscription for Offer Shares described in this document
“Offer Agreement”	the offer agreement detailed in paragraph 8.1 of Part 12 of this document
“Offer Price”	the relevant offer price for the Offer Shares in the Company as determined by the Pricing Formula
“Offer Shares”	new Ordinary Shares in the Company to be issued pursuant to the Offer
“Official List”	the Official List of the FCA
“Ongoing Charges Ratio”	the ongoing costs of managing and operating the Company divided by its average net assets. Calculated in accordance with AIC guidance, this figure excludes non-recurring costs
“Ordinary Share(s)” or “Share(s)”	ordinary share(s) of 1 penny each in the capital of the Company
“Over-allotment Facility”	the ability of the Directors of the Company (at their discretion) if the Offer is oversubscribed to increase the number of Offer Shares available for subscription under the Offer to raise further amounts under the Offer of up to £10 million
“Pricing Formula”	the last Net Asset Value of an existing Ordinary Share (with an appropriate adjustment for any dividends declared and not yet paid if the allotment occurs whilst the shares are classified as ex-dividend) as published by the Company prior to the date of allotment divided by 0.965 to allow for issue costs of 3.5 per cent. calculated, in pence, to two decimal places
“Prospectus”	this document, the Registration Document and the Summary
“Prospectus Regulation Rules”	the prospectus regulation rules made by the FCA under Part VI of FSMA, as amended from time to time

“Qualifying Investment” or “Qualifying Company” or “Qualifying Holding”	an investment made by a Venture Capital Trust in a trading company which comprises a qualifying holding under Chapter 4 of Part 6 ITA
“Qualifying Trade”	a trade complying with the requirements of section 300 ITA
“Registrar”	Equiniti Limited
“Registration Document”	the registration document published by the Company on 2 September 2020
“Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755)
“Regulatory Information Service”	a regulatory information service that is on the list of regulatory information services maintained by the FCA
“Restricted Jurisdiction”	any jurisdiction where local law or regulations may result in a risk of civil, regulatory or criminal exposure or prosecution if information or documentation concerning the Offer (including this document) is sent or made available to a person in that jurisdiction
“Risk Finance Guidelines”	the guidelines on State Aid to promote risk finance investment published by the European Commission
“Shareholder”	a holder of Shares
“Shareholder Information”	information regarding an Investor and/or Shareholder’s shareholding and includes number of Shares held, subscription value, offer price, allotment date(s), current value and dividend history
“Sponsor”	Dickson Minto W.S., which is authorised and regulated by the FCA
“State Aid”	State Aid received by a company as defined in Section 280B (4) of ITA
“Subscription”	the amount in pounds sterling that the Investor has subscribed for in Offer Shares
“Summary”	the summary document published by the Company on 2 September 2020
“Terms and Conditions of the Adviser Charge Agreement”	the terms and conditions of the adviser charge agreement in relation to the facilitation by a Company of the payment of an Adviser Charge to the Financial Intermediary on behalf of an Investor set out on pages 51 and 52 of this document
“Total Return”	in respect of an Ordinary Share the sum of (i) the most recent published Net Asset Value of that Share plus (ii) all dividends paid
“US Investment Company Act”	the United States Investment Company Act of 1940, as amended
“US Securities Act”	the United States Securities Act of 1933, as amended
“VCT” or “Venture Capital Trust”	venture capital trust as defined in section 259 ITA
“VCT Rules”	all rules and regulations that apply to VCTs from time to time, including the ITA

Terms and conditions of the Offer

- (a) The contract created by the acceptance of applications under the Offer will be conditional upon the Offer Agreement referred to in paragraph 8.1 of the Additional Information section becoming unconditional and not being terminated in relation to the Company in accordance with its terms.
- (b) The Offer is conditional on the passing of all resolutions put to Shareholders at the General Meeting. In the event that the Offer does not proceed due to relevant conditions not being satisfied, any application monies received in respect of the Offer will be returned, at the risk of the person entitled thereto.
- (c) The right is reserved by the Company to present all cheques and bankers' drafts for payment on receipt and to retain surplus application monies pending clearance of successful applicants' cheques. The Company also reserves the right to reject, in whole or in part, any application. Multiple applications are permitted. If any application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned. The Directors reserve the right to withdraw the Offer at any time prior to satisfaction of the applicable conditions set out in paragraphs (a) and (b) above. Monies which are not sufficient to buy one Offer Share under the Offer will not be returned to applicants but will be retained by the Company and fractions of Offer Shares will not be issued. CGWL are acting as receiving agent in relation to the Offer.
- (d) By completing and delivering an Application Form you:
 - (i) offer to subscribe for Offer Shares at the relevant Offer Price representing the amount in pounds sterling specified in section 6 of your Application Form (or such lesser number for which your application is accepted) on the terms of and subject to the conditions of the Prospectus (including these Terms and Conditions of the Offer and the Terms and Conditions of the Adviser Charge Agreement, if applicable) and the Articles of Association of the Company;
 - (ii) agree that, in consideration of the Company agreeing that they will not issue or allot any Ordinary Shares which are subject to the Offer to any person other than by means of the procedures referred to in this document, your application shall not be revoked until after 20 August 2021 and this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, CGWL of your Application Form;
 - (iii) warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a share certificate, or have Offer Shares allotted to your CREST account (as the case may be), in respect of the Offer Shares applied for unless and until you make payment in cleared funds for such Offer Shares and such payment is accepted by the Company in their absolute discretion (which acceptance may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company, it may (without prejudice to other rights) avoid the agreement to allot such Offer Shares and may allot such Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such Offer Shares;
 - (iv) agree that if, following the issue of all or any Offer Shares applied for pursuant to the Offer your remittance is not honoured on first presentation, the Offer Shares may, forthwith upon payment by CGWL of the Offer Price of the Offer Shares to the Company, be transferred to CGWL at the relevant Offer Price per Offer Share and any director of CGWL is hereby irrevocably appointed and instructed to complete and execute all or any form(s) of transfer and/or any other documents in relation to the transfer of the Offer Shares to CGWL or such other person as CGWL may direct and to do all such other acts and things as may be necessary or expedient, for the purpose of or in connection with, transferring title to the Offer Shares to CGWL or such other person, in which case you will not be entitled to any payment in respect of such Offer Shares;
 - (v) agree that, in respect of those Offer Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Company either (i) by notification to the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to CGWL;
 - (vi) agree that any monies returnable to you may be retained by CGWL pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and that such monies will not bear interest;

- (vii) subject as provided in paragraphs (iii) and (iv), authorise CGWL to send a share certificate, or have shares allotted to your CREST account (as the case may be) in respect of the number of Ordinary Shares for which your application is accepted and/or to return electronic payments or send a crossed cheque, by post, at the risk of the person entitled thereto, to the address of the person named as the applicant in the Application Form;
 - (viii) warrant that if you sign the Application Form on behalf of somebody else you have due authority to do so on behalf of that other person and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
 - (ix) agree that all applications, acceptances of applications and contracts resulting there from under the Offer shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - (x) confirm that in making such application you are not relying on any information or representation in relation to the Company other than the information contained in the Prospectus and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such other information or representation;
 - (xi) authorise CGWL, or any persons authorised by it, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by you into your name or into the name of any person in whose favour the entitlement to any such Ordinary Shares has been transferred and authorise any representative of CGWL to execute any document required therefor;
 - (xii) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company contained herein;
 - (xiii) confirm and warrant that you have read and complied with paragraph (e) below;
 - (xiv) confirm that you have read the restrictions contained in paragraph (f) below and warrant as provided therein;
 - (xv) agree to CGWL carrying out the necessary enquiries to verify your identity (including an electronic identity check) to ensure compliance with the Money Laundering Regulations;
 - (xvi) confirm that you are not engaged in money laundering, drug crimes, terrorist financing or terrorism;
 - (xvii) warrant that you are not under the age of 18; and
 - (xviii) agree that all documents and cheques sent by post to, by or on behalf of the Company or CGWL, will be sent at the risk of the person(s) entitled thereto.
- (e) No person receiving a copy of this document or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to them, nor should they in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to them or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy themselves as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- (f) The Ordinary Shares have not been and will not be registered under the US Securities Act (as amended) and, subject to certain exceptions, the Ordinary Shares may not be offered, sold, renounced, transferred or delivered, directly or indirectly, in the United States or to any person in the United States. Persons subscribing for Ordinary Shares shall be deemed, and (unless the Company are satisfied that their respective Ordinary Shares can be allotted without breach of United States securities laws) shall be required, to represent and warrant to the Company that they are not a US Person, being a person in the United States ("US Person") and that they are not subscribing for such Ordinary Shares for the account of any such person and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Ordinary Shares in the United States or to any such person. As used herein, "United

States" means the United States of America (including each of the States and the District of Columbia), its territories or possessions or other areas subject to its jurisdiction. In addition, the Company have not been and will not be registered under the US Investment Company Act, as amended. The Investment Manager is not registered under the United States Investment Advisers Act of 1940, as amended.

- (g) Investors will be separately liable for any Adviser Charges that they have agreed with their Financial Intermediary and the Company shall have no responsibility to any Investor or Financial Intermediary in respect of any such Adviser Charge. Any facilitation of the payment of such Adviser Charge by the Company shall be subject to the Application Form and in particular to the Terms and Conditions of the Adviser Charge Agreement. To the extent that an Investor wishes the Company to facilitate the payment of any Adviser Charge, such Investor should complete the relevant sections of the Application Form, in which case the Terms and Conditions of the Adviser Charge Agreement shall apply.
- (h) If no advice has been provided by an authorised Financial Intermediary to an Investor in respect of their application for Offer Shares, CGWL is offering to pay introductory commission to the Financial Intermediary at the rate of 1 per cent. on the value of successful applications submitted through them or introductory commission of 0.5 per cent. plus trail commission of 0.375 per cent. of the amount subscribed by an investor per annum (limited to five years). The introductory commission may be waived by joint agreement between CGWL and the Financial Intermediary and reinvested by them on behalf of their clients through additional Offer Shares (the waiver may be in part or in whole). If the Financial Intermediary agrees to waive and reinvest introductory commission on behalf of their client the Investor will be issued additional Offer Shares, at the relevant Offer Price, which in aggregate represent the amount of introductory commission waived by the Financial Intermediary. No further fees or commission will be paid in respect of such additional Offer Shares.
- (i) The Company (after consultation with CGWL) may change their arrangements in respect of CGWL and the availability and terms of commission payable through an announcement to the London Stock Exchange through a Regulatory Information Service authorised by the FCA applicable to applications received on or after a specified date. The Company may also provide or publish one or more amended Application Forms pursuant to which applications under the Offer will be accepted.
- (j) Where commission is payable, CGWL will collate the Application Forms bearing the financial intermediaries' stamps and full address details and calculate and pay the introductory commission payable, and also calculate the trail commission payable by CGWL.
- (k) If the Company are required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company' register of members will be given two business days to withdraw from their application. In the event that notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.
- (l) In the event that applications are received for an amount in excess of the Maximum Subscription, the Directors reserve the right to exercise their discretion in the allocation of successful applications although the allocation will usually be on a first come first served basis. The right is also reserved to reject in whole or in part any application or any part thereof and to treat as valid any application not in all respects completed in accordance with the instructions relating to the Application Form.
- (m) Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

Lodging of application forms and dealing arrangements

The Offer will open on 2 September 2020 subject to the conditions set out above. The first allotment under the Offer is expected to be on or around 9 October 2020. Thereafter, the Directors reserve the right to allot Offer Shares at any time whilst the Offer remains open.

The closing date for the Offer in respect of the 2020/21 tax year will be at 12.00 p.m. on 1 April 2021. If the Offer is not fully subscribed at that time, the Directors reserve the right to allow the Offer to remain open for at least part of the 2021/22 tax year, but not beyond 12.00 p.m. on 20 August 2021.

The results of the Offer will be announced through a Regulatory Information Service. Dealings in Offer Shares are expected to commence within 10 business days of the relevant allotments.

Completed Application Forms must be posted or delivered by hand to Canaccord Genuity Wealth Limited, c/o Talisman House, Boardmans Way, Blackpool FY4 5FY. If payment of the Subscription is to be made by cheque or bankers' draft this should be attached to the completed Application Form. Alternatively, payment can be made by an electronic payment.

The minimum subscription per Investor is £5,000 in respect of the Offer. Applications in respect of less than £5,000 will not be accepted. The Offer Price will be calculated by reference to the Pricing Formula (calculated in pence to two decimal places). The Offer Shares to be issued pursuant to the Offer will rank *pari passu* with the existing Ordinary Shares of the Company.

In the case of Investors requesting share certificates, it is intended that definitive share certificates will be despatched within 15 business days of allotment. Prior to despatch of definitive share certificates, transfers will be certified against the register. No temporary documents of title will be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all.

Investors who wish to take advantage of the ability to trade in Offer Shares in uncertificated form, and who have access to a CREST account, may arrange to have their shares allotted directly to their CREST account, or subsequently to convert their holdings into dematerialised form in CREST. Share certificates may be registered directly to an Investor's nominee company and deposited to CREST, however, applications must be made in the name of the Investor, rather than that of the nominee company. Investors should be aware that Offer Shares delivered in certificated form are likely to incur higher dealing costs when sold than those in respect of Offer Shares held in CREST. The Company's share register will be kept by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Share issues made close to the end of the tax year may need to be in certificated form to allow the investment to be made within the required tax year.

Money laundering notice

In order to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019, CGWL will conduct an electronic identity check on all Investors, regardless of the size of the consideration or payment method.

In addition, the Company reserves the right to request that an Investor provides any documentary evidence required for the Company to verify the identity of the Investor. The Company may reject the Application of any Investor on the basis of the results of the electronic identity check or if it is not satisfied that the necessary documentation has been provided, where requested, to allow it to verify the identification of the Investor.

Availability of this prospectus

Copies of this document and the Application Form are available until the close of the Offer from the Company's website at www.hargreaveaimvcts.co.uk.

Guide to the Application Form

The following instructions should be read in conjunction with the Application Form, including the Terms and Conditions of the Adviser Charge Agreement (and shall be construed as being terms of the Offer). References in these instructions to sections are references to sections of the Application Form.

Section 1: Personal details

Insert your full name, address, date of birth, country/place of birth, nationality, email address and telephone number in block capitals in section 1. No joint applications are permitted.

Applications may only be made by persons aged 18 or over.

Section 2: Tax residency

The UK Government requires the financial services industry to collect and review details of financial accounts and assets held by persons that have tax residency in jurisdictions other than the UK. This information is reported to HMRC for onward transmission under the exchange of information articles contained within the various treaties and conventions the UK is party to.

Investors are required to list all countries in which they are resident for tax purposes in section 2. Investors should include the relevant tax reference number, which is often referred to as a Tax Information Number (TIN).

If you are a US citizen please tick the box on the first page of the Application Form. A US citizen is a person who is (a) born in the United States, (b) naturalised as a US citizen or (c) has a parent who is a US citizen. Further, a person can be deemed a 'tax resident' of the United States by virtue of the 'substantial presence test' or if they hold a 'green card'.

Section 3: Registration details

Any Offer Shares allotted to you will be in a registered form capable of being transferred by means of the CREST system. Investors who wish to take advantage of the ability to trade in Offer Shares in uncertificated form, and who have access to a CREST account, may arrange to have their shares allotted directly to their CREST account, or subsequently to convert their holdings into dematerialised form in CREST. Investors should be aware that Offer Shares delivered in certificated form are likely to incur higher dealing costs when sold than those in respect of Offer Shares held in CREST. The Company's share register will be kept by Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Shares issued close to the end of the tax year may need to be issued in certificated form to allow the investment to be made within the required tax year.

Section 4: Financial advice

Please indicate whether you have received financial advice in connection with your application for Offer Shares. If you have received financial advice please complete this section and ask your Financial Intermediary to complete section 14.

Section 5: Source of wealth

Please provide details of how you acquired the money you plan to subscribe under the Offer. If you select "Earned income", please disclose your occupation where indicated. If you select "Other" please provide as much detail as possible in the box provided. In some cases, you may be required to provide further information and documentary evidence.

Section 6: Application amounts

Insert the sums you are subscribing for in section 6. The minimum subscription per Investor is £5,000 in respect of the Offer. Applications in respect of less than £5,000 in aggregate will not be accepted.

Section 7: Adviser charges

Commission cannot be paid to financial intermediaries in respect of advised sales of retail investment products sold to retail investors in the UK. Therefore if your Financial Intermediary provides you with advice in respect of this application for Offer Shares, neither CGWL nor the Company will pay commission to your Financial Intermediary. Instead, your Financial Intermediary will need to agree an Adviser Charge with you which you will be responsible for paying. The Company can, however, facilitate the payment of an Adviser Charge on your behalf so that you do not have to make a separate payment to your Financial Intermediary. The remuneration will be an Adviser Charge for advice provided to you in relation to the

Company and this charge will be withdrawn from the funds the Company receive from you. This is what is meant by facilitating the payment of this charge from the Company and the facilitation service is subject to the terms and conditions set out in the Terms and Conditions of the Adviser Charge Agreement. You will need to discuss and agree the amount and method of paying any Adviser Charge with your Financial Intermediary.

The Adviser Charge is treated separately to your investment and will not attract any income tax relief. By way of example, you can apply to make an investment of £10,000 (Box A in section 6) and pay an Adviser Charge of £200 (Box B in section 7), which will require a cheque from you for £10,200 (Box C in section 8).

Alternatively, you can submit a cheque for £10,000 (Box C in section 8), of which £9,800 (Box A in section 6) will be invested in new Offer Shares (and therefore attract income tax relief) and £200 (Box B in section 7) will be paid to your Financial Intermediary as an Adviser Charge.

Payments of Adviser Charges on behalf of Investors will be paid by the Company only in respect of the amount stated in Box B in section 7. The Terms and Conditions of the Adviser Charge Agreement will apply. In addition, no payment will be made by the Company unless the relevant application is successful and the Company are in receipt of sufficient cleared funds from Investors in the amount set out in Box C in section 8 (which must comprise an aggregate of the amounts set out in Box A and Box B in sections 6 and 7).

If you require the Company to facilitate the payment of any such Adviser Charge on your behalf please complete the third box in this section 7 and specify the amount (in pounds sterling) of the Adviser Charge that you require the Company to pay on your behalf in Box B in this section 7. By completing the third box in section 7 you are acknowledging and agreeing that the Terms and Conditions of the Adviser Charge Agreement apply and by signing the Application Form you are agreeing to the Terms and Conditions of the Adviser Charge Agreement. You will also need to ask your Financial Intermediary to complete the relevant parts of section 14.

Please note that the Adviser Charge that you are instructing the Company to pay should relate to such advice or services provided to you by your Financial Intermediary in connection with the Offer only. The Company will only accept instructions from you to facilitate the payment of the Adviser Charge by using the Application Form unless it agrees otherwise at its absolute discretion.

The Terms and Conditions of the Adviser Charge Agreement are set out in pages 51 and 52 and are important. You should take time to read them before you sign and complete section 13 of the Application Form. If you are uncertain about any aspect of the Terms and Conditions of the Adviser Charge Agreement or how to complete the Application Form, you should discuss this with your Financial Intermediary or any other professional adviser acting on your behalf.

Section 8: Final consideration

The total amount payable by you will be the aggregate of the amounts set out in Box A in section 6 and (if applicable) the amounts set out in Box B in section 7. Please complete this total amount in pounds sterling in Box C in section 8. Payment by you must be in respect of this amount.

Section 9: Payment options

The Company reserves the right to decline to allot Offer Shares if an Investor's funds have not cleared by the date of allotment or if the funds cannot be matched to the details provided in the Application Form. Please therefore ensure that your completed Application Form and funds are submitted well in advance of the intended allotment date. This is particularly important if you wish to be issued Offer Shares in the final allotment prior to the tax year end.

Please note the transmission and clearance times for the following methods of payment:

- Cheques – seven business days after being banked by the Administrator;
- BACS – three business days;
- Faster Payments – usually same day, but please be aware that this may take up to two business days; and
- CHAPS – same day (depending on the cut-off time of your bank).

Investors may choose from the following methods of payment.

1. Personal Cheques, Building Society Cheques or Bankers' Draft(s)

Payment by personal cheque, building society cheque or banker's draft must be made in sterling and drawn on a branch of a bank or building society in the UK which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by members of either of these companies. Cheques must be drawn on the personal account of the individual Investor.

Building society cheques and bankers' drafts will only be accepted where embossed or stamped with the name of the account holder and drawn from the account of the individual Investor.

Third party cheques are not accepted.

Cheques and bankers' drafts should be pinned to the completed Application Form.

2. Electronic payment

Electronic payments will only be accepted from a UK bank or building society which is either a member of the Cheque and Credit Clearing Company limited or the CHAPS Clearing Company Limited.

The Investor's surname should be quoted as the reference for the payment. Investors must provide details of the account in order to allow CGWL to reconcile the electronic payment to your Application Form.

Electronic payments will only be accepted from the personal account of the individual Investor and where the details of the bank transfer match the details provided in the Application Form. Payments from third party accounts will not be accepted.

In order to comply with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019, CGWL will conduct an electronic identity check on all Investors, regardless of the size of the consideration or payment method.

In addition, the Company reserves the right to request that an Investor provides any documentary evidence required for the Company to verify the identity of the Investor. The Company may reject the Application of any Investor on the basis of the results of the electronic identity check or if it is not satisfied that the necessary documentation has been provided, where requested, to allow it to verify the identification of the Investor.

Section 10: Dividend payments

If you would like all future dividends to be paid directly into your bank or building society account, please complete the mandate instruction form in section 10.

Investors can select to enter the DRIS and receive all or part of their dividends from the Company in the form of new Ordinary Shares. Investors who select this option should complete the DRIS mandate form.

Section 11: Shareholder communication

Please complete this section to indicate how you would like the initial correspondence to be issued and whether you would like to receive Hargreave Hale AIM VCT related marketing communications, interim management statements and monthly factsheets by email.

If you would like to opt in to electronic communications in respect of your shareholding in the Company please tick the relevant box in this section.

Section 12: Authority in relation to providing shareholding information to financial intermediaries

CGWL requires your permission to share your personal information with your Financial Adviser. By ticking the relevant box(es), you can positively identify to CGWL which information they can share with your Financial Adviser. The information that can be shared will fall into one of two categories: (a) correspondence confirming the receipt of your Application Form; and (b) Shareholder Information (see Definitions) regarding this investment and any prior investments in the Company.

Section 13: Declaration /signature

Please sign and date the Application Form in section 13. The Application Form may be signed by someone else on your behalf, if duly authorised by power of attorney to do so. Any power of attorney pursuant to which the Application Form is signed (or a duly certified copy thereof) must be enclosed for inspection.

Section 14: Authorised financial intermediaries

Financial Intermediaries who wish to receive payment for applications from the Company in accordance with this section should complete section 14A and stamp it, giving their full name and address, telephone number and FCA number. Financial Intermediaries will also need to arrange for signature by an authorised signatory at section 14F to confirm that (i) the information provided by the Financial Intermediary is correct (ii) it acknowledges and agrees to the Terms and Conditions of the Adviser Charge Agreement (to the extent applicable) and (iii) if applicable, it agrees to the rebate of commission as indicated by it at section 14D of the Application Form.

The right is reserved to withhold payment to any Financial Intermediary if CGWL is not, in its sole discretion, satisfied that the agent is so authorised.

Intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for payment. Claims for payment must be made and substantiated on submission of an Application Form.

Commission

If no advice has been provided by a Financial Intermediary to an Investor in respect of their application for Offer Shares, then authorised Financial Intermediaries should tick the first box in section 14B.

If no advice has been provided, CGWL is offering to pay introductory commission to authorised Financial Intermediaries at the rate of 1 per cent. on the value of successful applications submitted through them or introductory commission of 0.5 per cent. plus trail commission of 0.375 per cent. of the amount subscribed by an investor per annum (limited to five years). Introductory commission will only be paid in respect of successful applications and only on the amounts set out in Box A in section 6.

Financial Intermediaries should select the relevant box in section 14C to choose whether they receive only introductory commission or introductory commission and trail commission.

The introductory commission may be rebated by Financial Intermediaries and reinvested by them on behalf of their clients through additional Offer Shares (the rebate in each case may be in part or in whole in 25 per cent. increments).

If Financial Intermediaries choose to rebate introductory commission in the form of additional shares for the Investor they should complete section 14D and specify the percentage amount of introductory commission that they require to be rebated.

Section 14F should be signed and dated by an authorised representative of the Financial Intermediary.

Delivery of application form

Send the completed Application Form together with your cheque or bankers' draft by post, or deliver it by hand (during normal business hours only), to Canaccord Genuity Wealth Limited, c/o Talisman House, Boardmans Way, Blackpool FY4 5FY so as to be received no later than 12.00 p.m. on 1 April 2021 for investment in the 2020/21 tax year and no later than 12.00 p.m. on 20 August 2021 for investment in the 2021/22 tax year (unless the Offer is closed prior to that date).

If you post your Application Form you are recommended to use first class post and to allow at least two business days for delivery.

If you have any queries on the procedure for application and payment, you should contact CGWL (telephone 01253 376 622) or your normal Financial Adviser.

For the avoidance of doubt, references to "you" in these Terms and Conditions of the Adviser Charge Agreement shall be construed as references to the Investor.

Terms and conditions of the adviser charge agreement

1. Payment of the adviser charges

- 1.1 The Company will pay to your Financial Intermediary the Adviser Charge you have instructed it to pay following the allotment of your Shares.
- 1.2 The Adviser Charge is strictly a matter between you and your Financial Intermediary. Before instructing the Company to pay an Adviser Charge on your behalf, you should first agree the following with your Financial Intermediary:
 - 1.2.1 you have received financial advice in relation to your application for Offer Shares;
 - 1.2.2 the level of the Adviser Charge; and
 - 1.2.3 that your Financial Intermediary will accept payment through the Adviser Charge Agreement.
- 1.3 The Company will only pay an Adviser Charge to your Financial Intermediary in respect of Offer Shares subscribed by you in the Company.
- 1.4 When the Company pay the Adviser Charge to your Financial Intermediary, this is a payment that is made at your direction and on your behalf. The Adviser Charge is not a payment for any services provided by your Financial Intermediary to CGWL or the Company.
- 1.5 The Adviser Charge is in addition to the Subscription amount specified in respect of your Offer Shares.
- 1.6 The Adviser Charge is in addition to and separate from the Subscription.
- 1.7 The Company will act only in accordance with your instruction in respect of the payment of Adviser Charge, except where the Company expressly indicates otherwise in these Terms and Conditions of the Adviser Charge Agreement.
- 1.8 The Company will act on the instructions of your Financial Intermediary only where your Financial Intermediary is asking the Company to reduce or stop paying the Adviser Charge. The Company will not extend or increase the Adviser Charge without your instruction.
- 1.9 If after reasonable efforts, the Company or its agents have been unable to pay the Adviser Charge to your Financial Intermediary, the Company will not pay the Adviser Charge and CGWL will notify you of this action.
- 1.10 The Company will not pay interest to you or your Financial Intermediary for the non payment or late payment or on a refund of the Adviser Charge. The Company will not pay the Adviser Charge in advance of you receiving a service from your Financial Intermediary.

2. Rights to stop payment of the adviser charge

- 2.1 In exceptional circumstances, the Company (acting through its agent or otherwise) may stop the payment of all or part of the Adviser Charge and the Company or its agent will endeavour to notify you as soon as possible of the action it has taken. These circumstances include the following:
 - 2.1.1 if the Company or its agent reasonably believes that the payment of the Adviser Charge would be in breach of any relevant laws or regulations; or
 - 2.1.2 if the Company or its agent reasonably believes that your Financial Intermediary was not appropriately authorised by the FCA or exempt from authorisation under the FSMA or any replacement regulator at the time of providing you with advice or services in relation to your investment; or
 - 2.1.3 if your Financial Intermediary ceases to trade; or
 - 2.1.4 if the Company or its agent believes your Financial Intermediary may be insolvent; or
 - 2.1.5 if services to facilitate payment of Adviser Charges are terminated.

3. Change of financial intermediary

You should let CGWL know as soon as possible if you change your Financial Intermediary. In such circumstances, the Company will continue to pay any outstanding Adviser Charges to your Financial Intermediary unless you advise

CGWL otherwise. If you wish the Company to pay the Adviser Charge to a new Financial Intermediary, you will need to contact CGWL to obtain a new Application Form. CGWL will only accept one Application Form for each new Financial Intermediary. Any such Application Form will replace any existing adviser charge agreement which you have in place in relation to the Offer and the Company will no longer facilitate the Adviser Charge to your previous Financial Intermediary. On a change of Financial Intermediary, CGWL and/or the Company may provide details of the Adviser Charge paid under the Application Form to your new Financial Intermediary to the extent required to enable your new Financial Intermediary to provide you with advice and services in connection with your Shares and signing the Application Form is your consent to allow it to do so. However, you may still be liable to pay the Adviser Charge to your previous Financial Intermediary under the terms of your agreement or arrangement with them.

4. Information about the charges

CGWL may ask you to check the information that it provides to you and bring any errors or omissions to its attention.

5. Value added tax (VAT)

All instructions from you to pay the Adviser Charge will be treated as including any VAT where it is applicable at the rate prevailing at the time of the payment of the Adviser Charge and taking into account any changes to the rate of VAT howsoever occurring.

6. Third party rights

These Terms and Conditions of the Adviser Charge Agreement do not give any rights to any person other than you, the Company and CGWL. No other person (including any Financial Intermediary) shall have any rights to rely on any of these Terms and Conditions. The Company may amend or cancel these Terms and Conditions without reference to, or the consent of, any other person.

7. Variation

The Company or its agent may change these Terms and Conditions of the Adviser Charge Agreement if it has a valid reason for doing so, by giving you 30 days' notice in writing in advance.

8. Law

These Terms and Conditions of the Adviser Charge Agreement will be governed by and interpreted in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction over any dispute arising from these Terms and Conditions of the Adviser Charge Agreement.

The future unfolds



Application Form

Before completing this Application Form you should read the prospectus issued by the Company dated 2 September 2020 (the “Prospectus”) including the Terms and Conditions of the Offer. Definitions used in the Prospectus apply herein, unless otherwise stated. The Offer opens on 2 September 2020. The closing date for the Offer in respect of the 2020/21 tax year will be at 12.00 p.m. on 1 April 2021. If the Offer is not fully subscribed at that time, the Directors reserve the right to allow the Offer to remain open for at least part of the 2021/22 tax year, but not beyond 12.00 p.m. on 20 August 2021. Please send this Application Form together with your cheque or bankers’ draft, if appropriate, to Canaccord Genuity Wealth Limited, c/o Talisman House, Boardmans Way, Blackpool, FY4 5FY. If your subscription is being made by electronic payment please instruct payment before sending the completed Application Form.

<input type="checkbox"/> I am an existing shareholder	Shareholder reference(s)	
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To reduce the number of duplicate shareholder accounts we respectfully ask that existing shareholders match their personal details to those previously given to the company, which can be found on existing share certificates.

PLEASE COMPLETE IN BLOCK CAPITALS

1. PERSONAL DETAILS	
Title (Mr/Mrs/Miss/Ms/Other):	Surname:
Forename(s) in full:	
Date of Birth (DD-MM-YYYY):	Country/Place of Birth:
Nationality:	
Permanent residential address:	
Postcode:	Email:
Telephone (work):	Telephone (home):

2. TAX RESIDENCY		
Please indicate ALL countries in which you are resident for tax purposes and the relevant Tax Identification Number or functional equivalent (for UK tax residents, this will be your National Insurance Number).		
Country/Countries of Tax Residency	Tax Identification Number (TIN)/ National Insurance Number	No TIN
1:		<input type="checkbox"/>
2:		<input type="checkbox"/>
3:		<input type="checkbox"/>
If you ticked the “No TIN” box, please explain below why you do not have a TIN		

US citizen

I am a US citizen (as defined within the guide to the Application Form).

3. REGISTRATION DETAILS

You may choose to have your shares issued to you in certificated form (share certificates) or electronically (dematerialised) direct to your CREST nominee company:

I would like to receive Share Certificate(s) registered in my name and sent to my permanent residential address set out in section 1 above.

I would like my shares to be issued directly to my CREST nominee company (please complete the box below).

CREST Member Account ID:

CREST Participant ID:

Participant Name:

Participant Address:

Participant Point of Contact:

Participant Contact Telephone:

Participant email address:

4. FINANCIAL ADVICE

Please indicate below whether you have received advice from a financial intermediary in relation to your application for new Ordinary Shares.

I have not received any financial advice.

I have received financial advice (please complete section 7 and ask your Financial Adviser to complete section 14).

5. SOURCE OF WEALTH

Please tell us how you acquired the funds you plan to invest, select all that apply.

Earned income Ownership in a company Inheritance

Gifts Sale of property Investment proceeds Other

If you have selected "Earned income", please state your occupation below.

.....

If you have selected "Other", please provide further details below.

.....

.....

(In some cases, further information and documentary evidence may be required.)

6. APPLICATION AMOUNTS

The minimum Subscription per Investor is £5,000, in aggregate. Applications for less than £5,000, in aggregate will not be accepted.

I hereby offer to subscribe the following amount(s) in pounds sterling for Offer Shares at the relevant Offer Price on the Terms and Conditions of the Offer:

2020/21 tax year	£
2021/22 tax year	£

TOTAL INVESTMENT (BOX A)	£
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7. ADVISER CHARGE

Commission cannot be paid to your Financial Intermediary if you have received advice in relation to your application for Offer Shares. However, the Company can facilitate the payment of an Adviser Charge to your Financial Intermediary on your behalf. The Adviser Charge is treated separately to your investment in the Company and will not attract any tax relief and accordingly any applicable tax relief will only be available on the amount specified in Box A above.

Please indicate below whether you require the VCT to facilitate the payment of an Adviser Charge.

- I will not be paying an Adviser Charge to my Financial Intermediary.
- I have made separate arrangements to pay an Adviser Charge to my Financial Intermediary.
- I require the VCT to facilitate the payment of an Adviser Charge to my Financial Intermediary (please complete Box B) and acknowledge and agree that the Terms and Conditions of the Adviser Charge Agreement shall apply.

ADVISER CHARGE (BOX B)	£
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8. FINAL CONSIDERATION

The final consideration is the combined value of your application amounts (Box A, section 6) and (if applicable) any Adviser Charge that you require the VCT to facilitate on your behalf (Box B, section 7).

TOTAL AMOUNT PAYABLE (BOX C = A + B)	£
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9. PAYMENT OPTIONS

Please indicate below your chosen method of payment.

I enclose a cheque or bankers' draft(s) drawn on a UK clearing bank for the amount specified in Box C (section 8) made payable to **"HH VCT Offer Account"**. Cheques must be drawn on the personal account of the individual Investor. Building society cheques and banker's drafts will only be accepted where embossed or stamped with the name of the account holder and drawn from the account of the individual Investor.

I have instructed my bank to make an electronic payment for the amount specified in Box C (section 8) quoting my surname as a reference. Electronic payments should be made to the following account:

Account Name:	HH VCT Offer Account
Sort Code:	83-07-06
Account Number:	10565882
Bank:	Royal Bank of Scotland

In order to allow CGWL to reconcile the electronic payment to your Application Form please provide the following details in relation to the bank account from which funds are transferred:

Account Name:
Account Number:
Sort Code:
Bank/Building Society:

Electronic payments will only be accepted from the personal account of the individual Investor and where the details of the bank transfer match the details provided above. Payments from third party accounts will not be accepted.

Electronic payments and cheques will only be accepted from a UK bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided by members of either of these companies.

Electronic identity checks will be carried out on all Investors, regardless of the size of the consideration or payment method.

10. DIVIDEND PAYMENTS

You can elect to have your dividends paid by cheque or transferred directly to your bank or building society accounts. Dividends paid directly to your account will be paid in cleared funds on the dividend payment dates. Your bank or building society statement will identify details of the dividend as well as the dates and amounts paid.

Please note that dividends payable on shares registered to your CREST nominee company will be sent to your CREST nominee company.

The Company and the Registrar 'Equiniti' cannot accept responsibility if any details provided by you are incorrect.

I would like to receive all dividend payments by cheque, sent to my home address.

I would like all dividend payments to be made by bank transfer to the bank or building society account detailed in section 9.

I would like all dividend payments to be made by bank transfer to the bank or building society account detailed below.

Account Name:
Account Number:
Sort Code:
Bank/Building Society:

I would like to re-invest the dividends I am entitled to through the dividend re-investment scheme (if you select this option please complete the DRIS mandate which can be downloaded from the Company's website or by contacting the Company's Registrar, Equiniti Limited on 0371 384 2714 (+44 121 415 7047 from overseas). Lines open Monday - Friday, 8:30 a.m. to 5:30 p.m. (excluding public holidays in England and Wales).

11. SHAREHOLDER COMMUNICATION

Please indicate below how you would like to be contacted by the Company. You can withdraw your consent at any time.

Initial correspondence / Receipt of application

Email Post

Marketing Communications

I would like to receive information about Hargreave Hale AIM VCT shareholder events, offer updates and other related marketing communications by email.

Factsheets and Interim Management Statements

I would like to receive monthly factsheets and interim management statements by email.

Electronic communications (Privacy and Electronic Communications Regulations)

Opt in to electronic communications (from the Registrar).

Tick this box to opt in to electronic communications in respect of your shareholding in Hargreave Hale AIM VCT. By doing this you will receive notifications by letter that statutory information and/or documents (report and accounts) are available on the Company's website. If you wish to receive these notifications by email you will need to register with Equiniti Shareview via the website at www.shareview.co.uk.

You have the right to opt out of electronic communications at any time and to revert to paper format delivered by post by emailing aimvct@canaccord.com or by writing to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

For those shareholders already registered on Shareview please log in and click on the quick link to update your communication preferences.

Email:

12. AUTHORITY IN RELATION TO PROVIDING SHAREHOLDING INFORMATION TO FINANCIAL INTERMEDIARIES

In relation to my Financial Intermediary (section 14), I authorise the Company to:

acknowledge receipt of my Application Form; and

provide Shareholder Information concerning this investment and any prior investments in the Company.

These authorities shall remain in effect until I revoke such authorities by informing the Company in writing. I understand that my Financial Intermediary will be unable to instruct any register changes on my behalf.

13. DECLARATION

1. By signing this form I hereby declare that I have read the Prospectus and agree to be bound by the Terms and Conditions of the Offer, including (where applicable) the Terms and Conditions of the Adviser Charge Agreement.
2. I confirm that I have read the Company's Key Information Document (www.hargreaveaimvcts.co.uk/document-library/).
3. I understand that this Subscription represents a long term investment and have read the risk factors set out in the Prospectus.
4. I undertake to advise the Company promptly of any change in circumstances which causes the information contained herein to become incorrect or incomplete and to provide the Company with an updated declaration within 30 days of such a change in circumstances.
5. I declare that the information provided in this form is, to the best of my knowledge and belief, accurate and complete.
6. I am legally allowed to sign on behalf of the above-named holder. (If signing as Power of Attorney, please submit a copy.)

Signature:

Date:

14. AUTHORISED FINANCIAL INTERMEDIARY

14A. CONTACT DETAILS

Name of Firm:

FCA Number:

Name of Adviser:

Address/Stamp:

Email:

Telephone:

14B. INVESTOR ADVICE

Please select one of the following to confirm whether you provided the applicant with financial advice in relation to this application.

We did not give any financial advice to the applicant (please proceed to section 14C).

We gave financial advice to the applicant (please proceed to section 14E).

14C. COMMISSION OPTIONS

You may only receive commission if you have confirmed (through section 14B) that you have not given any financial advice to the applicant in relation to this application. You may elect to receive 1 per cent. introductory commission and no trail commission or 0.5 per cent. introductory commission plus trail commission of 0.375 per cent. of the amount subscribed by an investor per annum (limited to five years)

I would like to receive introductory commission of 1 per cent.

I would like to receive introductory commission of 0.5 per cent. plus trail commission of 0.375 per cent. of the amount subscribed by an investor per annum (limited to five years).

14D. COMMISSION REBATE

You may elect to rebate some or all of your introductory commission to your client through the issue of additional new Ordinary Shares. Unless you indicate otherwise below, we will pay your introductory commission in full. Please select from one of the below boxes.

I wish to rebate

0%

25%

50%

75%

100%

of the introductory commission to the applicant.

14E. PAYMENT OPTIONS

Commission or Adviser Charges will be paid to your bank or building society account via BACS. Please provide your bank details to enable us to make payment. Alternatively, if you wish to receive a cheque please tick the box.

Name of Bank/Building Society:

Title of Branch:

Account Name:

Account Number:

Sort Code:

The Company and the Administrator cannot accept responsibility if any details provided by you are incorrect.

Please send all payments by cheque to the address listed in section 14A.

14F. SIGNATURE

1. By signing this form I hereby declare that I am an authorised Financial Intermediary or an authorised representative of the Financial Intermediary.
2. I confirm that to the best of my knowledge and belief the information provided in this Application Form is accurate and complete.
3. I confirm that I/we agree to the Terms and Conditions of the Adviser Charge Agreement to the extent they apply to me/us.
4. If applicable, I/we agree to the rebate of commission indicated by me/us in section 14D.

Signature:

Date:

Directors, Investment Manager and advisers

Directors

David Brock, Chairman
Sir Aubrey Brocklebank
Oliver Bedford
Ashton Bradbury
Angela Henderson

Investment manager

Hargreave Hale Limited
c/o 41 Lothbury
London
EC2R 7AE

all Directors are non-executive and in all cases of:
41 Lothbury
London
EC2R 7AE

Administrator, Company Secretary, Custodian and Receiving Agent

Canaccord Genuity Wealth Limited
c/o Talisman House
Boardmans Way
Blackpool
FY4 5FY

Registrar

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

VCT taxation advisers

Philip Hare & Associates LLP
Hamilton House
1 Temple Avenue
London
EC4Y 0HA

Brokers to the Company

Nplus 1 Singer Advisory LLP
1 Bartholomew Lane
London
EC2N 2AX

Promoter

Portunus Investment Solutions Limited
Suite 416
83 Victoria Street
London
SW1H 0HW

Sponsor and solicitor to the Offer

Dickson Minto W.S.
20 Primrose Street
Broadgate Tower
London
EC2A 2EW

Auditors

BDO LLP
55 Baker Street
London
W1U 7EU

Notes

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Hargreave Hale AIM VCT plc
(Incorporated in England and Wales
under the companies act 1985
with registered number 05206425)



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