

SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A to E.

This summary contains all of the Elements required to be included in a summary for the type of shares being issued pursuant to this Prospectus and the Companies being closed-ended investment funds. Some of the Elements are not required to be addressed and, as a result, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in this summary, it is possible that no relevant information can be given regarding that Element. In these instances, a short description of the Element is included, together with an appropriate 'Not applicable' statement.

| A | | Introduction and Warnings |
|----------|--|--|
| A1 | Introduction | <p>This summary should be read as an introduction to this Prospectus.</p> <p>Any decision to invest in the securities of the Companies should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States, have to bear the costs of translating this Prospectus before the legal proceedings are initiated.</p> <p>Civil liability attaches only to those persons who have tabled this summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with other parts of the Prospectus, key information in order to aid investors when considering whether to invest in such securities.</p> |
| A2 | Consent for intermediaries | <p>The Companies consent to the use of this Prospectus by financial intermediaries.</p> <p>The offer period within which any 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 1 December 2015 and closes at 12.00 p.m. on 16 November 2016, unless closed prior to that date. There are no conditions attaching to this consent.</p> <p>Financial intermediaries must give investors information on the terms and conditions of the Offers at the time they introduce the Offers to Investors. No financial intermediary will act as principal in relation to the Offers.</p> |
| B | | Issuer |
| B1 | Legal and commercial name | Hargreave Hale AIM VCT 1 plc and Hargreave Hale AIM VCT 2 plc (the " Companies "). |
| B2 | Domicile / Legal form Legislation / Country of incorporation | <p>Hargreave Hale AIM VCT 1 is a public limited liability company which is registered in England and Wales with registered number 05206425.</p> <p>Hargreave Hale AIM VCT 2 is a public limited liability company which is registered in England and Wales with registered number 05941261.</p> <p>The principal legislation under which each Company operates is the Companies Act 2006 (and regulations made there under) (the "Act").</p> |

| B5 | Group description | Not applicable. Neither Company is part of a group. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|--|---|---|---|---|---|---|---|-------|-------|---------------------------------------|-----------|---------|--------------------------|-------------------------|-----------|--------|--------|---------------------------------------|-------------------|-------|-------|-------|-------|-------|---|-------|-------|-------|-------|-------|----------------------------|-------|--------|--------|--------|--------|
| B6 | Material Shareholders / Differing voting rights / Control | <p>All Shareholders have the same voting rights in respect of the existing share capital of each Company.</p> <p>Save as set out below, as at 30 November 2015 (this being the last practicable date prior to publication of this document), neither Company is aware of any person who, directly or indirectly, has or will have an interest in its share capital or voting rights which is notifiable under UK law (under which, pursuant to the Act and the Listing Rules and Disclosure and Transparency Rules of the FCA, a holding of 3% or more will be notified to it):</p> <table border="1"> <thead> <tr> <th>Company</th> <th>Name</th> <th>Number of Ordinary Shares</th> <th>Percentage of voting rights</th> </tr> </thead> <tbody> <tr> <td>Hargreave Hale AIM VCT 1</td> <td>Hargreave Hale Nominees</td> <td>2,753,399</td> <td>5.74%</td> </tr> <tr> <td></td> <td>Hargreaves Lansdowne Nominees Limited</td> <td>2,562,199</td> <td>5.34%</td> </tr> <tr> <td>Hargreave Hale AIM VCT 2</td> <td>Hargreave Hale Nominees</td> <td>1,947,586</td> <td>7.78%</td> </tr> <tr> <td></td> <td>Hargreaves Lansdowne Nominees Limited</td> <td>1,760,448</td> <td>7.04%</td> </tr> </tbody> </table> | Company | Name | Number of Ordinary Shares | Percentage of voting rights | Hargreave Hale AIM VCT 1 | Hargreave Hale Nominees | 2,753,399 | 5.74% | | Hargreaves Lansdowne Nominees Limited | 2,562,199 | 5.34% | Hargreave Hale AIM VCT 2 | Hargreave Hale Nominees | 1,947,586 | 7.78% | | Hargreaves Lansdowne Nominees Limited | 1,760,448 | 7.04% | | | | | | | | | | | | | | | | |
| Company | Name | Number of Ordinary Shares | Percentage of voting rights | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hargreave Hale AIM VCT 1 | Hargreave Hale Nominees | 2,753,399 | 5.74% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hargreaves Lansdowne Nominees Limited | 2,562,199 | 5.34% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hargreave Hale AIM VCT 2 | Hargreave Hale Nominees | 1,947,586 | 7.78% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Hargreaves Lansdowne Nominees Limited | 1,760,448 | 7.04% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| B7 | Selected financial information and statement of any significant changes | <p>Certain selected historical information of each Company is set out below:</p> <p>Hargreave Hale AIM VCT 1</p> <table border="1"> <thead> <tr> <th></th> <th>Audited financial statements for the period ended 30 September 2012</th> <th>Audited financial statements for the period ended 30 September 2013</th> <th>Unaudited half yearly financial statements for the six months ended 31 March 2014</th> <th>Audited financial statements for the period ended 30 September 2014</th> <th>Unaudited half yearly financial statements for the six months ended 31 March 2015</th> </tr> </thead> <tbody> <tr> <td>Total profit / (loss) on ordinary activities before taxation (£'000s)</td> <td>933</td> <td>3,652</td> <td>4,720</td> <td>3,514</td> <td>(1,079)</td> </tr> <tr> <td>Net assets (£'000s)</td> <td>15,339</td> <td>19,930</td> <td>29,541</td> <td>29,293</td> <td>34,909</td> </tr> <tr> <td>NAV per Share (p)</td> <td>61.35</td> <td>71.87</td> <td>85.42</td> <td>80.31</td> <td>75.05</td> </tr> <tr> <td>Cumulative dividends paid per Share (p)</td> <td>26.50</td> <td>29.75</td> <td>32.00</td> <td>33.75</td> <td>36.25</td> </tr> <tr> <td>Total return per share (p)</td> <td>87.85</td> <td>101.62</td> <td>117.42</td> <td>114.06</td> <td>111.30</td> </tr> </tbody> </table> | | Audited financial statements for the period ended 30 September 2012 | Audited financial statements for the period ended 30 September 2013 | Unaudited half yearly financial statements for the six months ended 31 March 2014 | Audited financial statements for the period ended 30 September 2014 | Unaudited half yearly financial statements for the six months ended 31 March 2015 | Total profit / (loss) on ordinary activities before taxation (£'000s) | 933 | 3,652 | 4,720 | 3,514 | (1,079) | Net assets (£'000s) | 15,339 | 19,930 | 29,541 | 29,293 | 34,909 | NAV per Share (p) | 61.35 | 71.87 | 85.42 | 80.31 | 75.05 | Cumulative dividends paid per Share (p) | 26.50 | 29.75 | 32.00 | 33.75 | 36.25 | Total return per share (p) | 87.85 | 101.62 | 117.42 | 114.06 | 111.30 |
| | Audited financial statements for the period ended 30 September 2012 | Audited financial statements for the period ended 30 September 2013 | Unaudited half yearly financial statements for the six months ended 31 March 2014 | Audited financial statements for the period ended 30 September 2014 | Unaudited half yearly financial statements for the six months ended 31 March 2015 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total profit / (loss) on ordinary activities before taxation (£'000s) | 933 | 3,652 | 4,720 | 3,514 | (1,079) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Net assets (£'000s) | 15,339 | 19,930 | 29,541 | 29,293 | 34,909 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| NAV per Share (p) | 61.35 | 71.87 | 85.42 | 80.31 | 75.05 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cumulative dividends paid per Share (p) | 26.50 | 29.75 | 32.00 | 33.75 | 36.25 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total return per share (p) | 87.85 | 101.62 | 117.42 | 114.06 | 111.30 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|-----|-------------------------------------|---|--|--|--|--|--|
| | | <p>The Company's Net Asset Value per Ordinary Share has risen from 61.14p as at 30 September 2011 to 80.31p as at 30 September 2014 and dividends of 10.75p in aggregate were paid per Ordinary Share during the three years ended 30 September 2014. As at 31 March 2015, the Company's Net Asset Value per Ordinary Share (unaudited) was 75.05p.</p> <p>Not applicable. There have been no significant changes in the financial condition and operating results of the Company during or subsequent to the period covered by the historical financial information set out above.</p> | | | | | |
| | | Hargreave Hale AIM VCT 2 | | | | | |
| | | | Audited financial statements for the period ended 28 February 2013 | Audited financial statements for the period ended 28 February 2014 | Unaudited half yearly financial statements for the six months ended 31 August 2014 | Audited financial statements for the period ended 28 February 2015 | Unaudited half yearly financial statements for the six months ended 31 August 2015 |
| | | Total profit / (loss) on ordinary activities before taxation (£'000s) | 312 | 3,427 | (1,134) | (509) | 103 |
| | | Net assets (£'000s) | 7,771 | 16,693 | 17,435 | 24,138 | 26,716 |
| | | NAV per Share (p) | 95.69 | 120.24 | 109.05 | 110.33 | 106.62 |
| | | Cumulative dividends paid per Share (p) | 26.00 | 31.00 | 35.00 | 37.00 | 41.00 |
| | | Total return per share (p) | 121.69 | 151.24 | 144.05 | 147.33 | 147.62 |
| | | <p>The Company's Net Asset Value per Ordinary Share has risen from 96.80p as at 29 February 2012 to 110.33p as at 28 February 2015 and dividends of 16p in aggregate were paid per Ordinary Share during the three years ended 28 February 2015. As at 31 August 2015, the Company's Net Asset Value per Ordinary Share (unaudited) was 106.62p.</p> <p>Not applicable. There have been no significant changes in the financial condition and operating results of the Company during or subsequent to the period covered by the historical financial information set out above.</p> | | | | | |
| B8 | Key pro-forma financial information | Not applicable. There is no pro forma financial information in the Prospectus. | | | | | |
| B9 | Profit forecast | Not applicable. There are no profit forecasts in the Prospectus. | | | | | |
| B10 | Qualifications in the | Not applicable. There were no qualifications in the audit reports for Hargreave Hale AIM VCT 1 for the three years ended 30 September 2014 and there were no | | | | | |

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| | audit reports | qualifications in the audit reports for Hargreave Hale AIM VCT 2 for the three years ended 28 February 2015. |
| B11 | Insufficient working capital | Not applicable. Each Company is of the opinion that its working capital is sufficient for its present requirements, which are for at least the twelve month period from the date of this document. |
| B34 | Investment objective and policy, including investment restrictions | <p>Each Company invests in a diversified portfolio of smaller companies in order to generate income and capital growth over the long-term.</p> <p>The principal investment objective of each Company is to maintain a diversified portfolio of Qualifying Investments, primarily being companies which are traded on AIM and have the potential for significant value appreciation.</p> <p>Both Companies have secondary objectives target investment in equities which are Non-Qualifying Investments on an opportunistic basis.</p> <p>The primary purpose of the investment strategy of each Company is to ensure that the Companies maintain their status as VCTs. To achieve this, both Companies must have 70% of all net funds raised from the issue of shares invested in Qualifying Investments throughout accounting periods beginning no later than 3 years after the date on which those shares are issued. It is likely that the Investment Manager will target a higher threshold of approximately 80% in order to provide some element of protection against an inadvertent breach of the VCT rules. Each Company's maximum exposure to a single Qualifying Investment is limited to 15% of net assets at the time on investment.</p> <p>The Companies will have non-qualifying equity exposure to UK and international equities. This will vary between nil and 30% of the net assets of the Companies and will reflect the Investment Manager's view of equity market risk. The Investment Manager will also invest in gilts, other fixed income securities and cash.</p> <p>Subject to a maximum of 20% of the gross assets of each Company, the Investment Manager will invest up to 75% of the net proceeds of the Offers into the Marlborough Special Situations Fund to maintain the portfolio exposure to small companies whilst the Investment Manager identifies opportunities to invest directly into small UK companies through a suitable number of Qualifying Investments. Each Company is subject to the investment restrictions relating to a Venture Capital Trust in the Income Trust Act 2007 and in the Listing Rules which specify that (i) the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy; (ii) the Company must not conduct any trading activity which is significant in the context of its group as a whole; and (iii) the Company may not invest more than 10%, in aggregate, of the value of the total assets of the issuer at the time an investment is made in other listed closed-ended investment funds.</p> |
| B35 | Borrowing limits | The Articles of Association of each Company restrict borrowings to 15% of the aggregate total amount received from time to time on the subscription for Shares of each Company; however, the current policy is that investments will normally be made using the shareholders' funds and it is not intended that either Company will take on any long-term borrowings. As at the date of this document neither Company has any borrowings. |
| B36 | Regulatory status | Each Company is subject to the provisions of the Act and UK law generally. Each Company is also a small registered UK AIFM for purposes of the UK AIFM Regulations 2013 and subject to regulation as such by the FCA. Each Company's |

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| | | Ordinary Shares are listed on the premium segment of the Official List and, as a qualifying VCT, each Company is subject to regulation by HMRC in order to retain such a status. |
| B37 | Typical investor | The typical investor for whom investment in the Companies is designed is an individual retail investor aged 18 or over who is resident and a tax payer in the UK. |
| B38 | Investments of 20% or more in a single company | Not applicable. Neither Company has any investments which represent more than 20% of its gross assets in a single company or group. |
| B39 | Investments of 40% or more in a single company | Not applicable. Neither Company has any investments which represent more than 40% of its gross assets in a single company or group. |
| B40 | Service providers | <p>Hargreave Hale Limited ("Hargreave Hale" or the "Investment Manager") is a fund manager with approximately £5.1 billion under management (<i>source: Hargreave Hale, 31 October 2015</i>). Hargreave Hale has been managing investments in UK Small & Micro Cap companies for 17 years and VCTs for 11 years.</p> <p>Hargreave Hale provides discretionary investment management and advisory services to both Companies in respect of their portfolio of Qualifying Investments and Non-Qualifying Investments as well as administrative and custodian services.</p> <p>For each Company, the Investment Manager receives investment management fees equal to 1.5% per annum of the Net Asset Value of the relevant Company as well as a Performance Incentive Fee. Such appointments may be terminated on 12 calendar months' notice by either party.</p> <p>In line with normal VCT practice, a performance related incentive fee will be payable subject to certain criteria. This will be payable at the rate of 20% of any dividends paid to Ordinary Shareholders in excess of 6p per Ordinary Share per annum, provided that the Net Asset Value per Ordinary Share is at least 95p, with any cumulative shortfalls below 6p per Ordinary Share having to be made up in subsequent years.</p> <p>A maximum of 75% of the Investment Manager's annual fee (plus irrecoverable VAT, but excluding any incentive fee) will be chargeable against capital reserves, with the remainder of the Investment Manager's annual fee being chargeable against revenue.</p> <p>Each Company currently pays Hargreave Hale a fee of £77,000 (plus VAT) per annum for administrative and custodian services, which is to be increased shortly to £100,000 (plus VAT) per annum.</p> |
| B41 | Regulatory status of Hargreave Hale | Hargreave Hale is the investment manager of each Company and also provides administration, secretarial and custodian services. Hargreave Hale is registered in England and Wales as a private limited company under number 3146580. Hargreave Hale is authorised and regulated by the Financial Conduct Authority, with registered number 209741. |
| B42 | Calculation of Net | Each Company's Net Asset Value is calculated weekly and published on an appropriate regulatory information service. If for any reason valuations are |

| | Asset Value | suspended, Shareholders will be notified in a similar manner. | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------|---------------------------------------|--|-------------|-----------------|---------------------|-------|-------------------------|-------|--------------|------|------|------|----------|--------|-------------|-----------------|---------------------|-------|-------------------------|-------|--------------|------|------|-------|----------|--------|
| B43 | Umbrella collective investment scheme | Not applicable. Neither Company is part of an umbrella collective investment scheme. | | | | | | | | | | | | | | | | | | | | | | | | |
| B44 | Absence of financial statements | Not applicable. Each Company has commenced operations and published financial statements. | | | | | | | | | | | | | | | | | | | | | | | | |
| B45 | Investment portfolio | <p>The investment objective of each Company is, inter alia, to invest in a diversified portfolio of smaller companies in order to generate income and capital growth over the long-term. An unaudited summary of each Company's portfolio by reference to market value is set out below as at 20 November 2015:</p> <p>Hargreave Hale AIM VCT 1:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Net Assets</th> </tr> </thead> <tbody> <tr> <td>Qualifying Equities</td> <td>73.6%</td> </tr> <tr> <td>Non-Qualifying Equities</td> <td>17.3%</td> </tr> <tr> <td>Fixed Income</td> <td>0.0%</td> </tr> <tr> <td>Cash</td> <td>9.7%</td> </tr> <tr> <td>Accruals</td> <td>(0.6)%</td> </tr> </tbody> </table> <p>Hargreave Hale AIM VCT 2:</p> <table border="1"> <thead> <tr> <th>Asset Class</th> <th>% of Net Assets</th> </tr> </thead> <tbody> <tr> <td>Qualifying Equities</td> <td>55.2%</td> </tr> <tr> <td>Non-Qualifying Equities</td> <td>31.5%</td> </tr> <tr> <td>Fixed Income</td> <td>1.1%</td> </tr> <tr> <td>Cash</td> <td>12.6%</td> </tr> <tr> <td>Accruals</td> <td>(0.4)%</td> </tr> </tbody> </table> | Asset Class | % of Net Assets | Qualifying Equities | 73.6% | Non-Qualifying Equities | 17.3% | Fixed Income | 0.0% | Cash | 9.7% | Accruals | (0.6)% | Asset Class | % of Net Assets | Qualifying Equities | 55.2% | Non-Qualifying Equities | 31.5% | Fixed Income | 1.1% | Cash | 12.6% | Accruals | (0.4)% |
| Asset Class | % of Net Assets | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qualifying Equities | 73.6% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-Qualifying Equities | 17.3% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Income | 0.0% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 9.7% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accruals | (0.6)% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Asset Class | % of Net Assets | | | | | | | | | | | | | | | | | | | | | | | | | |
| Qualifying Equities | 55.2% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Non-Qualifying Equities | 31.5% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fixed Income | 1.1% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 12.6% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accruals | (0.4)% | | | | | | | | | | | | | | | | | | | | | | | | | |
| B46 | Most recent Net Asset Value per Share | As at 20 November 2015, the unaudited NAV per Ordinary Share of Hargreave Hale AIM VCT 1 was 77.50p and the NAV per Ordinary Share of Hargreave Hale AIM VCT 2 was 105.54p excluding the 2p dividend declared on 30 October 2015 and payable on 11 December 2015. | | | | | | | | | | | | | | | | | | | | | | | | |
| C | | Securities | | | | | | | | | | | | | | | | | | | | | | | | |
| C1 | Description and class of securities | The securities being offered pursuant to the Offers are Ordinary Shares of 1p each in Hargreave Hale AIM VCT 1 (ISIN: GB00B02WHS05) and Ordinary Shares of 1p each in Hargreave Hale AIM VCT 2 (ISIN: GB00B1GDYS53) (" New Ordinary Shares "). | | | | | | | | | | | | | | | | | | | | | | | | |

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| C2 | Currency | Each Company's share capital comprises Ordinary Shares of 1p each. |
| C3 | Shares in issue | <p>Hargreave Hale AIM VCT 1 has 47,979,484 Ordinary Shares in issue at the date of this document (all fully paid up) and Hargreave Hale AIM VCT 2 has 25,023,931 Ordinary Shares in issue at the date of this document (all fully paid up).</p> <p>Assuming that the Maximum Subscription is achieved for each Company and that all allotments were made on the basis of the NAV per Ordinary Share as at 20 November 2015, the maximum number of New Ordinary Shares to be issued pursuant to the Offers is 24,903,498 for Hargreave Hale AIM VCT 1 and 13,714,912 for Hargreave Hale AIM VCT 2.</p> |
| C4 | Description of the rights attaching to the securities | The New Ordinary Shares will rank equally in all respects with each other and with the existing Ordinary Shares. |
| C5 | Restrictions on transfer | The New Ordinary Shares will be listed on the premium segment of the Official List and, as a result, will be freely transferable. |
| C6 | Admission | Application has been made to the UK Listing Authority for the New Ordinary Shares to be listed on the Official List and will be made to the London Stock Exchange for such shares to be admitted to trading on its main market for listed securities. It is anticipated that dealings in the New Ordinary Shares will commence within 10 business days following allotment. |
| C7 | Dividend policy | Both Companies have well established track records of paying out tax free dividends to their Shareholders. The intention is to continue the existing policy of targeting a 5% distribution yield (referenced to the financial year end Net Asset Value per Share), although the ability to pay dividends will clearly be influenced by various factors, including performance. |
| D | | Risks |
| D2 | Key information on the risks specific to the Companies | <ul style="list-style-type: none"> • The Companies will invest principally in small companies with gross assets of less than £15 million prior to investment and this may limit the number of investment opportunities available to the Companies. In addition, small companies generally have a higher risk profile than larger and they may not produce the anticipated returns. • Past performance of the Companies and their investments is no indication of their future performance. The return received by Investors will be dependent on the performance of the underlying investments of the Companies. The value of such investments, and interest income and dividends there from, may rise or fall. • Investments may be made in companies whose shares are not readily marketable and, therefore, may be difficult to realise. There may also be constraints imposed on the realisation of investments to maintain the VCT tax status of the Companies. • The Investment Manager's ability to obtain maximum value from the investments (for example, through sale) may be limited by the requirements |

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| | | <p>imposed in order to maintain the VCT qualification status of the Companies.</p> <ul style="list-style-type: none"> • Whilst it is the intention of the Directors that the Companies will continue to be managed so as to qualify as VCTs, there can be no guarantee that the VCT status will be maintained, which may result in adverse tax consequences. • Changes in legislation concerning VCTs in general, and Qualifying Investments and qualifying trades in particular, may restrict or adversely affect the ability of the Companies to meet their objectives and/or reduce the level of returns which would otherwise have been achievable. The levels and basis of, and relief from, taxation are those available for the 2015/16 tax year and are subject to change. Such changes could be retrospective. Those shown in this document are based upon current legislation, practice and interpretation. The tax reliefs for future tax years are subject to change. • The conditions determining whether an investment of the Companies is a Qualifying Investment under the VCT rules may change and such changes could limit the types of investments available to the Companies. • The maximum amount that can be invested in an individual company is £5 million per year, and £12 million in total (£20 million for a 'knowledge intensive' company). These investment limits extend beyond VCTs and includes all other sources of State-aided risk capital. A breach of these limits may lead to HMRC withdrawing the Companies' status as a VCT with potentially adverse tax consequences, including the claw back of the 30% income tax relief from those investors who have not held their shares for five years. • In April 2013, the FCA published a policy statement on payments to platform service providers and cash rebates from providers to consumers (PS 13/1). These rules came into force on 6 April 2014. The FCA has raised the possibility of applying similar restrictions on payments to non-platform service providers but has not published any firm proposals on this to date. If the FCA were to introduce rules restricting payments to non-platform firms, this could have an impact on the demand for shares in the Companies. |
| D3 | Key information on the risks specific to the securities | <ul style="list-style-type: none"> • An investment into Hargreave Hale AIM VCT 1 and Hargreave Hale AIM VCT 2 should be for a minimum of five years. If a Shareholder disposes of their New Ordinary Shares within five years of issue they will be subject to claw back by HM Revenue & Customs of some or all of the 30% income tax relief originally claimed. • Since the value of a VCT depends on the performance of the underlying assets, prospective Investors should be aware that the value of New Ordinary Shares, and the income from them, may go down as well as up. An Investor may not get back the amount originally invested. • It is possible for Investors to lose their tax reliefs by themselves taking or not taking certain steps, and Investors are advised to take their own independent financial advice on the tax aspects of their investment. • Although the existing Shares are already listed on the premium segment of the Official List and are admitted to trading on the London Stock Exchange, and the New Ordinary Shares will be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange, the secondary market for VCT shares is generally illiquid and Shareholders may find it difficult to realise their investment. An investment in the Companies should, therefore, be considered as a long-term investment. • The Directors intend, subject to liquidity, the Listing Rules, the Prospectus |

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| | | <p>Rules, the Act and VCT regulations, to pursue a policy of purchasing Ordinary Shares in the market in order to facilitate liquidity for Ordinary Shareholders and to manage the level of the discount to NAV at which the Ordinary Shares may be trading. The Companies endeavour to facilitate such sales at a price which represents a discount of no more than 5% to the last published NAV of the relevant Company. However, the Directors reserve the right to suspend or amend the buy-back policy in certain circumstances.</p> <ul style="list-style-type: none"> • There is a restriction on income tax relief available on a subscription for shares in a VCT on or after 6 April 2014, where, the subscription and sale are within six months of each other (regardless of whichever happens first) or either the subscription or sale of the shares was conditional on the other. The rules can also apply to subscriptions or sales in a successor or predecessor VCT following a merger. The amount on which income tax relief is available is reduced by the amount of the consideration given for the sale. • A VCT is restricted from making a payment or distribution to shareholders from the capital it has raised. The restriction applies until the third anniversary of the end of the accounting period in which the share capital is issued. If the VCT infringes the restriction, it may have its approved status withdrawn. The restriction does not apply to share capital raised before 6 April 2014, and does not limit the VCT's ability to pay dividends from realised profits or to redeem or repurchase shares or to distribute assets in the course of a winding up. Recent changes to the VCT legislation introduce a maximum age limit for investments into a company (generally 7 years from first commercial sale), and a maximum amount of Risk Finance State Aid which a company can receive over its lifetime (£12m, or £20m for Knowledge Intensive Companies). Additionally the investment must be made for the purpose of growth and development of the company, and a company cannot use the funds it receives from the VCT to purchase shares, or an existing business or trade. |
| E | | Offers |
| E1 | Offers net proceeds and expenses | <p>The Boards propose to raise up to £25 million in aggregate (assuming full subscription and no utilisation of the Over-allotment Facility) through an offer for subscription of New Ordinary Shares in each Company, comprising £15 million through an offer for subscription of New Ordinary Shares in Hargreave Hale AIM VCT 1 and £10 million through an offer for subscription of New Ordinary Shares in Hargreave Hale AIM VCT 2.</p> <p>The costs and expenses relating to the Offers will be 3.5% of gross funds raised by the relevant Company under the Offers, therefore costs and expenses of 3.5% (and the Adviser Charge, if applicable) will be deducted from the Investor's subscription. Assuming full subscription under the Offers (and no utilisation of the Over-allotment Facility), the total net proceeds of the Offers after all fees, are expected to be £14.48 million for Hargreave Hale AIM VCT 1 and £9.65 million for Hargreave Hale AIM VCT 2.</p> |
| E2a | Reasons for the Offers and use of the proceeds | <p>The raising of further funds by way of the Offers is intended to create the following benefits:</p> <ul style="list-style-type: none"> • provide additional capital for investment into small British companies; • improve long time viability, meet expenses and reduce the Ongoing Expense Ratios; and • provide existing and new investors with the opportunity to invest into small companies through a tax efficient structure with an award winning fund |

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| | | management team. |
| E3 | Terms and conditions of the Offers | New Ordinary Shares issued under the Offers, the implementation of which are conditional on the Offer Agreement becoming unconditional, will be at an Offer Price calculated by the most recently published NAV of an Ordinary Share (adjusted as necessary for dividends declared but not yet paid if the shares are classified as ex-dividend) at the time of allotment (to avoid dilution to Existing Shareholders), divided by 0.965. New Ordinary Shares will be issued at a 3.5% premium to the Net Asset Value per Share to make allowance for the costs of the Offer. Proceeds from each Offer will be invested in accordance with the investment policy of each Company. |
| E4 | Description of any interest that is material to the issue | Not applicable. There are no interests that are material to the issue. |
| E5 | Name of persons selling securities | Not applicable. No person or entity is selling securities in the Companies. |
| E6 | Amount and percentage of dilution | If the Offers were fully subscribed (assuming no utilisation of the Over-allotment Facility), the existing 47,979,484 Shares of Hargreave Hale AIM VCT 1 would represent 65.8% of the enlarged issued share capital of Hargreave Hale AIM VCT 1 and the existing 25,023,931 Shares of Hargreave Hale AIM VCT 2 would represent 64.6 % of the enlarged issued share capital of Hargreave Hale AIM VCT 2 (assuming, in each case, that all allotments were made on the basis of the NAV per Ordinary Share as at 20 November 2015). |
| E7 | Expenses charged to the Investor | <p>Costs and expenses of 3.5% (and the Adviser Charge, if applicable) will be deducted from the Investor's subscription.</p> <p>If an Investor's financial intermediary provides him with advice in respect of his investment in New Ordinary Shares, such Investor may have agreed to pay an Adviser Charge to such financial intermediary, which the Investor will be responsible for paying.</p> <p>If no advice has been provided by a financial intermediary to an Investor in respect of his application for New Ordinary Shares then Hargreave Hale will pay introductory commission to such financial intermediary at the rate of 1% on the value of successful applications submitted through them (or introductory commission of 0.5% plus trail commission). The introductory commission will be paid out of the 3.5% fee for costs and expenses. The introductory commission may be waived by intermediaries and reinvested on behalf of clients through an additional allotment of New Ordinary Shares.</p> |