

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised pursuant to the Financial Services and Markets Act 2000 if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are outside the United Kingdom.

If you have sold or otherwise transferred all of your Shares in the Company, please send this document, as soon as possible, to the purchaser or transferee or to the stockbroker, independent financial adviser or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

MOBEUS INCOME & GROWTH VCT PLC

(Registered in England and Wales with registered number 05153931)

Notice of General Meeting

and

Recommended proposal relating to the payment of a performance bonus payment to Mobeus Equity Partners LLP

Your attention is drawn to the letter from the Chairman of the Company set out in Part I on pages 3 to 4 of this document which contains recommendations to vote in favour of the resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting of Mobeus Income and Growth VCT plc, to be held at 2.30 p.m. on 3 September 2015, at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London EC3N 2SG, is set out at the end of this document. To be valid, the form of proxy for the General Meeting, included at the end of this document, should be returned so as to be received not less than 48 hours before the meeting, either by post or by hand (during normal business hours only) to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY. A reply paid envelope is enclosed for returning the Form of Proxy.

For information on the General Meeting or the completion and return of a form of proxy, please telephone Computershare between 8.30 a.m. and 5.30 p.m. (GMT) Monday to Friday (except UK public holidays) on telephone number 0870 707 1155 or, if telephoning from outside the UK, on +44 870 707 1155. Calls to the Computershare helpline (0870 707 1155) are charged at national rates. Further details will be available from your service provider. Calls to Computershare from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. For legal reasons, Computershare will not be able to give advice on the merits of the proposal or provide financial, legal, tax or investment advice.

CONTENTS

| | |
|--|---|
| DEFINITIONS | 2 |
| PART I – LETTER FROM THE CHAIRMAN | 3 |
| PART II – PERFORMANCE INCENTIVE ARRANGEMENTS | 5 |
| NOTICE OF GENERAL MEETING | 7 |

DEFINITIONS

| | |
|--|--|
| Act | Companies Act 2006 (as amended) |
| Annual Report | the annual report and financial statements of the Company for the year ended 31 December 2014 |
| Board | the board of directors of the Company |
| Company | Mobeus Income & Growth VCT plc |
| Clarifications | clarifications of principles and interpretation to be applied to the existing Performance Incentive Agreement agreed between the Company and Mobeus, a summary of the main clarifications being set out in Part II on pages 5 to 6 of this document |
| Directors | the directors of the Company (and each a Director) |
| Form of Proxy | form of proxy for use in the General meeting included at the end of this document |
| General Meeting | the general meeting of the Company to be held on 3 September 2015 |
| Mobeus | Mobeus Equity Partners LLP, the investment adviser to the Company, registered in England and Wales under number OC320577 whose registered office is at c/o Crowe Clark Whitehall (London) Limited, 3rd Floor, 52 Jermyn Street, London SW1Y 6LX |
| NAV | the net asset value of a company, being the aggregate of the gross assets of the Company less all liabilities of the Company calculated in accordance with a company's normal accounting policies |
| Offer | the offer for subscription for new Shares contained in the Prospectus |
| Performance Bonus Payment | the performance bonus payment of £250,000 (inclusive of VAT, if any) proposed to be paid to Mobeus as described in Part I on page 3 |
| Performance Incentive Agreement | the performance incentive agreement dated 9 July 2004 between the Company (1) Matrix Private Equity Partners Limited (2) (as novated to Mobeus pursuant to a novation agreement dated 20 October 2006 and as amended by a deed of variation dated 20 May 2010) |
| Prospectus | the joint prospectus (comprised of a summary, securities note and registration document) issued by the Company, Mobeus Income & Growth 2 VCT plc, Mobeus Income & Growth 4 VCT plc and The Income & Growth VCT plc dated 10 December 2014 |
| Resolution | the resolution to be proposed at the General Meeting |
| Shareholders | holders of Shares in the Company, as the context permits (and each a Shareholder) |
| Shares | ordinary shares of 1p each in the capital of the Company (and each a Share) |
| UKLA | the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Market Act 2000 |

PART I - LETTER FROM THE CHAIRMAN
MOBEUS INCOME & GROWTH VCT PLC

(Registered in England and Wales with registered number 05153931)

Directors:

Keith Niven (Chairman)
Bridget Guérin
Thomas Sooke
Catherine Wall

Registered Office:

30 Haymarket
London
SW1Y 4EX

24 July 2015

Dear Shareholder

Notice of General Meeting and Recommended Proposal relating to a Performance Bonus Payment to Mobeus Equity Partners LLP

Background

Shareholders will recall that, at the time of the Offer being launched in December 2014 to raise new funds, the Board advised that given the relatively small shortfall against the target return of dividends as at 30 September 2014 and the possibility of a final dividend in respect of the 2014 financial year, it was focusing on the implications of the Performance Incentive Agreement together with Mobeus and the Company's current legal advisers. The Annual Report that was issued in March this year stated that 2014 had been an extremely good year for the VCT and dividends of 24p per Share were paid out in aggregate in respect of that year, comprising an interim dividend of 17p per Share paid to Shareholders on 17 September 2014 and a second interim dividend of 7p per Share paid to Shareholders on 30 April 2015. In the light of the Company's recent strong performance, coupled with the fact that it is one of the best performing VCTs in its peer group, the Board believes that it is particularly important that there is complete clarity around the performance incentive arrangements with Mobeus.

Both the Board and Mobeus felt that the existing agreement, which dates back to the launch of the Company, had a number of shortcomings. Mobeus believed that the target return for dividends was intended to refer to **dividends paid in respect of** an accounting period (rather than **dividends declared and paid in** an accounting period). Additionally, the Board was concerned that there was no definition of how to calculate one of the conditions for payment of incentive fees, which is that the average NAV per Share is maintained at or above 'Base' NAV. A summary of the current provisions of the Performance Incentive Agreement is set out in Part II on page 5 of this document.

Depending on how the Performance Incentive Agreement was interpreted, and on the basis of dividends paid in respect of an accounting period rather than dividends paid in an accounting period, it was acknowledged in late 2014 that a performance incentive fee might be due to Mobeus for the then current year ending 31 December 2014 ranging between nothing and around £1 million. The latter figure was an example only based on a further dividend payable in respect of the 2014 financial year of 10p per Share in respect of the 2014 performance, and further dependent on meeting the average NAV hurdle.

In light of the above, and giving consideration to the absolute and relative performance of the Company in terms of total returns driven by a strong level of profitable realisations over the 18 months prior to the launch of the Offer, the Board advised in the Prospectus (as further reported in the Annual Report) that it had agreed with Mobeus to:

- propose a bonus payment to Mobeus of £250,000, inclusive of VAT, if any (Performance Bonus Payment); and
- consider implementing a revised performance incentive agreement with Mobeus, such agreement to be similar to that currently in place, reflective of a total return performance and to be effective from 1 January 2015.

In each case, the proposals would be subject to the approval of Shareholders and the requirements of the Listing Rules. The Board further agreed to issue a notice within three months of the close of the Offer (this

having been extended by agreement of the Board and Mobeus to 31 August 2015) convening a general meeting to seek Shareholder approval for the proposals.

In consideration of the above, Mobeus agreed that, in respect of the current Performance Incentive Agreement, no performance incentive fee (other than the proposed Performance Bonus Payment which is outside that Agreement) would be payable in respect of the year ended 31 December 2014 (or any previous period).

Performance Bonus Payment to Mobeus and Clarifications to the Performance Incentive Agreement

Following the close of the Offer, the Board and Mobeus discussed a new performance incentive arrangement, but were unable to reach agreement on the terms of such an arrangement. The Board and Mobeus instead have agreed to clarify the principles and interpretation to be applied to the existing Performance Incentive Agreement to facilitate operation of the arrangements going forward (Clarifications). A summary of the Clarifications are set out in Part II on pages 5 to 6 of this document.

In addition, and in accordance with the agreement with Mobeus in late 2014, the Board is proposing that the Performance Bonus Payment be made to recognise and reward the overall performance that Mobeus has achieved for the Company as a result of the strong level of realisations referred to above.

The purpose of this document is, therefore, to convene a general meeting at which Shareholder approval of the Performance Bonus Payment will be proposed and to explain the Clarification of the principles and interpretation agreed between the Company and Mobeus to be applied to the existing Performance Incentive Agreement (Clarifications). As the existing Performance Incentive Agreement is not being changed or replaced, Shareholder approval is not required for the Clarifications.

General Meeting

Notice of the General Meeting to be held at 2.30 p.m. on 3 September 2015 at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London EC3N 2SG, is set out at the end of this document.

The Resolution to be proposed at the General Meeting will approve the Performance Bonus Payment. The Resolution will be proposed as an ordinary resolution requiring more than 50% of the votes cast at the General Meeting to be in favour to be passed.

Shareholders will find at the end of this document the form of proxy for use at the General Meeting. Whether or not you propose to attend the General Meeting, you are requested to complete and return the form of proxy so as to be received not less than 48 hours before the time appointed for holding of the General Meeting. Completion and return of a form of proxy will not prevent you from attending and voting in person at the General Meeting, should you wish to do so.

Mobeus does not hold any Shares in the Company and will not, therefore, be voting on the Resolution to be proposed at the General Meeting. Mobeus has, however, agreed to take all reasonable steps to ensure that its partners, members and employees will not vote on the Resolution.

Recommendation

Given the circumstances described above, the Board believes that the Performance Bonus Payment is in the best interests of the Shareholders as a whole and recommends that Shareholders vote in favour of the Resolution to be proposed at the General Meeting, as the Directors intend to do in respect of their own beneficial holdings of 253,403 Shares (representing 0.33% of the issued share capital as at 23 July 2015, this being the latest practicable date prior to publication of this document).

Yours faithfully

Keith Niven
Chairman

PART II – PERFORMANCE INCENTIVE ARRANGEMENTS

Summary of the Performance Incentive Agreement

In each **Accounting Period**, Mobeus is entitled to receive an incentive fee (**'Incentive Fee'**) equal to 20% of the excess of dividends declared and paid in that Accounting Period over the **Target Rate**. Such Incentive Fee is payable only if the average **Net Asset Value per Share** is equal to or greater than **Base NAV** per share (or such other base figure set in accordance with the Performance Incentive Agreement), both for that same Accounting Period.

For these purposes:

'Accounting Period' is currently for a year ending 31 December. If the Company's year end were to change, this would change the length of that Accounting Period and the Performance Incentive Agreement allows appropriate alterations to be made to adjust for any impact on any calculations under the agreement;

The **'Target Rate'** has two components, which are added together for an Accounting Period:

- (i) the annual dividend target* (this being an annual dividend rate which started at 6p on launch, indexed annually by reference to the Retail Prices Index (All Products) since 2007);

plus

- (ii) any shortfall* from previous Accounting Periods (**'Shortfall'**) (the cumulative dividend target and the cumulative dividends paid are compared and any shortfall is carried forward and added to the target for the next accounting period).

* Both of these items were restated as at the date of the merger on 20 May 2010, along with the same items for Matrix Income & Growth 3 VCT plc, to produce figures reflecting the merger of the companies.

For the year ended 31 December 2014, the actual annual dividend target had become 7.07p, whilst the actual Shortfall was 1.81p.

'Net Asset Value per Share' means the aggregate of the gross assets of the Company less all liabilities of the Company, the net of which is divided by the number of Shares in issue.

'Base NAV' is a concept to denote the amount of capital all investors have subscribed for each Share since the Company was launched (assuming all Shares have been in issue since launch). Thus, the Base NAV started at 100p per Share. At the date of the merger with Matrix Income & Growth 3 VCT plc on 20 May 2010, this figure was adjusted to 96.91p by applying the following ratio:

- (i) the total number of shares in issue in both the Company and Matrix Income & Growth 3 VCT plc just before the merger, multiplied by 100p;

divided by

- (ii) the number of Shares in issue immediately after the merger.

The Base NAV can be adjusted under the Performance Incentive Agreement in light of share capital changes where it is fair and reasonable to do so.

Summary of the Clarifications

A summary of the main points of clarification of principles and interpretation agreed to apply to the Performance Incentive Agreement from 1 January 2015 are as follows (definitions used above in respect of the Performance Incentive Agreement apply, as applicable, to the Clarifications):

1. It has been agreed that, in respect of calculating 'Dividends declared and paid in that Accounting Period', only dividends paid in the relevant Accounting Period shall be taken into account and further that 'declared and' shall be ignored. References to 'Dividends declared and paid' throughout the Performance Incentive Agreement shall be construed on the same basis.
2. The Performance Incentive Agreement states that 'any payment of the Incentive Fee is further conditional upon the average Net Asset Value per Share in any Accounting Period in which such Dividends are declared and paid being maintained at Base NAV or more' or such other base figure set in accordance with the provisions of the Performance Incentive Agreement.

2.1 It is acknowledged that there is no definition of 'average Net Asset Value per Share' expressed or implied within the Performance Incentive Agreement. It is agreed that the 'average Net Asset Value per Share' shall be the daily weighted average Net Asset Value per Share during the relevant Accounting Period.

For these purposes, it has been agreed that:

2.1.1 'daily weighted average' shall be calculated by adding together the Net Asset Value per Share for each day of the relevant Accounting Period and dividing the resultant sum by the number of days in that Accounting Period;

2.1.2 the Net Asset Value per Share on a particular day shall be the Net Asset Value per Share published through a Regulatory Information Service by the Company in respect of the preceding quarter date (the quarter dates currently being 31 March, 30 June, 30 September and 31 December) or, if a Net Asset Value per Share has been published through a Regulatory Information Service by the Company for a more recent date, then that more recent Net Asset Value per Share shall apply, both subject to 2.1.3 below, if applicable;

2.1.3 the Net Asset Value per Share for a particular day calculated in accordance with paragraph 2.1.2 above shall be reduced by the amount of any dividend paid, from the date of payment of such dividend until the date in respect of which the next Net Asset Value per Share is published through a Regulatory Information Service by the Company; and

2.1.4 the Net Asset Value per Share on the closing day of the relevant Accounting Period shall be before any deduction of any Incentive Fee payable in respect of that Accounting Period (any incentive fee being deducted from the calculation of NAV from the first day of the next Accounting Period).

2.2 It is acknowledged that the Base NAV may fluctuate during an Accounting Period as a result of share capital changes, for example shares being issued or repurchased by the Company.

2.3 In such circumstances, it has been agreed that the Base NAV shall be the daily weighted average Base NAV in respect of the relevant Accounting Period calculated using the same daily weighted average principles as set out in paragraph 2.1.1 above in respect of the average Net Asset value per Share and with the Base NAV being adjusted to reflect the number of shares issued or repurchased and their associated gross proceeds or costs, together with the number of shares in issue from the date of the relevant issue or repurchase of shares.

2.4 It has been agreed that, in relation to the amount of Incentive Fee payable in respect of the relevant Account Period, this is to be calculated by multiplying an amount representing the excess of Dividends paid in that Accounting Period above the Target Rate for that Accounting Period by the weighted average number of shares on which dividends were actually paid (using similar weighted average principles as set out in paragraph 2.1.1 above).

2.5 It has been agreed that, for the purposes of calculating any Incentive Fee payable under the Performance Incentive Agreement, any excess or deficit in relation to dividends paid over or under the Target Rate shall be expressed to four decimal places using the following rounding convention: if the fifth and sixth decimal places exceed 49, the fourth decimal place will be rounded up and if the fifth and sixth places are equal to or less than 49, the fourth decimal figure will remain unchanged.

For the purposes of reporting such data in published information to Shareholders, the data will be expressed in pence to two decimal places, unless the parties otherwise agree.

3. The following calculations have been agreed in respect of the annual dividend target (i.e. the first component of the Target Rate), Shortfall (i.e. the second component of the Target Rate) and Base NAV as at the date specified and that these figures will be used as the start point to calculate the future values for such definitions/calculations:

3.1 annual dividend target: 7.07p for the year ended 31 December 2014;

3.2 Shortfall: 1.81p as at 31 December 2014 (deficit of cumulative dividends paid below cumulative annual dividend targets from previous Accounting Periods); and

3.3 Base NAV: 98.52p for the year ended 31 December 2014, this being the starting figure for the calculation of Base NAV for the Accounting Period commencing on 1 January 2015 (i.e. the NAV per share threshold).

MOBEUS INCOME & GROWTH VCT PLC

(Registered in England and Wales with registered number 05153931)

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Mobeus Income & Growth VCT plc (“the Company”) will be held at 2.30 p.m. on 3 September 2015 at the offices of Shakespeare Martineau LLP, One America Square, Crosswall, London EC3N 2SG for the purposes of considering and, if thought fit, passing the following resolution, which will be proposed as an ordinary resolution:

Ordinary Resolution

That the Performance Bonus Payment (as defined in the circular to shareholders of the Company dated 24 July 2015) to Mobeus Equity Partners LLP be and hereby is approved.

Dated 24 July 2015

By order of the Board

Mobeus Equity Partners LLP
Secretary

Registered Office:

30 Haymarket
London
SW1Y 4EX

NOTES:

1. Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the general meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Mobeus Equity Partners LLP, the Company Secretary at 30 Haymarket, London SW1Y 4EX or by email to: vcts@mobeusequity.co.uk or telephone on 020 7024 7600.
2. Shareholders may appoint a proxy either by (a) completing a hard copy of the form of proxy or other instrument appointing a proxy and sending it to be received by post (during normal business hours only) or delivering it by hand at the Company's registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or (b) submitting their votes electronically through registering with Computershare's Investor Centre at www.investorcentre.co.uk/eproxy. In each case, the proxy votes submitted must be received not later than 2.30 p.m. on 1 September 2015 or 48 hours before the time appointed for any adjourned meeting or, in the case of a poll taken subsequent to the date of the meeting or adjourned meeting, so as to be received no later than 24 hours before the time appointed for taking the poll.
3. To vote electronically, shareholders will be asked to provide the Control Number, their individual Shareholder Reference Number (SRN) and PIN, details of which are contained on the form of proxy, or the electronic broadcast message issued by the Company. Computershare's Investor Centre is the only acceptable means by which proxy instructions may be submitted electronically.
4. The return of a completed proxy form, other such instrument or any electronic Proxy Instruction (as described in paragraph 2 above) will not prevent a shareholder attending the general meeting and voting in person if he/she wishes to do so.
5. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 (“the Act”) to enjoy information rights (a “Nominated Person”) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the general meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
6. If you have been nominated to receive general shareholder communications directly from the Company, it is important to remember that your main contact in terms of your investment remains as it was (i.e. the registered shareholder, or perhaps custodian or broker, who administers the investment on your behalf). Therefore any changes or queries relating to your personal details and holding (including any administration thereof) must continue to be directed to your existing contact at your financial adviser or custodian. The Company cannot guarantee dealing with matters that are directed to it in error. The only exception to this is where the Company, in exercising one of its powers under the Act, writes to you directly for a response.
7. The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1 and 2 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company.
8. Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the general meeting (and the number of votes that may be cast thereat) will be determined by reference to the Register of Members of the Company at the close of business on the day which is two days before the day of the meeting or of the adjourned meeting. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
9. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
10. Any member attending the meeting has the right to ask questions relating to the business being dealt with at the meeting and the Company is obliged to answer any such questions under section 319A of the Act. However, no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on the Company's website www.migvct.co.uk in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
11. By attending the meeting, Members and their proxies and representatives are understood by the Company to have agreed to receive any communications relating to the shares of the Company made at the meeting.
12. As at 23 July 2015 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 75,972,951 Ordinary Shares, all of which carry one vote each. Therefore, the total voting rights in the Company as at 23 July 2015 were 75,972,951.
13. The Register of directors' interests and directors' appointment letters shall be available for inspection at the Company's registered office during normal business hours on any weekday (excluding Saturdays, Sundays and public holidays) and at the place of the meeting for at least fifteen minutes prior to and during the meeting. The directors do not have any service contracts with the Company.
14. A copy of this notice, and other information required by section 311A of the Act, can be found on the Company's website at www.migvct.co.uk.

