

This document, which constitutes a prospectus relating to Ventus VCT plc and Ventus 2 VCT plc, has been prepared in accordance with the Prospectus Rules made by the Financial Services Authority pursuant to Part VI of the Financial Services and Markets Act 2000, and has been approved by and filed with the Financial Services Authority.

Applications have been made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares of Ventus and Ventus 2, issued and to be issued pursuant to the Offers, to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange's market for listed securities. It is expected that such admissions will become effective and that dealings in the Ordinary Shares will commence within 21 business days of their allotment.

Each of the Directors of Ventus VCT plc and Ventus 2 VCT plc (the "Companies"), whose names are set out on page 14 of this document, and the Companies, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Companies (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

All third party information in this prospectus has been identified as such by reference to its source and in each instance has been accurately reproduced and, so far as the Companies 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.

Howard Kennedy Corporate Services LLP (the "Sponsor"), which is authorised and regulated by the Financial Services Authority, is acting for the Companies in connection with the Offers and is not advising any other person or treating any other person as a customer in relation to the Offers and will not be responsible to any such person for providing the protections afforded to customers of the Sponsor or for providing advice in connection with the Offers, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder. The Sponsor does not give any representation, warranty or guarantee that the Companies will qualify as venture capital trusts or that investors will obtain any tax relief in respect of their investment.

**The whole of this document should be read. In particular, your attention is drawn to the risk factors on pages 7 to 9 of this document.**

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## **VENTUS VCT PLC**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 5205442)*

## **VENTUS 2 VCT PLC**

*(Incorporated in England and Wales under the Companies Act 1985 with registered number 5667210)*

### **Offers for Subscription**

of up to £15,000,000 of Ordinary Shares of 25p each of Ventus VCT plc  
and

of up to £10,000,000 of Ordinary Shares of 25p each of Ventus 2 VCT plc

at a price equal to the last published NAV of each Company (adjusted for any dividends paid subsequent to such publication), payable in full in cash on application

Sponsored by

**Howard Kennedy Corporate Services LLP**

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The subscription lists for Ordinary Shares, all of which are being offered to the public under the Offers, will open at 10.00 am on 3 February 2012 and may be closed at any time thereafter but, in any event, not later than 1.00 pm on 3 April 2012 unless extended or closed prior to that date. The terms and conditions of the Offers are set out in Part VI of this document followed by an Application Form for use in connection with the Offers.

The procedure for, and the terms and conditions of, applications under the Offers are set out at the end of this document together with an Application Form.

Completed Application Forms must be posted or delivered by hand to the Receiving Agent, The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF. Each Offer opens on 3 February 2012 and will close not later than 1.00 pm on 3 April 2012 unless extended or closed prior to that date.

No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an offer or invitation to him to subscribe for or purchase new Ordinary Shares unless, in such territory, such offer or invitation could lawfully be made.

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# SUMMARY

**This summary should be read as an introduction to the Prospectus. Any decision to invest in new Ordinary Shares of Ventus or Ventus 2 should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in a Prospectus is brought before a court, the claimant investor might, under the national legislation of the EEA states, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to the persons responsible for this summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of this prospectus.**

## The Offers

Ventus is raising up to £15 million and Ventus 2 is raising up to £10 million by way of issues of new Ordinary Shares at a price per new Ordinary Share for each Company equal to the relevant Company's Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement). The Directors believe that UK renewable energy projects using established technologies remain attractive in the current economic environment, and it is intended that the funds raised from the Offers will be deployed to continue the investment programmes of the Companies.

## The Tender Offers

In connection with the Offers, the Companies are proposing to undertake the Tender Offers. An Ordinary Shareholder participating in a Tender Offer will be able to sell his or her Ordinary Shares back to the relevant Company at a price per share equal to that Company's Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement), divided by 1.055 to allow for costs, rounded up to the nearest tenth of a penny, **subject to** the Ordinary Shareholder applying the full proceeds of his or her share sale to subscribe for new Ordinary Shares under the relevant Offer. An Ordinary Shareholder who participates in a Tender Offer will be given additional Ordinary Shares in the relevant Company equal to 3.5% of the amount subscribed with proceeds from the Tender Offer(s). An Ordinary Shareholder participating in a Tender Offer (or both of them) is also able to subscribe for new Ordinary Shares in either Ventus or Ventus 2 in addition to the new Ordinary Shares acquired with his or her proceeds from the Tender Offer(s).

Ordinary Shareholders who sell their Shares back to either Company under a Tender Offer and subsequently subscribe for new Ordinary Shares under the Offers should not regard this, for tax purposes, as continuing with their existing holdings. They will be subscribing for new Ordinary Shares which will carry relief from income tax of up to 30%, but which will also carry the requirement to hold the new Ordinary Shares for five years from the date of subscription. Shareholders who sell the new Ordinary Shares earlier than this time (except in the event of death) will have to repay the 30% income tax relief. Income tax relief on subscription will be subject to an investor's personal circumstances and is limited to an amount which reduces the investor's income tax liability to nil. Ordinary Shareholders who acquired their Ordinary Shares by way of the 2009 Top-up Offer should be aware that such Ordinary Shares have not been held for five years from the date of subscription, and such Ordinary Shareholders would therefore have to repay the 30% income tax relief they received at the time of subscription if they were to tender such shares under the Tender Offers.

## General Meetings

The Offer and the Tender Offer for each Company are subject to the passing of the appropriate resolutions at the general meeting of each Company to be held on 8 March 2012 (or any adjournment thereof).

## Investment Objective

Ventus and Ventus 2 are existing venture capital trusts that invest in a portfolio of companies that develop, construct and operate UK renewable energy projects with a typical capacity of between 2 and 20 megawatts and to date they have invested or committed to invest £45.5 million in 26 such companies. The Directors believe that continued legislative support for UK renewable energy projects, and increasing targets for renewable energy generation in the UK, create an attractive investment opportunity. The Directors believe that projects that use technologies with a proven operating track record provide an attractive renewable energy investment opportunity. The Manager has an extensive investment pipeline with over 50 megawatts of renewable energy generation capacity under review.

## Track Record and Net Asset Value

Ventus, Ventus 2 and Ventus 3 have raised £63.8 million gross in five separate share offers since 2005. In 2010, Ventus 3 was merged into Ventus 2. The Companies each have an Ordinary Share fund and a "C" Share fund, with the following number of shares currently in issue:

	Ventus	Ventus 2
Ordinary Shares	16,384,793	24,537,560
"C" Shares	11,329,107	11,329,107

The following table presents unaudited data on investments made to date and cumulative dividends paid to date, together with Net Asset Values as at 31 August 2011 for Ventus and Ventus 2:

	Ventus Ordinary Shares	Ventus "C" Shares	Ventus 2 Ordinary Shares	Ventus 2 "C" Shares
Cumulative amount invested at 31 December 2011	£13,733,000	£6,233,000	£19,344,000	£6,233,000
Cumulative amount invested at 31 August 2011	£13,709,000	£5,533,000	£19,308,000	£5,533,000
Value of investments at 31 August 2011	£16,746,000	£5,533,000	£13,328,000	£5,533,000
NAV at 31 August 2011	£17,528,000	£10,513,000	£14,624,000	£10,510,000
NAV per share at 31 August 2011	107.0p	92.8p	59.6p	92.8p
Cumulative dividends per share paid	20.0p	1.0p	10.9p	1.0p

The Ventus Ordinary Share fund is primarily invested in operating wind farms which generate regular cash flow, although the Ventus Ordinary Share fund has also invested £2 million in a company operating landfill gas power stations (Redimo LFG Limited). Redimo LFG Limited has experienced operating problems and the investment has been written down to zero.

In terms of unaudited total return to Shareholders (cumulative dividends paid plus latest published NAV as at 31 August 2011), the Ventus Ordinary Share fund is one of the leading performers among the more than 40 VCTs launched in the tax year ended 5 April 2005. As at 31 August 2011 the NAV of Ventus is 107.0p per Ordinary Share compared to an initial NAV net of offer costs of 94.5p per Ordinary Share immediately after the 2005 Offer.

The Ventus "C" Share fund has been invested primarily in companies developing wind energy projects. The Ventus "C" Share fund is early in its investment period, and no investments of the Ventus "C" Share fund have been re-valued either up or down.

The Ventus 2 Ordinary Share fund has not performed as well as the Ventus Ordinary Share fund in large part due to three investments in companies operating biomass power stations ("the biomass investments") and an investment in a company operating three landfill gas power stations (Redimo LFG Limited). The biomass investments, totalling £5.77 million, have paid no dividends or interest to Ventus 2 and have been written down to zero. The investment Redimo LFG Limited is currently paying no dividends or interest to Ventus 2 and has also been written down to zero.

The Ventus 2 "C" Share fund has been invested primarily in companies developing wind energy projects. The Ventus 2 "C" Share fund is early in its investment period, and no investments of the Ventus 2 "C" Share fund have been re-valued either up or down.

## Significant Tax Benefits for Investors

Investors under the Offers are entitled to the following tax benefits:

- up-front 30% income tax relief, such that an investment of £10,000 will effectively cost an investor £7,000;
- tax free dividends; and
- gains on disposal of Ordinary Shares free of capital gains tax

## The Directors and the Manager

The Boards of Ventus and Ventus 2 each comprise three Directors. All three directors of Ventus are independent of the Manager, and two of the three directors of Ventus 2 are independent of the Manager. The Directors operate in a non-executive capacity and are responsible for overseeing the investment strategy of the Companies. The Boards have wide experience of investment in both smaller growing companies and larger quoted companies.

The Manager of Ventus and Ventus 2 is Temporis Capital LLP. Temporis has been involved in asset management since its formation in 2005 and specialises in facilitating the provision of capital to the sustainable and clean tech sectors and, in particular, providing long-term liquidity to renewable energy projects.

The investment management of the Companies was transferred from Climate Change Capital Limited to Temporis on 12 September 2011. Since becoming the Companies' investment manager, Temporis has carried out a thorough review of each of the Companies' assets and has implemented suitable controls and asset management procedures.

## Risk Factors

All known material risks relating to the Offers are set out below. Prospective investors should be aware that the value of Ordinary Shares, and the income from them, may go down as well as up. An investor may not get back the amount originally invested. The price at which the Ordinary Shares are traded may not reflect the Net Asset Value of the Companies. Having regard to the Companies' investment objectives and the tax reliefs available, Ventus and Ventus 2 should be considered as long-term investments. Any sale of Ordinary Shares within five years of subscription will result in the 30% income tax relief available upon investment becoming repayable. Investing in venture capital trusts such as Ventus and Ventus 2 (which in turn are investing in smaller companies) carries particular risks.

- Ventus and Ventus 2 will invest in small, unquoted companies. Such companies generally have a higher risk profile than larger "blue chip" companies and may not produce the hoped for returns, which could affect an investor's ability to realise his or her initial investment.
- The portfolio companies in which Ventus and Ventus 2 has and will invest in will be and are subject to the risks of renewable energy projects including, *inter alia*, lower than projected wind speeds (for wind projects), lower than projected energy output, downtime of renewable energy generation equipment, higher than projected operating costs, volatility in annual revenues, adverse changes in government policy, unavailability of PPAs and risk of default under senior debt agreements, any of which could materially impact on the Companies' financial performance. The Companies will attempt to mitigate these risks by continuing to maintain a diversified portfolio of investments. Furthermore, the Companies will have a long-term investment horizon and the Manager believes it is reasonable to expect that over this period the average energy output will tend towards the expected level.
- There can be no certainty that there will be sufficient suitable investment opportunities in companies with Fully Consented Projects to enable the Companies to achieve the intended level and diversity of Qualifying Investments. The Manager may be unable to source an adequate number of Qualifying Investment opportunities in companies developing on-shore renewable energy projects of up to 20 megawatts. If an adequate number of such investments are not available, the Companies will endeavour to take such steps as are necessary to ensure that VCT qualifying status is not impinged, including making investments in renewable energy companies traded on AIM. This could, however, result in lower returns to investors.

- Constraints on the availability of bank debt finance and its pricing as a result of the prevailing market conditions may affect the ability of developers of renewable energy projects to obtain suitably priced debt finance and, consequently, the ability of the Companies to identify further suitable investment opportunities. To mitigate these risks, the Manager will continue to maintain close relationships with the key renewable energy lending banks in the UK market. The Manager believes that lending appetite exists for well-structured and risk managed projects and the Manager should be able to demonstrate to potential lending banks a strong risk management approach through existing investments. The Manager will seek to mitigate any effects that market conditions have on debt pricing by fixing long term interest rates through the use of interest rate swaps and by seeking to negotiate competitive terms.
- A failure to meet and maintain the qualifying requirements for a VCT could result in:
  - investors being required to repay the 30% income tax relief received on subscription for Ordinary Shares;
  - loss of income tax relief on dividends paid (or subsequently payable) by the Companies;
  - loss of tax relief previously obtained in relation to corporation tax on capital gains made by the Companies;
  - a liability to capital gains tax on the disposal of Ordinary Shares; and
  - the loss of the Companies' listings on the Official List.
- The levels and bases of relief from taxation may change. The tax reliefs referred to in this document are those currently available for the 2011/12 tax year and their value depends on the individual circumstances of investors. **Investors should seek their own tax advice appropriate to their individual circumstances.**
- 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.
- Although the Ordinary Shares will be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the shares primarily because the initial tax relief is only available to those subscribing for newly issued shares and investors may, therefore, have difficulty in selling them.
- The Companies' ability to obtain maximum value from its investments (for example through sale) may be limited by the requirements imposed in order to maintain the tax status of the Companies (such as the obligation to have at least 70% by value of each Company's assets invested in Qualifying Investments by the accounting period commencing no later than three years after the date of provisional approval as a VCT).
- The Companies are dependent on their Directors and certain members of Temporis' investment management team. The departure from the Companies or Temporis of any of these persons could have a material adverse effect on the business of the Companies. Whilst the Companies and Temporis have entered into agreements to retain the services of these people, the retention of their services cannot be guaranteed.

# RISK FACTORS

The Companies and the Directors consider the following risks to be material for potential investors. They are not set out in any order of priority. Additional risks and uncertainties currently unknown to the Companies and the Directors (such as changes in legal, regulatory or tax requirements), or which the Companies and the Directors currently believe are immaterial, may also have a materially adverse effect on the financial condition or prospects of the Companies or the trading price of shares.

- Prospective investors should be aware that the value of the Ordinary Shares, and the income from them, may go down as well as up. An investor may not get back the amount originally invested.
- The price at which the Ordinary Shares are traded may not reflect the Net Asset Value of the Companies as shares in VCTs often trade at below their NAV due, in part, to low share trading volumes.
- Having regard to the Companies' investment objectives and the tax reliefs available, Ventus and Ventus 2 should be considered as a long term investment.
- Ventus and Ventus 2 will invest in small, unquoted companies. Such companies generally have a higher risk profile than larger "blue chip" companies and may not produce the hoped for returns, which could affect an investor's ability to realise his or her initial investment.
- The portfolio companies in which Ventus and Ventus 2 will invest will be subject to the risks of renewable energy projects including, *inter alia*, lower than projected wind speeds (for wind projects), lower than projected energy output, downtime of renewable energy generation equipment, higher than projected operating costs, volatility in annual revenues, adverse changes in government policy, unavailability of PPAs and risk of default under senior debt agreements. The Companies will attempt to mitigate this risk by continuing to hold a diversified portfolio of investments, any of which could materially impact on the Companies' financial performance. Furthermore, the Companies will have a long-term investment horizon and the Manager believes it is reasonable to expect that the energy output over the investment horizon should tend toward the projected level.
- The energy generation equipment operated by investee companies could fail or be subject to substantial downtime which could materially impact on the Companies' financial importance. The Companies mitigate this risk by only investing in companies which rely on multi-year warranties (with liquidated damages) from reputable manufacturers and which enter into operations and maintenance contracts with reputable manufacturers or engineering firms.
- Annual variability in energy output may result in year-to-year volatility in revenues earned by companies in which Ventus and Ventus 2 invest. This volatility may translate into volatility in annual dividends paid from portfolio companies to Ventus and Ventus 2. Any volatility in dividends from portfolio companies may result in annual fluctuation in dividends paid by Ventus and Ventus 2.
- A change of Government or change in Government policy could lead to new renewable energy policies resulting in a change or abandonment of Government based financial support mechanisms for renewable energy, which could adversely impact the market price for renewable energy. However, the Manager believes any such price risk may be mitigated by the fact that investee companies intend to sell their electricity output pursuant to long-term PPAs and the UK Government has historically adopted a policy of grandfathering the regulatory support for projects that are already consented and/or operational.
- There is no guarantee that sufficiently attractive long-term PPAs will be available to investee companies in the future when the Manager is seeking to make investments. If this were to occur, the Manager would seek to balance the potentially increased risk of the investment by securing a higher equity stake in the investee company for the funds invested with higher equity returns thereby expected to be earned over the life of the investment.
- An increase in operating costs could reduce the margins of investee companies. However, the Manager believes that the projected operating costs (excluding the cost of fuel) of the investee companies will normally be less than 25% of projected revenues on average over the period during which a long-term PPA is in place.

- Increases in interest rates or changes in the terms offered by senior lenders in financing renewable energy projects could cause a deterioration in the returns available from investment in renewable energy project companies. However, the interest rate on the majority of debt used to finance an investee company's project will typically be at a fixed rate of interest over the term of the debt.
- An increase in long-term interest rates could cause an increase in the discount rates used by potential purchasers of renewable energy generation assets in determining the present value of cash flows from projects. Such an increase in discount rates could cause a decrease in the underlying value of the generation assets held by portfolio companies in which Ventus and Ventus 2 invest.
- There can be no certainty that there will be sufficient suitable investment opportunities in companies with Fully Consented Projects. The Manager may be unable to source an adequate number of Qualifying Investment opportunities in companies developing renewable energy projects of up to 20 megawatts, which are the projects that the Companies intend to target. If an adequate number of such investments is not available, the Companies will endeavour to take such steps as are necessary to ensure that VCT qualifying status is not impinged, including making investments in renewable energy companies traded on AIM. This could, however, result in lower returns to investors.
- Constraints on the availability of bank debt finance and its pricing as a result of prevailing market conditions may affect the ability of developers of renewable energy projects to obtain suitably priced debt finance and, consequently, the ability of the Companies to identify further suitable investment opportunities. To mitigate these risks, the Manager will continue to maintain close relationships with the key renewable energy lending banks in the UK market. The Manager believes that lending appetite exists for well-structured and risk-managed projects and that the Manager should be able to demonstrate to potential lending banks a strong risk management approach through existing investments. The Manager will seek to mitigate any effects that market conditions have on debt pricing by fixing long term interest rates through the use of interest rate swaps and by seeking to negotiate competitive terms.
- A failure to meet and maintain the qualifying requirements for a VCT may cause HMRC to withdraw the Companies' status as VCTs, which could result in:
  - investors being required to repay the 30% income tax relief received on subscription for Ordinary Shares;
  - loss of income tax relief on dividends paid (or subsequently payable) by the Companies;
  - loss of tax relief previously obtained in relation to corporation tax on capital gains made by the Companies;
  - a liability to capital gains tax on the disposal of Ordinary Shares; and
  - the loss of the Companies' listings on the Official List.
- The levels and bases of relief from taxation may change and such changes may be retrospective. The tax reliefs referred to in this document are those currently available for the 2011/12 tax year and their values depend on the individual circumstances of investors. **Investors should seek their own tax advice appropriate to their individual circumstances.**
- 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. In the Finance Bill 2012 published in draft on 6 December 2011, HMRC stated its intention to introduce a new "disqualifying purpose" test for investments made on or after 6 April 2012. Under this test, an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs. The details of how the "disqualifying purpose" test will be implemented have not yet been published. The Manager does not believe that the "disqualifying purpose" test will apply to investments of the Companies; however, there is a risk that the rules could be implemented in a way that would restrict investment opportunities of the Companies.
- Investments in the Companies should be regarded as long-term in nature, as any sale of Ordinary Shares within five years of subscription will result in the 30% income tax relief available upon investment becoming repayable.

- Any realised losses on the disposal of Ordinary Shares cannot be used to create an allowable loss for capital gains tax purposes.
- Although the Ordinary Shares will be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the shares primarily because the initial tax relief is only available to those subscribing for newly issued shares and investors may, therefore, have difficulty in selling them.
- The Companies' ability to obtain maximum value from its investments (for example through sale) may be limited by the requirements imposed in order to maintain the tax status of the Companies (such as the obligation to have at least 70% by value of each Company's assets invested in Qualifying Investments).
- The Companies are dependent on their Directors and certain members of Temporis' investment management team. The departure from the Companies or Temporis of any of these persons could have a material adverse effect on the business of the Companies. Whilst the Companies and Temporis have entered into agreements to retain the services of these people, the retention of their services cannot be guaranteed.

# DEFINITIONS

“2005 Offer”	the offer for subscription by Ventus to raise a maximum amount of £25,000,000 by the issue of up to 25,000,000 Ordinary Shares at 100p each as detailed in the prospectus dated 28 October 2004
“2006 Offer”	the offer for subscription by Ventus 2 to raise a maximum amount of £15,000,000 by the issue of up to 15,000,000 Ordinary Shares at 100p each as detailed in the prospectus dated 16 January 2006
“2009 ‘C’ Share Offer”	the joint offer for subscription by Ventus and Ventus 2 to raise a maximum amount of £20,000,000 by the issue of up to 20,000,000 “C” Shares at 100p each as detailed in the prospectus dated 12 February 2009
“2009 Top-up Offer”	the offer for subscription by Ventus, Ventus 2 and Ventus 3 to raise a maximum amount of £1,500,000 in Ventus, £1,000,000 in Ventus 2 and £1,000,000 in Ventus 3 by the issue of new Ordinary Shares at Net Asset Value divided by 0.945, as detailed in the offering document dated 17 November 2009
“2010 ‘C’ Share Offer”	the joint offer for subscription by Ventus and Ventus 2 to raise a maximum amount of £10,000,000 by the issue of up to 10,000,000 “C” Shares at 100p each as detailed in the prospectus dated 8 February 2010
“Act”	the Companies Act 2006 (as amended from time to time)
“Admission”	the admission of the Ordinary Shares issued, and to be issued, pursuant to the Offers to the Official List and to trading on the London Stock Exchange becoming effective
“AIM”	the AIM Market operated by the London Stock Exchange
“Application Form”	the form of application for Ordinary Shares under the Offers set out at the end of this document
“Companies”	Ventus and Ventus 2, and “Company” means either one of them as the context requires
“CREST”	the relevant system (as defined in the Regulations) operated by Euroclear
“‘C’ Shares”	“C” Ordinary shares of 25p each in the capital of the Companies
“‘C’ Shareholder”	a holder of ‘C’ Shares
“Directors” or “the Board”	the directors of each Company
“Euroclear”	Euroclear UK & Ireland Limited
“FSA”	the Financial Services Authority
“FSMA”	Financial Services and Markets Act 2000
“Full Consent”	receipt of all material approvals, permits, licences and agreements necessary in order for a renewable energy development to be legally built and operated over an agreed period of time at an agreed location, including (but not limited to) planning permission and associated agreement of planning conditions, a grid interconnection agreement, landowner agreements and use of public highway agreements
“Fully Consented Project”	a renewable energy development with Full Consent
“HMRC”	HM Revenue & Customs
“ITA”	Income Tax Act 2007, as amended
“Tender Offers”	the Ventus Tender Offer and the Ventus 2 Tender Offer
“Listing Rules”	the rules relating to admission to the Official List

“London Stock Exchange”	London Stock Exchange plc
“Management Agreements”	the agreement dated 26 August 2011 between Ventus and the Manager governing the investment management of Ventus (effective 12 September 2011) and the agreement dated 26 August 2011 between Ventus 2 and the Manager governing the investment management of Ventus 2 (effective 12 September 2011)
“Merger”	the merger of Ventus 2 and Ventus 3 completed pursuant to a scheme of reconstruction on 6 May 2010, pursuant to which each holder of Ventus 3 Ordinary Shares received 0.997 Ventus 2 Ordinary Shares in exchange for each Ventus 3 Ordinary Share
“Net Asset Value” or “NAV”	the value of each Company’s assets, less its liabilities (divided by the appropriate number of shares in issue when referred to on a per-share basis)
“Notice”	notice of the general meetings of the Companies convened for 8 March 2012
“Offer Agreement”	the offer for subscription agreement detailed in paragraph 9 of Part V of this document
“Offer Price”	for each Company, the Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement)
“Offers”	the Ventus Offer and the Ventus 2 Offer, and “Offer” means either one of them as the context requires
“Official List”	the Official List of the UK Listing Authority
“Ofgem”	the Office of Gas and Electricity Markets, the regulator for gas and electricity markets in the UK
“Ordinary Shareholder”	a holder of Ventus Ordinary Shares or Ventus 2 Ordinary Shares, as applicable
“Ordinary Shares”	Ventus Ordinary Shares or Ventus 2 Ordinary Shares, as applicable
“PPA”	a power purchase agreement for the sale of electricity and associated benefits between an investee company and a purchaser of electricity
“Qualifying Investment”	an investment made by a venture capital trust in a trading company which comprises a qualifying holding under Chapter 4 of Part 6 ITA
“Receiving Agents”	The City Partnership (UK) Limited
“Registrars”	Capita Registrars
“Regulations”	the Uncertificated Securities Regulations 2001 (S.I. 2001/3755)
“Renewables Obligation” or “RO”	the obligation of licensed electricity suppliers to supply a specified and growing proportion of their electricity sales from renewable sources, as set out in The Renewables Obligation Order 2002 (S.I. 914/2002) in respect of England and Wales and The Renewables Obligation (Scotland) Order 2002 (Scottish S.I. 163/2002) in respect of Scotland (both as amended)
“Resolutions”	the resolutions relating to (i) the increases in the authorised share capital of the Companies, (ii) the authority of the Directors to allot shares, (iii) the disapplication of pre-emption rights in respect of the allotment of shares, (iv) the amendment of the articles of association of the Companies and (v) the authority of the Directors to make market purchases of shares in respect of the Tender Offers, as set out in further detail on pages 49 and 54

“Return”	growth in Net Asset Value plus payment of dividends for the purpose of computing the performance-related incentive fee as set out on page 36
“ROC(s)”	Renewables Obligation Certificate(s)
“Shareholder”	an Ordinary Shareholder or a “C” Shareholder
“Shareholder Return”	the sum of (i) all dividends paid or declared in respect of a share and (ii) the most recent published Net Asset Value of that share
“Sponsor”	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the FSA and is a member of the London Stock Exchange
“Temporis” or “the Manager”	Temporis Capital LLP, which is authorised and regulated by the FSA
“Tender Offers”	the Ventus Tender Offer and the Ventus 2 Tender Offer, and “Tender Offer” means either one of them as the context requires
“UK Listing Authority”	The Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“VCT”	venture capital trust as defined by section 259 ITA
“Ventus”	Ventus VCT plc
“Ventus Offer”	the offer for subscription to raise a maximum amount of £15,000,000 (before expenses) in Ventus by the issue of new Ordinary Shares at the Ventus Offer Price
“Ventus Offer Price”	the Net Asset Value per Ventus Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement)
“Ventus Ordinary Shares”	ordinary shares of 25p each in the capital of Ventus
“Ventus Tender Offer”	the tender offer under which Ventus will buy back up to 12,000,000 Ordinary Shares from participating Ordinary Shareholders at a price per Ordinary Share equal to the Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement), divided by 1.055 to allow for costs, rounded up the nearest tenth of a penny
“Ventus 2”	Ventus 2 VCT plc
“Ventus 2 Group”	Ventus 2 and the Ventus 2 Subsidiaries
“Ventus 2 Offer”	the offer for subscription to raise a maximum amount of £10,000,000 (before expenses) in Ventus 2 by the issue of new Ordinary Shares at the Ventus 2 Offer Price
“Ventus 2 Offer Price”	the Net Asset Value per Ventus 2 Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement)
“Ventus 2 Ordinary Shares”	ordinary shares of 25p each in the capital of Ventus 2
“Ventus 2 Subsidiaries”	Redeven Energy Limited and Spurlens Rig Wind Limited
“Ventus 2 Tender Offer”	the tender offer under which Ventus 2 will buy back up to 14,000,000 Ordinary Shares from participating Ordinary Shareholders at a price per Ordinary Share equal to the Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement), divided by 1.055 to allow for costs, rounded up the nearest tenth of a penny
“Ventus 3”	Ventus 3 VCT plc

## EXPECTED TIMETABLE

Offers open	10.00 am on 3 February 2012
Deadline for receipt of applications	1.00 pm on 3 April 2012
Allotment	On or before 5 April 2012
Admission and dealings expected to commence	Within 21 business days of any allotment
Offers close	1.00 pm on 3 April 2012

The deadline for receipt of applications is subject to the Offers not being fully subscribed by an earlier date or extended prior to that date. Definitive share and tax certificates will be despatched and CREST accounts credited as soon as practicable following allotment of Ordinary Shares. The Offers are not underwritten.

## OFFER STATISTICS

	<b>Ventus</b>	<b>Ventus 2</b>
	Latest Published Unaudited NAV (adjusted for any dividends paid subsequent to such publication)*	Latest Published Unaudited NAV (adjusted for any dividends paid subsequent to such publication)*
Offer Price		
Maximum Gross Proceeds of the Offers	£15,000,000	£10,000,000
Estimate maximum number of Ordinary Shares in issue following the Offers**	19,000,907	27,780,596
Commission payable to authorised introducers with respect to Ordinary Shares other than those acquired with proceeds of a Tender Offer	3% of amount introduced	3% of amount introduced

\* Existing Shareholders participating in a Tender Offer (or both of them) will receive additional Ordinary Shares equivalent to 3.5% of the amounts subscribed with the proceeds of the Tender Offer(s).

\*\* Assuming full take-up under the Tender Offers, the Offers being fully subscribed and an Offer Price of 105.5p per Ventus Ordinary Share and 59.6p per Ventus 2 Ordinary Share (which are the latest published NAVs of the Companies prior to the date of this Prospectus).

# DIRECTORS, MANAGER AND ADVISERS

## **Directors of Ventus**

David Charles Pinckney (Chairman)  
David James Williams  
Richard David Abbott  
all of Berger House  
36-38 Berkeley Square  
London  
W1J 5AE

## **Investment Manager**

Temporis Capital LLP  
Berger House  
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London  
W1J 5AE

## **Sponsor to the Offers**

Howard Kennedy Corporate Services LLP  
19 Cavendish Square  
London  
W1A 2AW

## **Solicitors to the Offers**

Howard Kennedy LLP  
19 Cavendish Square  
London  
W1A 2AW

## **Solicitors to the Companies**

Berwin Leighton Paisner LLP  
Adelaide House  
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EC4R 9HA

## **Principal Bankers**

HSBC Bank plc  
60 Queen Victoria Street  
London  
EC4N 4TR

## **VCT Taxation Advisers**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## **Directors of Ventus 2**

Alan Geoffrey Moore (Chairman)  
Colin Laing Wood  
Paul Scott Thomas  
all of Berger House  
36-38 Berkeley Square  
London  
W1J 5AE

## **Registrars and Registered Office**

Capita Registrars  
The Registry  
34 Beckenham Road  
Beckenham, Kent  
BR3 4TU

## **Receiving Agents and Secretary**

The City Partnership (UK) Limited  
Thistle House  
21 Thistle Street  
Edinburgh  
EH2 1DF

## **Broker**

Matrix Corporate Capital LLP  
1 Vine Street  
London  
W1J 0AH

## **Marketing Adviser in Relation to the Offers**

RAM Capital Partners LLP  
74 Chancery Lane  
London  
WC2A 1AD

## **Auditors**

PKF (UK) LLP  
Farringdon Place  
20 Farringdon Road  
London  
EC1M 3AP

## **Custodians**

Cazenove Capital Management Limited  
12 Moorgate  
London  
EC2R 6DA

# PART I

## THE OFFERS

Ventus is raising up to £15 million and Ventus 2 is raising up to £10 million by way of issues of new Ordinary Shares at a price per new Ordinary Share for each Company equal to the relevant Company's Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement). The Directors believe that UK renewable energy projects using established technologies remain attractive in the current economic environment, and it is intended that the funds raised from the Offers will be deployed to continue the investment programmes of the Companies in accordance with the Companies' investment policy.

## THE TENDER OFFERS

In connection with the Offers, the Companies are proposing to undertake the Tender Offers. An Ordinary Shareholder participating in a Tender Offer will be able to sell his or her Ordinary Shares back to relevant Company at a price per share equal to that Company's Net Asset Value per Ordinary Share most recently announced to the London Stock Exchange (adjusted for any dividends paid subsequent to such announcement), divided by 1.055 to allow for costs, rounded up to the nearest tenth of a penny, **subject to** the Ordinary Shareholder applying the full proceeds of his or her share sale to subscribe for new Ordinary Shares under the relevant Offer. An Ordinary Shareholder who participates in a Tender Offer will be given additional Ordinary Shares in the relevant Company equal to 3.5% of the amount subscribed with proceeds from the Tender Offer(s). An Ordinary Shareholder participating in a Tender Offer (or both of them) is also able to subscribe for new Ordinary Shares in either Ventus or Ventus 2 in addition to the new Ordinary Shares acquired with his or her proceeds from the Tender Offer(s).

Ordinary Shareholders who sell their Shares back to either Company under a Tender Offer and subsequently subscribe for new Ordinary Shares under the Offers should not regard this, for tax purposes, as continuing with their existing holdings. They will be subscribing for new Ordinary Shares which will carry relief from income tax of up to 30%, but which will also carry the requirement to hold the new Ordinary Shares for five years from the date of subscription. Shareholders who sell the new Ordinary Shares earlier than this time (except in the event of death) will have to repay some or all of the 30% income tax relief. Income tax relief on subscription will be subject to an investor's personal circumstances and is limited to an amount which reduces the investor's income tax liability to nil. Ordinary Shareholders who acquired their Ordinary Shares by way of the 2009 Top-up Offer should be aware that such Ordinary Shares have not been held for five years from the date of subscription, and such Ordinary Shareholders would therefore have to repay some or all of the 30% income tax relief they received at the time of subscription if they were to tender such shares under the Tender Offers.

Ordinary Shareholders of Ventus 2 who at one time held Ordinary Shares in Ventus 3 should note that the exchange of Ventus 3 Shares for new Ventus 2 shares pursuant to the Merger on 6 May 2010 did not constitute a disposal of the Ventus 3 Ordinary Shares for the purposes of UK taxation. Instead, the Ventus 2 Ordinary Shares issued on 6 May 2010 in connection with the Merger are treated as having been acquired at the same time and at the same cost as the Ventus 3 Ordinary Shares from which they were derived. As such, Ventus 2 Ordinary Shares derived from Ventus 3 Ordinary Shares issued pursuant to the 2006 Offer have been held for more than five years and Ordinary Shareholders could tender such Ordinary Shares under the Tender Offer without losing the income tax relief received in the year of the original subscription.

To the extent the net proceeds from the Offer for either Company are not used to repurchase shares, these net proceeds will be invested by the relevant Company in accordance with the normal restrictions and time limits for investments by venture capital trusts.

The Boards believe the Tender Offers combined with the Offers are in the best interests of the Companies as new Ordinary Shares issued under the Offers will serve to re-establish the long-term nature of the Companies' funding. The Boards further believe that the Tender Offers, combined with the intended operation of the Companies' buy-back policy, should have the effect of reducing the discount to NAV at which the Ordinary Shares trade in the market.

A copy of this document and the accompanying Circular have been submitted to HMRC who have confirmed that, subject to the personal circumstances of investors, they should be eligible for VCT income tax relief of up to 30 per cent on the total amount subscribed in the Ordinary Share Offer out of the proceeds of sale of Ordinary Shares disposed of under the Tender Offer.

## THE GENERAL MEETINGS

The Offer and the Tender Offer for each Company are subject to the passing of the appropriate resolutions at the general meeting of each Company to be held on 8 March 2012 (or any adjournment thereof).

## ABOUT VENTUS AND VENTUS 2

Ventus and Ventus 2 are venture capital trusts established to invest in a portfolio of companies that develop, construct and operate UK renewable energy projects with a typical capacity of between 2 and 20 megawatts. The capital structure of each Company is divided into two pools. Each Company's Ordinary Share fund and "C" Share fund each hold separate investments within the same Company. The Ventus Ordinary Share fund was launched with the 2005 Offer. Ventus 2 and Ventus 3 (which merged into Ventus 2 pursuant to the Merger in May 2010) launched Ordinary Share funds with the 2006 Offer. Both Ordinary Share funds raised further capital through the 2009 Top-up Offer which concluded in January 2010. Each Company's "C" share pool was raised through the 2009 "C" Share Offer and the 2010 "C" Share Offer.

In total, the Companies have raised £63.8 million in capital since 2005 in the following offerings:

	Ventus Ordinary Shares	Ventus "C" Shares	Ventus 2 Ordinary Shares	Ventus 3 Ordinary Shares	Ventus 2 "C" Shares
2005 Offer	15,000,183				
2006 Offer			11,173,337	11,172,954	
2009 Top-up Offer	1,384,610		1,113,912	1,113,912	
2009 "C" Share Offer		6,924,686			6,924,686
2010 "C" Share Offer		4,404,421			4,404,421
	16,384,793	11,329,107	12,287,249	12,286,866	11,329,107

The shares for all the offers were issued at 100p per share except the 2009 Top-up Offer, in which shares were issued at NAV of 108p per share for Ventus and 89p per share for Ventus 2 and Ventus 3.

Pursuant to the Merger on 6 May 2010, Ventus 2 issued 12,250,311 new Ordinary Shares to Ventus 3 shareholders, so that Ventus 2 currently has 24,537,560 Ordinary Shares in issue.

The Directors believe that UK renewable energy projects using established technologies remain attractive in the current economic environment and it is intended that the funds raised from the Offers will be deployed to continue the successful investment programme of the Companies. The Manager has an extensive investment pipeline with over 50 megawatts of renewable energy generation capacity under review.

The Companies are focused on building a diversified portfolio of investments in established renewable energy technologies which include (but are not limited to) wind power and hydro-electric power.

## TRACK RECORD AND NET ASSETS

### Ventus Ordinary Share Fund

The Ventus Ordinary Share fund is primarily invested in operating wind farms which generate regular cash flow, although the Ventus Ordinary Share fund has also invested £2 million in a company operating landfill gas power stations (Redimo LFG Limited). Redimo LFG Limited has experienced operating problems and the investment has been written down to zero.

In terms of unaudited total return to Shareholders (cumulative dividends paid plus latest published NAV as at 31 August 2011), the Ventus Ordinary Share fund is one of the leading performers among the more than 40 VCTs launched in the tax year ended 5 April 2005. As at 31 August 2011 the NAV of Ventus is 107.0p per Ventus Ordinary Share compared to an initial NAV net of offer costs of 94.5p per Ventus Ordinary Share immediately after the 2005 Offer.

The investments made to date, Net Asset Values and cumulative dividends paid to date for the Ventus Ordinary Shares (all information unaudited) are as follows:

Number of investments at 3 February 2012	13
Cumulative amount invested at 3 February 2012	£13,733,000
Cumulative amount invested at 31 August 2011	£13,709,000
Value of investments at 31 August 2011	£16,746,000
NAV at 31 August 2011	£17,528,000
NAV per share at 31 August 2011	107.0p
Cumulative dividends per Ventus Ordinary Share paid	20.0p

Ventus has paid dividends on the Ventus Ordinary Shares as follows:

Period Ended	Payment Date	Dividend (pence per Ordinary Share)
August 2005	February 2006	0.75
February 2006	August 2006	0.75
August 2006	February 2007	1.00
February 2007	August 2007	1.40
August 2007	January 2008	1.50
February 2008	July 2008	2.00
August 2008	January 2009	1.50
February 2009	July 2009	3.00
August 2009	January 2010	1.50
February 2010	July 2010	2.00
August 2010	January 2011	1.50
February 2011	August 2011	1.60
August 2011	January 2012	1.50
<b>Total</b>		<b>20.00</b>

Taking into account the tax reliefs available to investors in the tax year ended 5 April 2005, the total return at the date of this Prospectus (being the latest published unaudited Net Asset Value of Ventus Ordinary Shares, as well as dividends paid) to investors in Ventus in the 2005 Offer represents an annualised after-tax internal rate of return of approximately 12.4% (which would correspond to an after-tax internal rate of return of 9.7% under the current tax regime with a tax relief of 30p per Ventus Ordinary Share instead of the 40p per Ventus Ordinary Share at the time that Ventus was launched). See Part II for a description of tax reliefs available to investors and other tax considerations for investors.

### **Ventus “C” Share Fund**

The Ventus “C” Share fund has been invested primarily in companies developing wind energy projects. The Ventus “C” Share fund is early in its investment period, and no investments of the Ventus “C” Share fund have been re-valued either up or down. Ventus paid a dividend of 1.0p per “C” Share on 11 January 2012. These were the first dividends paid to Ventus “C” Shareholders.

The investments made to date, Net Asset Values and cumulative dividends paid to date for the Ventus “C” Shares are as follows:

Number of investments at 3 February 2012	8
Cumulative amount invested at 3 February 2012	£6,233,000
Cumulative amount invested at 31 August 2011	£5,533,000
Value of investments at 31 August 2011	£5,533,000
NAV at 31 August 2011	£10,513,000
NAV per Ventus C Share at 31 August 2011	92.8p
Cumulative dividends per Ventus “C” Share paid	1.0p

### **Ventus 2 Ordinary Share Fund**

The Ventus 2 Ordinary Share fund has not performed as well as the Ventus Ordinary Share fund in large part due to three investments in companies operating biomass power stations (“the biomass investments”) and an investment in a company operating three landfill gas power stations (Redimo LFG Limited). The biomass investments, totalling £5.77 million, have paid no dividends or interest to Ventus 2 and have been written down to zero. The investment Redimo LFG Limited is currently paying no dividends or interest to Ventus 2 and has also been written down to zero.

The investments made to date, Net Asset Values and cumulative dividends paid to date for the Ventus 2 Ordinary Shares (all information unaudited) are as follows:

Number of investments at 3 February 2012	17
Cumulative amount invested at 3 February 2012	£19,344,000
Cumulative amount invested at 31 August 2011	£19,308,000
Value of investments at 31 August 2011	£13,328,000
NAV at 31 August 2011	£14,624,000
NAV per Ventus 2 Ordinary Share at 31 August 2011	59.6p
Cumulative dividends per Ventus 2 Ordinary Share paid	10.9p

Ventus 2 has paid dividends on its Ordinary Shares as follows:

Period Ended	Payment Date	Dividend (pence per Ordinary Share)
August 2006	February 2007	0.75
February 2007	August 2007	0.75
August 2007	January 2008	1.00
February 2008	July 2008	1.40
August 2008	January 2009	1.50
February 2009	July 2009	1.50
August 2009	January 2010	1.50
February 2010	July 2010	-
August 2010	January 2011	1.50
February 2011	July 2011	1.00
August 2011	January 2012	-
<b>Total</b>		<b>10.90</b>

Taking into account the tax reliefs available to investors in Ventus 2 in the tax year ended 5 April 2006, the total return at the date of this Prospectus (being the latest published unaudited Net Asset Value of Ventus 2 Ordinary Shares, as well as dividends paid) to investors in Ventus 2 in the 2006 Offer represents an annualised after-tax internal rate of return of approximately 3.0% (which would correspond to an after-tax internal rate of return of 0.1% under the current tax regime with a tax relief of 30p per Ventus 2 Ordinary Share instead of the 40p per Ventus 2 Ordinary Share at the time that Ventus 2 was launched). See Part II for a description of tax reliefs available to investors and other tax considerations for investors.

### Ventus 2 “C” Share Fund

The Ventus 2 “C” Share fund has been invested primarily in companies developing wind energy projects. The Ventus 2 “C” Share fund is early in its investment period, and no investments of the Ventus 2 “C” Share fund have been re-valued either up or down. Ventus 2 paid a dividend of 1.0p per “C” Share on 11 January 2012. These were the first dividends paid to Ventus 2 “C” Shareholders.

The investments made to date, Net Asset Values and cumulative dividends paid to date for the Ventus 2 “C” Shares are as follows:

Number of investments at 3 February 2012	8
Cumulative amount invested at 3 February 2012	£6,233,000
Cumulative amount invested at 31 August 2011	£5,533,000
Value of investments at 31 August 2011	£5,533,000
NAV at 31 August 2011	£10,510,000
NAV per Ventus ‘C’ Share at 31 August 2011	92.8p
Cumulative dividends per Ventus 2 “C” Share paid	1.0p

## INVESTMENTS OF VENTUS

### Ventus Ordinary Share Portfolio – Investments

The investments of the Ventus Ordinary Share fund as at 3 February 2012, with valuations and investment cost at 31 August 2011, as well as valuations and investment cost of investment made since 31 August 2011, is given below (all information unaudited).

	Voting rights %	Investment value* (£ Sterling) as at 31 August 2011			Investment cost* (£ Sterling) as at 31 August 2011		
		(unlisted) Shares £000	Loans £000	Total £000	(unlisted) Shares £000	Loans £000	Total £000
<b>Operational wind</b>							
Fenpower Limited	<b>Q</b> 33.33%	2,027	1,676	3,703	308	1,761	2,069
Craig Wind Farm Limited	<b>Q</b> 37.50%	1,966	1,028	2,994	1,079	1,014	2,093
A7 Greendykeside Limited	<b>Q</b> 50.00%	1,230	632	1,862	916	620	1,536
Achairn Energy Limited	<b>Q</b> 8.50%	411	280	691	203	260	463
A7 Lochhead Limited	<b>Q</b> 30.00%	834	183	1,017	820	180	1,000
Greenfield Wind Farm Limited	<b>PQ</b> 8.35%	334	668	1,002	334	668	1,002
<b>Operational companies in the wind sector</b>							
Broadview Energy Limited	<b>Q</b> 12.86%	2,885	-	2,885	750	-	750
Firefly Energy Limited	<b>Q</b> 50.00%	197	1,800	1,997	200	1,800	2,000
<b>Operational landfill gas</b>							
Redimo LFG Limited	<b>Q</b> 50.00%	-	-	-	2,000	-	2,000
<b>Development and pre-planning</b>							
Redeven Energy Limited	40.00%	112	244	356	-	356	356
Spurlens Rig Wind Limited	40.00%	116	30	146	116	30	146
Wind Power Renewables Limited	32.00%	13	80	93	168	80	248
Olgrinmore Limited	11.80%	-	-	-	46	-	46
<b>Total</b>		10,125	6,621	16,746	6,940	6,769	13,709
<b>Investments/(realisations) since 31 August 2011:</b>							
Redeven Energy Limited	40.00%	-	8	8	-	8	8
Spurlens Rig Wind Limited	40.00%	-	16	16	-	16	16

The investments made subsequent to 31 August 2011 are valued as at the date of this Prospectus.

**Q** – Investment complies with VCT regulations on qualifying holdings.

**PQ** – Part of the investment complies with VCT regulations on qualifying holdings.

\* The difference between investment cost and investment value represents the gain or loss in the value of the investment.

There has been no material change to the value of Ventus' Ordinary Share Portfolio since 31 August 2011.

## **Ventus Ordinary Share Portfolio – Description of Investments**

### ***Operational wind***

Each of the following investee companies owns and operates a single wind farm:

	Wind farm capacity (megawatts)	Operational since	Location
Fenpower Limited	10.0	May 2007	Cambridgeshire
Craig Wind Farm Limited	10.0	October 2007	Scottish Borders
A7 Greendykeside Limited	4.0	November 2007	Lanarkshire, Scotland
Achairn Energy Limited	6.0	May 2009	Caithness, Scotland
A7 Lochhead Limited	6.0	June 2009	Lanarkshire, Scotland
Greenfield Wind Farm Limited	12.3	February 2011	South Lanarkshire, Scotland

### ***Operational companies in the wind sector***

#### **Broadview Energy Limited**

Broadview Energy Limited Broadview is an independent renewable energy company that develops, constructs and operates wind farms throughout the UK. Broadview's portfolio includes 7 turbines (15.20 megawatts) in operation, 5 turbines (10.25 megawatts) in construction and 3 turbines (6 to 7.5 megawatts) with planning consent. It also has a portfolio of four proposed wind energy sites at various stages in the planning process.

#### **Firefly Energy Limited**

Firefly Energy Limited provides power purchase agreement and management accounting services to renewable energy project operators.

### ***Operational landfill gas***

#### **Redimo LFG Limited**

Redimo LFG Limited operates four landfill gas electricity generation sites in the north of England. The operating environment for the Redimo LFG Limited landfill gas generation portfolio is challenging, as contamination in the gas continues has caused problems for the generators at the two largest sites. Redimo LFG Limited is not paying dividends to Ventus and is held in the accounts of Ventus at a nil valuation.

### ***Development and pre-planning***

The following investments are not qualifying holdings for the purposes of the VCT regulations.

#### **Redeven Energy Limited**

Through development funding agreements entered into by Redeven Energy Limited, the Company holds investment rights in three companies intending to develop and operate wind farms in East Anglia. Each of the three companies holds a lease option over a site for which planning permission has been sought. Planning permission is held on all three sites with schemes totalling nine turbines. Ventus has not yet made an investment in any of the three development companies.

#### **Spurlens Rig Wind Limited**

A planning application for this proposed six turbine site was refused in December 2011. Ventus is considering its options for either lodging an appeal or restructuring the proposed project.

## Wind Power Renewables Limited

Wind Power Renewables Limited has submitted planning applications for three sites in East Anglia. Two of these applications have been refused, while a determination on the third site (for 2 turbines) is expected in the first half of 2012.

## Olgrinmore Limited

Olgrinmore Limited developed a potential two-turbine site in Caithness which was refused in planning and is being held at nil value. The Olgrinmore development team is reviewing the options to re-apply for permission to build a smaller project on the same site which would address the previous reasons for refusal.

## Ventus "C" Share Portfolio – Investments

The investments of the Ventus "C" Share fund as at 3 February 2012, with valuations and investment cost at 31 August 2011, as well as valuations and investment cost of investment made since 31 August 2011, is given below (all information unaudited).

	Voting rights %	Investment value* (£ Sterling) as at 31 August 2011			Investment cost* (£ Sterling) as at 31 August 2011		
		(unlisted) Shares £000	Loans £000	Total £000	(unlisted) Shares £000	Loans £000	Total £000
<b>Operational wind</b>							
Greenfield Wind Farm Limited	PQ 12.50%	500	1,000	1,500	500	1,000	1,500
<b>Wind in Construction</b>							
White Mill Windfarm Limited	PQ 25.00%	1,000	673	1,673	1,000	673	1,673
<b>Development, developers and pre-planning</b>							
Allt Dearg Wind Farmers LLP	0.00%	-	200	200	-	200	200
Iceni Renewables Limited	50.00%	400	-	400	400	-	400
Renewable Power Systems Limited	0.00%	-	350	350	-	350	350
B EGL 2 Limited	0.00%	-	500	500	-	500	500
B EGL 3 Limited	0.00%	-	500	500	-	500	500
EcoGen Limited	0.00%	-	410	410	-	410	410
<b>Total</b>		1,900	3,633	5,533	1,900	3,633	5,533
<b>Investments/(realisations) since 31 August 2011:</b>							
AD Wind Farmers Limited	Q 50.00%	1,000	-	1,000	1,000	-	1,000
Renewable Power Systems Limited	0.00%	-	(100)	(100)	-	(100)	(100)
Allt Dearg Wind Farmers LLP	0.00%	-	(200)	(200)	-	(200)	(200)

The investments made subsequent to 31 August 2011 are valued as at the date of this Prospectus.

**PQ** – Part of the investment complies with VCT regulations on qualifying holdings.

**Q** – investment complies with VCT regulations on qualifying holdings.

\* The difference between investment cost and investment value represents the gain or loss in the value of the investment.

There has been no material change to the value of Ventus' "C" Share Portfolio since 31 August 2011 other than in respect of the investment in AD Wind Farmers Limited made since 31 August 2011 as set out above.

## **Ventus “C” Share Portfolio – Description of Investments**

### ***Operational wind***

#### **Greenfield Wind Farm Limited**

Greenfield Wind Farm Limited operates a 12.3 megawatt wind farm in South Lanarkshire, Scotland. The wind farm has been operational since February 2011. The Ventus Ordinary Share fund and the Ventus 2 Ordinary Share fund also have investments in Greenfield Wind Farm Limited.

### ***Wind in construction***

#### **White Mill Windfarm Limited**

White Mill Windfarm Limited is constructing a 14.35 megawatt windfarm in the Cambridgeshire fens. The windfarm will operate seven REpower MM82 turbines. A subsidiary of the Co-operative Group Limited holds 50% of White Mill Wind Farm Limited. The windfarm is expected to begin exporting electricity in the summer of 2012.

#### **AD Wind Farmers Limited**

AD Wind Farmers Limited is an investor in Allt Dearg Wind Farmers LLP, which is constructing a 12 turbine wind farm near Lochgilphead, Scotland. The wind farm is expected to commence operations in late 2102.

### ***Development, developers and pre-planning***

The following investments are not structured so as to be qualifying holdings for the purposes of the VCT regulations.

#### **Iceni Renewables Limited**

Through Iceni Renewables Limited the Company has invested in and is committed to provide further funding to two wind energy development projects in Scotland. The total investment and commitment is £400,000. Scoping and pre-planning work is underway on both sites. The first, named Craigannet, is a six-turbine project which was submitted for planning on 27 January 2012. The other site is known as Merkins and was also submitted for planning on 27 January 2012. Lomond Energy Limited is the development manager of these sites.

#### **Renewable Power Systems Limited**

Renewable Power Systems Limited specialises in the development and operation of energy from waste generating plant. The loan is scheduled to be repaid by 30 June 2012.

#### **BEGL 2 Limited and BEGL 3 Limited**

The Company has provided medium term loan facilities of £500,000 to each of BEGL 2 Limited and BEGL 3 Limited. These companies are subsidiaries of Broadview Energy Limited. BEGL 2 Limited is the development company for Seamer, a five-turbine wind farm in Teesside currently being constructed. BEGL 3 Limited is the development company for Low Spinney, an operational four-turbine wind farm in Leicestershire. In each case the loans have been secured against the shares held by the development companies' parent company and have been used to meet construction and post consent development costs alongside long term bank loan facilities. The loans, together with accrued interest, are to be repaid in full no later than 30 June 2012.

#### **EcoGen Limited**

EcoGen Limited is a developer and operator of wind energy projects. The loan to EcoGen Limited, together with accrued interest, is to be repaid in full no later than 31 December 2012. The loan is secured against EcoGen Limited's one third shareholding in Fenpower Limited, a company in which the Ventus Ordinary Share fund holds an investment (please refer to the description of investments of the Ventus Ordinary share fund above).

## INVESTMENTS OF VENTUS 2

### Ventus 2 Ordinary Share Portfolio – Investments

The investments of the Ventus 2 Ordinary Share fund as at 3 February 2012, with valuations and investment costs at 31 August 2011, as well as valuations and investment cost of investment made since 31 August 2011, is given below (all information unaudited).

	Voting rights %	Investment value* (£ Sterling) as at 31 August 2011			Investment cost* (£ Sterling) as at 31 August 2011		
		(unlisted) Shares £000	Loans £000	Total £000	(unlisted) Shares £000	Loans £000	Total £000
<b>Operational wind</b>							
Craig Wind Farm Limited	Q 12.50%	655	343	998	497	341	838
Achairn Energy Limited	Q 40.40%	1,950	1,332	3,282	1,226	1,289	2,515
A7 Lochhead Limited	Q 20.00%	556	122	678	569	121	690
Greenfield Wind Farm Limited	PQ 16.65%	666	1,332	1,998	666	1,332	1,998
<b>Operational companies in the wind sector</b>							
Broadview Energy Limited	Q 2.22%	500	1,800	2,300	200	1,800	2,000
Firefly Energy Limited	Q 50.00%	196	200	396	200	200	400
<b>Operational landfill gas</b>							
Redimo LFG Limited	Q 50.00%	-	-	-	1,000	-	1,000
Renewable Power Systems (Dargan Road) Limited	Q 50.00%	615	1,164	1,779	780	1,120	1,900
<b>Waste wood biomass</b>							
PBM Power Limited	Q 25.00%	-	-	-	574	-	574
Sandsfield Heat & Power Limited	Q 44.90%	-	-	-	1,796	1,000	2,796
Twinwoods Heat & Power Limited	Q 50.00%	-	-	-	2,000	400	2,400
<b>Small hydro in construction</b>							
Osspower Limited	50.00%	300	55	355	300	55	355
<b>Development and pre-planning</b>							
The Small Hydro Company Limited	22.50%	115	534	649	115	534	649
Redeven Energy Limited	60.00%	167	367	534	-	534	534
Spurlens Rig Wind Limited	60.00%	174	45	219	174	45	219
Wind Power Renewables Limited	Q 48.00%	20	120	140	252	120	372
Olgrinmore Limited	17.60%	-	-	-	68	-	68
<b>Total</b>		5,914	7,414	13,328	10,417	8,891	19,308
<b>Investments/(realisations) since 31 August 2011:</b>							
Redeven Energy Limited	60.00%	-	12	12	-	12	12
Spurlens Rig Wind Limited	60.00%	-	24	24	-	24	24

The investments made subsequent to 31 August 2011 are valued as at the date of this Prospectus.

**Q** – Investment complies with VCT regulations on qualifying holdings.

**PQ** – Part of the investment complies with VCT regulations on qualifying holdings.

\* The difference between investment cost and investment value represents the gain or loss in the value of the investment.

There has been no material change to the value of Ventus 2's Ordinary Share Portfolio since 31 August 2011.

## Ventus 2 Ordinary Share Portfolio – Description of Investments

### **Operational wind**

Each of the following investee companies owns and operates a single wind farm:

	Wind farm capacity (megawatts)	Operational since	Location
Craig Wind Farm Limited	10.0	October 2007	Scottish Borders
Achairn Energy Limited	6.0	May 2009	Caithness, Scotland
A7 Lochhead Limited	6.0	June 2009	Lanarkshire, Scotland
Greenfield Wind Farm Limited	12.3	February 2011	South Lanarkshire, Scotland

### **Operational companies in the wind sector**

#### **Broadview Energy Limited**

Broadview Energy Limited Broadview is an independent renewable energy company that develops, constructs and operates wind farms throughout the UK. Broadview's portfolio includes 7 turbines (15.20 megawatts) in operation, 5 turbines (10.25 megawatts) in construction and 3 turbines (6 to 7.5 megawatts) with planning consent. It also has a portfolio of four proposed wind energy sites at various stages in the planning process.

#### **Firefly Energy Limited**

Firefly Energy Limited provides power purchase agreement and management accounting services to renewable energy project operators.

### **Operational landfill gas**

#### **Redimo LFG Limited**

Redimo LFG Limited operates four landfill gas electricity generation sites in the north of England. The operating environment for the Redimo LFG Limited landfill gas generation portfolio is challenging, as contamination in the gas continues has caused problems for the generators at the two largest sites. Redimo LFG Limited is not paying dividends to Ventus 2 and is held in the accounts of Ventus 2 at a nil valuation.

#### **Renewable Power Systems (Dargan Road) Limited**

Renewable Power Systems (Dargan Road) Limited operates a landfill gas electricity generation site in Northern Ireland. The site is operated by Renewable Power Systems Limited and has performed in line with expectations.

### **Waste wood biomass**

#### **PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited**

PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited are companies that have constructed biomass power plants fired with waste wood. The three companies have experience operating difficulties and have been written down to nil value. The Investment Manager is working with the three companies, as well as with the lending banks to the companies and with external engineering consultants, with a view to determining the future of each company. The Ventus 2 Directors believe the likelihood of any recovery from these three investments is small.

### **Small hydro in construction**

#### **Osspower Limited**

Osspower Limited is constructing a small hydro project at Allt Fionn Ghlinne in Scotland. The project is expected to start operation in the spring of 2012. Osspower Limited has consent for a further three small hydro projects on the same estate as the Allt Fionn Ghlinne project.

### ***Development and pre-planning***

#### **The Small Hydro Company Limited**

The Small Hydro Company Limited holds planning permission on five low head run of river hydro electric projects in England and is currently assessing the strategic options for raising further finance to construct and operate the projects. The schemes are expected to be eligible under the Feed-In Tariff regime.

#### **Redeven Energy Limited**

Through development funding agreements entered into by Redeven Energy Limited, the Company holds investment rights in three companies intending to develop and operate wind farms in East Anglia. Each of the three companies holds a lease option over a site for which planning permission has been sought. Planning permission is held on all three sites with schemes totalling nine turbines. Ventus 2 has not yet made an investment in any of the three development companies.

#### **Spurlens Rig Wind Limited**

A planning application for this proposed six turbine site was refused in December 2011. Ventus 2 is considering its options for either lodging an appeal or restructuring the proposed project.

#### **Wind Power Renewables Limited**

Wind Power Renewables Limited has submitted planning applications for three sites in East Anglia. Two of these applications have been refused, while a determination on the third site (for 2 turbines) is expected in the first half of 2012.

#### **Olgrinmore Limited**

Olgrinmore Limited developed a potential two-turbine site in Caithness which was refused in planning and is being held at nil value. The Olgrinmore development team is reviewing the options to re-apply for permission to build a smaller project on the same site which would address the previous reasons for refusal.

## Ventus 2 “C” Share Portfolio – Investments

The investments of the Ventus 2 “C” Share fund as at 3 February 2012, with valuations and investment cost at 31 August 2011, as well as valuations and investment cost of investment made since 31 August 2011, is given below (all information unaudited).

		Voting rights %	Investment value* (£ Sterling) as at 31 August 2011			Investment cost* (£ Sterling) as at 31 August 2011		
			(unlisted) Shares £000	Loans £000	Total £000	(unlisted) Shares £000	Loans £000	Total £000
<b>Operational wind</b>								
Greenfield Windfarm Limited	PQ	12.50%	500	1,000	1,500	500	1,000	1,500
<b>Wind in Construction</b>								
White Mill Wind Farm Limited	PQ	25.00%	1,000	673	1,673	1,000	673	1,673
<b>Development, developers and pre-planning</b>								
Allt Dearg Wind Farmers LLP		0.00%	-	200	200	-	200	200
Iceni Renewables Limited		50.00%	400	-	400	400	-	400
Renewable Power Systems Limited		0.00%	-	350	350	-	350	350
BEGL 2 Limited		0.00%	-	500	500	-	500	500
BEGL 3 Limited		0.00%	-	500	500	-	500	500
EcoGen Limited		0.00%	-	410	410	-	410	410
<b>Total</b>			1,900	3,633	5,533	1,900	3,633	5,533
<b>Investments/(realisations) since 31 August 2011:</b>								
AD Wind Farmers Limited	Q	50.00%	1,000	-	1,000	1,000	-	1,000
Renewable Power Systems Limited		0.00%	-	(100)	(100)	-	(100)	(100)
Allt Dearg Wind Farmers LLP		0.00%	-	(200)	(200)	-	(200)	(200)

The investments made subsequent to 31 August 2011 are valued as at the date of this Prospectus.

**Q** – Investment complies with VCT regulations on qualifying holdings.

**PQ** – Part of the investment complies with VCT regulations on qualifying holdings.

\* The difference between investment cost and investment value represents the gain or loss in the value of the investment.

There has been no material change to the values of Ventus 2’s “C” Share Portfolio since 31 August 2011 other than in respect of the investment in AD Wind Farmers Limited made since 31 August 2011 as set out above.

## **Ventus 2 “C” Share Portfolio – Description of Investments**

### ***Operational wind***

#### **Greenfield Windfarm Limited**

Greenfield Wind Farm Limited operates a 12.3 megawatt wind farm in South Lanarkshire, Scotland. The wind farm has been operational since February 2011. The Ventus Ordinary Share fund and the Ventus 2 Ordinary Share fund also have investments in Greenfield Wind Farm Limited

### ***Wind in construction***

#### **White Mill Wind Farm Limited**

White Mill Windfarm Limited is constructing a 14.35 megawatt windfarm in the Cambridgeshire fens. The windfarm will operate seven REpower MM82 turbines. A subsidiary of the Co-operative Group Limited holds 50% of White Mill Wind Farm Limited. The windfarm is expected to begin exporting electricity in the summer of 2012.

#### **AD Wind Farmers Limited**

AD Wind Farmers Limited is an investor in Allt Dearg Wind Farmers LLP, which is constructing a 12 turbine wind farm near Lochgilphead, Scotland. The wind farm is expected to commence operations in late 2012.

### ***Development, developers and pre-planning***

The following investments are not structured so as to be qualifying holdings for the purposes of the VCT regulations.

#### **Iceni Renewables Limited**

Through Iceni Renewables Limited the Company has invested in and is committed to provide further funding to two wind energy development projects in Scotland. The total investment and commitment is £400,000. Scoping and pre-planning work is underway on both sites. The first, named Craigannet, is a six-turbine project which was submitted for planning on 27 January 2012. The other site is known as Merkins and was also submitted for planning on 27 January 2012. Lomond Energy Limited is the development manager of these sites.

#### **Renewable Power Systems Limited**

Renewable Power Systems Limited specialises in the development and operation of energy from waste generating plant. The loan is scheduled to be repaid by 30 June 2012.

#### **BEGL 2 Limited and BEGL 3 Limited**

The Company has provided medium term loan facilities of £500,000 to each of BEGL 2 Limited and BEGL 3 Limited. These companies are subsidiaries of Broadview Energy Limited. BEGL 2 Limited is the development company for Seamer, a five-turbine wind farm in Teesside currently being constructed. BEGL 3 Limited is the development company for Low Spinney, an operational four-turbine wind farm in Leicestershire. In each case the loans have been secured against the shares held by the development companies' parent company and have been used to meet construction and post consent development costs alongside long term bank loan facilities. The loans, together with accrued interest, are to be repaid in full no later than 30 June 2012.

#### **EcoGen Limited**

EcoGen Limited is a developer and operator of wind energy projects. The loan to EcoGen Limited, together with accrued interest, is to be repaid in full no later than 31 December 2012. The loan is secured against EcoGen Limited's one third shareholding in Fenpower Limited, a company in which the Ventus Ordinary Share fund holds an investment (please refer to the description of investments of the Ventus Ordinary share fund above).

## TAX BENEFITS FOR INVESTORS

Individual investors subscribing for new shares in a VCT are entitled to the following benefits:

- up-front income tax relief to the investor of 30% is available in the tax year 2011/2102 (provided that the shares are held for at least five years);
- dividends paid to investors are free of income tax; and
- capital gains made by investors on a disposal of shares in a VCT are tax-free.

These reliefs are available for subscriptions in shares of venture capital trusts up to in aggregate £200,000 per tax year.

The following shows the effect of the increased tax reliefs for an individual who subscribes £10,000 in Ventus and Ventus 2:

Initial Investment	£10,000
Less income tax relief	£3,000
<b>Effective cost to investor</b>	<b>£7,000</b>

The following table shows what an investor would need to earn on a pre-tax basis from a taxable investment (paying either interest or dividends), acquired without the benefit of any up-front income tax relief, in order to earn a net yield equivalent to dividends from a VCT at various hypothetical dividend levels. The numbers below **(which are for illustration purposes only)** are presented for (i) an additional rate taxpayer, with a marginal income tax rate on interest income of 50% and a marginal income tax rate on dividend income of 42.5% (ii) a higher rate taxpayer, with a marginal income tax rate on interest income of 40% and a marginal income tax rate on dividend income of 32.5%, and (iii) a basic rate taxpayer, with a marginal income tax rate on interest income of 20% and a marginal income tax rate on dividend income of 10%.

Hypothetical annual dividend per share	4p	6p	8p
Effective investment per share net of 30% up front tax relief	70p	70p	70p
Effective after-tax yield = $\text{dividend} \div \text{effective investment}$	5.7%	8.6%	11.4%

**Equivalent pre-tax yield to additional rate tax payer =**  
 $\text{effective after tax-yield} \div (1 - \text{marginal tax rate}):$

Equivalent interest income yield	11.4%	17.2%	22.8%
Equivalent dividend income yield	9.9%	15.0%	19.8%

**Equivalent pre-tax yield to a higher rate tax payer =**  
 $\text{effective after tax-yield} \div (1 - \text{marginal tax rate}):$

Equivalent interest income yield	9.5%	14.3%	19.0%
Equivalent dividend income yield	8.4%	12.7%	16.9%

**Equivalent pre-tax yield to a basic rate tax payer =**  
 $\text{effective after tax-yield} \div (1 - \text{marginal tax rate}):$

Equivalent interest and dividend income yield	7.1%	10.8%	14.3%
Equivalent dividend income yield	6.3%	9.6%	12.7%

**Investors should obtain their own independent financial advice on their eligibility for tax relief. A general guide to the conditions to be met in order for the tax reliefs to be available is given in Part III of this document.**

## RENEWABLE ENERGY IN THE UK

According to the Department of Energy and Climate Change (DECC), approximately one-quarter of the UK's electricity generating capacity will shut down over the next ten years as old coal, oil and nuclear power stations close. DECC predicts that more than £110 billion in investment is needed to replace this generation capacity and upgrade the grid. In the longer term, by 2050, DECC expects electricity demand is set to double, as the UK shifts more transport and heating onto the electricity grid.

The UK Government has made strong commitments to reduce GHG emissions through increasing the level of energy generated from renewable energy sources. The principal policy tool in the UK has been the Renewables Obligation ("RO"), which was introduced in April 2002. The RO provides a strong financial incentive for all licensed electricity suppliers to secure a specified and increasing proportion of the electricity they supply from eligible renewable sources.

On 20 October 2011, the Government issued a consultation paper regarding the banding levels for Renewable Obligation Certificates ("ROCs") for renewable energy generating stations accredited from 1 April 2013 to 31 March 2017. This public consultation closed on 12 January 2012, and new rules (as yet not final) will go through the parliamentary process in 2012 and come into force on 1 April 2013. The level of support for onshore wind projects was proposed in the consultation paper to be reduced from the current level of 1 ROC per megawatt-hour to 0.9 ROCs per megawatt-hour effective 1 April 2013. This change, if implemented, would reduce revenues from wind farms by approximately 5%, but would not apply to projects commissioned before 1 April 2013. It would have no impact on any operational wind farms owned by the Companies' investee companies. The Manager's analysis of any future investments by the Companies will take into account the level of ROCs expected to be available for projects operated by investee companies. The Companies' target returns will not be impacted by the proposed change in ROC banding for onshore wind projects.

### **THE INVESTMENT OPPORTUNITY**

The Directors believe that continued legislative support for UK renewable energy projects, and increasing targets for renewable energy generation in the UK, create an attractive investment opportunity. The Directors believe that projects that use technologies with a proven operating track record – such as wind and hydro-electric – provide the most attractive renewable energy investment opportunities on a risk adjusted basis.

### **INVESTMENT AND BORROWING POLICY**

#### **Investment policy**

The Companies are focussed on investing in companies developing renewable energy projects with installed capacities of 2 to 20 megawatts, although investments in companies developing larger projects may also be considered. The net proceeds of the Offers will be invested in accordance with the published investment policies of Ventus and Ventus 2.

#### **Asset allocation**

The Manager will seek to maximise, so far as practicable, the investment of share funds in equity securities and loan stock of companies owning renewable energy projects with Full Consent, ready for construction of the project to commence or whose assets are already operational. Up to 10% of the net proceeds of the 2005 Offer, the 2006 Offer and the 2009 'C' Share Offer may be allocated to development funding for early stage renewable energy projects prior to Full Consent being obtained.

Each Company's policy is to maintain cash reserves of at least 5% of the proceeds of each share pool for the purpose of purchasing their shares in the market and meeting operating expenses.

In order to comply with VCT requirements, at least 70% by value of each of the Company's investments are required to be comprised of Qualifying Investments by, in each case, the accounting period commencing no later than three years after the date that provisional approval by HM Revenue & Customs of the Company's status as a VCT becomes effective and at all times thereafter.

Each of the share pools of each Company will, in aggregate, typically own 25% to 50% of the equity share capital of each investee company and a portion of the investment in each investee company may be in the form of loan stock.

The uninvested funds of each Company's share pools will be placed on deposit or invested in short-term fixed income securities until suitable investment opportunities are found.

## **Risk diversification**

The geographical focus of the portfolio is centred on the UK market. This is mitigated by making investments in a wide geographical spread of projects that are situated throughout the UK. Funds are also invested with a range of small-scale independent developers so project risk is not concentrated with only a few developers. The portfolio contains projects at different stages of the asset lifecycle, ranging from pre-planning to construction and then into operation. Investments are made via subscriptions for new share capital or through loan stock instruments in order to secure a negotiated level of return from the project. The majority of investments are made in companies set up to develop a single project and any bank debt financing will normally be non-recourse to the Ordinary Share pool of each Company.

The returns from projects are largely dependent on the UK Government's continued support for renewable energy, primarily under the RO. The effects of any negative change to this policy should be mitigated by the UK Government's history of grandfathering financial support mechanisms for existing assets. This risk is further mitigated by the Companies typically negotiating fixed and/or floor price mechanisms into the PPAs entered into by project companies for the sale of their generated output.

## **Gearing**

The Companies do not intend to borrow funds for investment purposes. Investee companies' funded out of the Ordinary Share pool are exposed to gearing as the investee companies typically fund the construction costs of each project through senior bank debt finance. The Manager will be involved in negotiating the terms of this finance to ensure competitive terms are achieved. The interest rate is typically fixed through an interest rate swap for the duration of the bank loan so the projects are not exposed to market changes in interest rates. To the extent that borrowing is required, the Directors shall restrict the borrowings of the Companies and their respective subsidiaries, so that the principal amount at any time outstanding in respect of money borrowed shall not without the previous sanction of an ordinary resolution of the Companies exceed a sum equal to 10% of the adjusted share capital and reserves of the Companies in accordance with their Articles.

## **Maximum Exposures**

In order to gauge the maximum exposure of the Companies to various risks, the following considerations apply:

i) Investments in Qualifying Investments

70-95% of funds will be invested in qualifying holdings no later than three years after the date that provisional approval by HMRC of each of the Companies' status as a VCT becomes effective. For the purposes of the 70% qualifying holdings requirement, disposals of qualifying investments for cash may be disregarded for a period of six months. Where a VCT breaches one or more of its requirements due to factors outside of its control, it may apply to HMRC for a determination that the breach will be disregarded for a period of 90 days while the breach is remedied.

ii) Concentration Limits

Under the VCT Rules no more than 15% of the Companies' total assets should be in a single investee company at the time the investment is made in that investee company.

iii) Investments in Pre-Planning Projects

A maximum of 10% of the net funds raised from each of the 2005 Offer, the 2006 Offer and the 2009 'C' Share Offer may be invested in pre-planning projects.

No material change will be made by either Company to its investment policy without the consent of its Shareholders.

## **SHARE BUY-BACK POLICY**

The Companies have a stated policy to buy back their shares in the market to facilitate the sales of shares by Shareholders. The implementation of this policy is subject to each Company having sufficient liquidity and to the share buy-backs being in the best interests of a Company's shareholders as a whole. Any specific share buy-backs are transacted at the Directors' discretion. In accordance with the Listing Rules, the price paid for shares under the buy-back programme may not exceed 5% above the average mid-market value for five business days before a purchase is made.

## DIVIDEND POLICY

The Manager intends to structure the investments of Ventus and Ventus 2 Ordinary Share funds so as to deliver regular cash flows. When Ventus and Ventus 2 were launched in 2005 and 2006 respectively, it was the Companies' stated objective that, once the Ventus and Ventus 2 Ordinary Share funds were fully invested and their portfolio companies were operating at projected capacity, Ordinary Shareholders would receive an annual tax-free dividend of between 6p and 10p. This objective has not been met for the Ordinary Shares of either Company. For Ventus, this has been due in large part, among other factors, to construction delays in investee companies, to the operating problems at Redimo LFG Limited and to the historically low wind speeds experienced in the UK in 2009 and 2010. For Ventus 2, the inability to meet the Ordinary Share dividend target has also been due in large part, among other factors, to construction delays in investee companies, to the operating problems at Redimo LFG Limited and to the historically low wind speeds experienced in the UK in 2009 and 2010 but, more importantly, Ventus 2 has been negatively impacted by the poor performance of the investments in PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited. These three investee companies have paid no dividends or mezzanine interest to Ventus 2 and have been written down to nil value.

The Manager believes that Ventus eventually reaching the lower end of the target dividend range of 6p to 10p per Ordinary Share will require active management of the Ventus investment portfolio over the next few years and a return to historic average wind speeds in the UK. The Manager can give no assurances that Ventus will be able to achieve the target dividend range of 6p to 10p per Ordinary Share. The Manager believes it is unlikely that Ventus 2 will achieve the target dividend range of 6p to 10p per Ordinary Share in the foreseeable future due to the significant negative impact of the poor performance of the investments in Redimo LFG Limited, PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited. The "C" Share funds of the Companies have no investment in Redimo LFG Limited, PBM Power Limited, Sandsfield Heat & Power Limited and Twinwoods Heat & Power Limited.

Ventus and Ventus 2 are currently structured as investment companies, which enhances their ability to pay tax-free dividends out of income to their investors. While Ventus and Ventus 2 are investment companies, the Companies' articles of association are required to preclude them from distributing capital profits.

**Your attention is again drawn to the Risk Factors set out in on pages 7 to 9 of this document.**

## DIRECTORS

The Boards of Ventus and Ventus 2 are comprised of three Directors each. All three directors of Ventus are independent of the Manager, and two of the three directors of Ventus 2 are independent of the Manager. The Directors operate in a non-executive capacity and are responsible for overseeing the investment strategy of the Companies. The Boards have wide experience of investment in both smaller growing companies and larger quoted companies.

The directors of Ventus are:

### **David Pinckney - Chairman**

David Pinckney was, from 1998 until December 2003, first chief operating officer for the Far East and then Vice Chairman of AXA Investment Managers SA, the investment management arm of the AXA Group with over US\$500 billion under management. He was a member of the Executive and Audit Committees. From 1987 to 1997, he was Group Finance Director and Joint Managing Director of The Thornton Group (a subsidiary of Dresdner Bank), which specialised in equity investment management, in particular in the Asia/Pacific region. From 1984 to 1986, he was Managing Director of Wrightson Wood Financial Services Limited, a company specialising in international corporate finance and venture capital. From 1963 to 1983, he was with Peat, Marwick Mitchell (now KPMG), where, in his last six years, he was Senior Audit Partner for France and French speaking Africa. He was non-executive Chairman of Park Row Group PLC from 2002 to 2003, when the Group was successfully sold. He is a Director of Albion Development VCT PLC. He was Chairman of DP Property Europe Limited (formerly Rutley European Property Limited) until July 2010 and was Chairman of Syndicate Asset Management PLC until 31 March 2010. He is a Chartered Accountant and an "Expert Comptable" (a French Accountant). He has been a member of the Board since October 2004.

### **David Williams**

David Williams is a graduate Chartered Electrical Engineer who also holds qualifications in Management, Accountancy and Finance. He has been involved in renewable energy for 20 years. Following 19 years with utility company SWALEC, he started Energy Power Resources Limited (EPRL) in 1996 and shortly afterwards undertook

a £25 million private placement, the UK's largest private placement in renewable energy, which enabled the company to generate over 100MW of base load capacity. David Williams was Chief Executive of EPRL until February 2002. He co-founded Eco2 in November 2002 and led negotiations on a £100 million funding deal with Good Energies Investments Limited and Bank of Tokyo Mitsubishi UFJ to build a wind farm in Scotland, Wales' first commercial scale biomass project and a number of other wind farm projects. He now leads an ambitious business plan to develop over £1 billion of biomass projects throughout Europe. David Williams was a member of the British government's Renewables Advisory Board and was previously an Independent Grant Assessor for the DTI. He has also been a member of the DEFRA Biomass Implementation Advisory Group and is a non-executive adviser to New Zealand based CE3 renewable energy fund. He has been a member of the Board since July 2011.

### **Richard Abbott**

Richard Abbott has had a successful career in investment banking having held senior positions at Morgan Grenfell, Deutsche Bank, and ABN-AMRO. He left investment banking 10 years ago since when he has concentrated on building businesses in private equity real estate and in the financial sector, also holding various non-executive directorships, one of which is Hardy (Underwriting Agencies) Limited a subsidiary of Hardy Underwriting Bermuda Plc where he also sits on the Investment and Finance Committee. He was a founder shareholder in Month End Money, the UK's leading payday loan company, which was successfully sold earlier this year.

The directors of Ventus 2 are:

### **Alan Moore OBE – Chairman**

Alan Moore has more than 40 years' experience in the UK electricity industry, beginning his career with the Central Electricity Generating Board. From 1998 to 2004, he was the Managing Director of National Wind Power (now RWE Innogy), at the time one of the largest developers and owners of renewable power assets in the UK. Until 2010, for eight years he was Co-Chairman of the UK Government's Renewables Advisory Board. He is a past Chairman of the British Wind Energy Association (now called RenewableUK). He is also a non-executive director of Partnerships for Renewables Limited and an Adjunct Professor at Imperial College, London. He has been a member of the Board since January 2006.

### **Paul Thomas**

Paul Thomas is Managing Director of Private Investor Capital Limited, the London-based independent private equity firm that invests in transactions of up to £5 million in growing, unquoted UK businesses. He has over 25 years of private equity experience, including 19 years with ECI Partners LLP, the London based midmarket buy-out house, where he was Managing Director until retiring in 2003. During his time with ECI, the firm made over 100 equity investments in transactions ranging in size from £500,000 to £25 million, deploying capital of more than £200 million. Previously, he was with Price Waterhouse for 6 years, latterly in corporate finance. He is a physics graduate and a Chartered Accountant. He is Chairman of the Ventus funds' investment committee of the Investment Manager and has been a member of the Board since January 2006.

### **Colin Wood**

Colin Wood spent 27 years as a civil servant in the Scottish Office before retiring from a senior position in the Scottish Executive in 2001. He is an economics graduate and from 1993 to 1998, he was Senior Economic Adviser and Head of the Economics and Statistics Unit at the Scottish Office Industry Department, where he was responsible for providing economic advice on a range of issues including energy markets and the environment. He is a Director of The Century Building Society in Edinburgh. He has been a member of the Board since January 2006.

The Directors have invested the following amounts in the Shares of Ventus and Ventus 2:

	Ventus Ordinary Shares	Ventus "C" Shares	Ventus 2 Ordinary Shares	Ventus 2 "C" Shares
David Pinckney	10,300	2,600	10,284	2,600
David Williams	nil	nil	nil	nil
Richard Abbot	nil	nil	nil	nil
Alan Moore	15,068	10,400	16,061	10,400
Colin Wood	10,300	5,200	10,284	5,200
Paul Thomas	10,300	5,000	10,284	5,200

David Pinckney will be tendering 10,300 Ventus Ordinary Shares and the Directors of Ventus 2 will, collectively, be tendering 30,852 Ventus 2 Ordinary Shares under the Tender Offers and, accordingly, applying the full proceeds in subscribing for new Ordinary Shares under the Offers.

### **THE MANAGER: TEMPORIS CAPITAL LLP**

The Manager of Ventus and Ventus 2 is Temporis Capital LLP. Temporis has been involved in asset management since its formation in 2005 and specialises in facilitating the provision of capital to the sustainable and clean tech sectors and, in particular, providing long-term liquidity to renewable energy projects.

The investment management of the Companies was transferred from Climate Change Capital Limited to Temporis on 12 September 2011. There was no notice period or charge due to Climate Change Capital Limited under the termination and transfer agreement. All of the members of staff employed at the time of the transfer by Climate Change Capital Limited in respect of Ventus and Ventus 2 were transferred to Temporis on 12 September 2011. The partners of Temporis have combined their efforts with the previous investment management team from Climate Change Capital Limited, and the investment management team has been further supplemented with new hires. Since becoming the Companies' investment manager, Temporis has carried out a thorough review of each of the Companies' assets and has implemented suitable controls and asset management procedures.

The investment management team is as follows:

#### **Paul Thomas**

The background of Paul Thomas, Chairman of the Investment Committee for Ventus and Ventus 2, is described above in the "Directors" section.

#### **David Watson**

David Watson is the Chief Executive Officer of Temporis. He is a member of the Ventus funds' investment committee. He began his career with Investec working in the market risk team. In 2003 he moved to DRKW where he worked in the ABS team, trading distressed ABS securities. From August 2005 David helped to run ABS strategy within the Peloton Partners Multi Strategy Fund. Based on the performance, Peloton launched an ABS fund in December 2006 in which David was a portfolio manager. This fund grew from an initial US\$500 million of capital in December 2006 to US\$2 billion in December 2007. David has a first class honours degree in Chemistry from University College Cork and a PhD in Physical Chemistry from Cambridge University.

#### **Charles Conner**

Charles Conner is a Partner of Temporis. He is a member of the Ventus funds' investment committee and has overall responsibility for portfolio management and investor relations. He formed the first Ventus fund in 2004 and was the lead investment manager of the Ventus funds from 2004 until 2007. He served as a director of Ventus VCT plc from July 2010 to August 2011, when he resigned to join Temporis. Charles has over 20 years of experience in corporate finance, property finance and private equity. He was also an entrepreneur for seven years, during which period he formed, managed and sold two companies in the IT and telecommunication sectors in Europe. He has substantial experience in the financing of various sectors of the energy industry, including exploration and development, pipelines, oilfield equipment, distributed generation and renewable energy. He has also originated and structured energy outsourcing transactions, with a particular emphasis on reduction of energy consumption and emissions. Charles holds a BS degree from Purdue University and an MBA from the Harvard Business School.

#### **Ian Lawrence**

Ian Lawrence is a Partner of Temporis. He has responsibility for originating, structuring and executing investment transactions of the Ventus funds and for portfolio management of the Ventus funds. He joined Climate Change Capital Limited in September 2009, transferring to Temporis in September 2011. He has 25 years banking and finance experience. He created and headed the renewable energy team for Alliance & Leicester where he and his team had responsibility for renewables project financing. His career in banking and finance has covered credit and risk, commercial lending, structured tax products, private finance initiative and project finance with debt advanced or agreed for transaction counterparties based throughout Europe and North America in the renewables, energy, gas, oil storage, ports, transportation and infrastructure markets.

### **Matt Ridley**

Matt Ridley is a Partner of Temporis. He has responsibility for origination, structuring and executing investment transactions of the Ventus funds and for portfolio management of the Ventus funds. He joined Climate Change Capital Limited in February 2008, transferring to Temporis in September 2011. Before joining Climate Change Capital Limited he worked as a tax lawyer in the London office of the leading US firm Debevoise & Plimpton LLP and advised on the formation of private equity funds, management incentive schemes and investment structures. Matt holds a BSc. (Hons.) degree in Mathematics from the University of Exeter.

### **Derry Guy**

Derry Guy is the Chief Operating Officer of Temporis. He was the founder of Riverview International Group Inc, a New Jersey based hedge fund-of-funds which he sold to Gartmore and its parent Nationwide Mutual Insurance of Columbus, Ohio in 2002. Prior to this Derry has a background in investment banking and structured finance having worked for Samuel Montagu, Babcock & Brown and been a partner at National Leasing & Finance (now Highbridge Properties). Derry began his career qualifying as a Chartered Accountant with Arthur Andersen. He has a BA in economics from the University of Wales and an MSc in Business Administration from the London Business School.

### **Ed Robinson**

Ed Robinson heads the asset management and accounting functions for the Ventus funds. He joined Climate Change Capital Limited in June 2007, transferring to Temporis in September 2011. At Climate Change Capital Limited he had responsibility for the finance and administration of the Ventus funds as well as for Climate Change Capital Limited's property and private equity funds. He contributed to fund raising initiatives and supported the establishment and maintenance of fund structures. Previously he was a private equity accountant for fund of funds manager Pantheon Ventures and prior to that investment manager GMT Communications Partners. He has worked for public relations firm The Communications Group plc and publisher Dorling Kindersley. Ed holds a BEng in Civil Engineering from the University of Liverpool and MSc in Urban Renewal from Liverpool John Moores University. He is a qualified accountant.

## **MANAGEMENT REMUNERATION AND EXPENSES**

### **Management Agreement**

Ventus and Ventus 2 are each party to separate Management Agreements with the Manager. Each Management Agreement may be terminated on 12 months' notice after 12 September 2014. Each Management Agreement is subject to earlier termination in the event of certain breaches or upon the insolvency of the relevant Company or the Manager. Under these agreements, the Manager also provides accounting and administrative services to the Companies. The Manager is entitled to an annual fee equal to 2.5% of Net Asset Value of the Ordinary Shares. This fee is paid quarterly in advance. The fee covers the provision by the Manager of investment management services as well as all accounting and administrative services, together with the additional annual trail commission payable to authorised financial intermediaries. The Manager will also be entitled to receive a performance-related incentive fee as outlined below.

The annual running costs of the Ventus and Ventus 2 Ordinary Share funds are estimated in aggregate to be 3.39% and 3.38% of the Net Asset Value of the Ventus Ordinary Shares and the Ventus 2 Ordinary Shares respectively, exclusive of irrecoverable VAT and incidental investment costs. These will include the management fees described above (excluding the performance fee), irrecoverable VAT, company secretarial fees, Directors' fees, audit, taxation advice, Sponsor's and registrar's fees and the costs of communicating with Ordinary Shareholders.

Total annual running costs are, in aggregate, capped at 3.6% of Net Asset Value of the Ordinary Shares and "C" Shares (excluding the Manager's performance-related incentive fee and any irrecoverable VAT) with any excess being borne by the Manager.

The Manager retains the right to charge up-front arrangement and syndication fees to the companies in which Ventus and Ventus 2 invest. Such charges are in line with industry practice and will not exceed 3% of the cost of each investment plus VAT (if applicable). The costs of all transactions that do not proceed to completion will be borne by the Manager and not by the Companies. The Manager may also receive ongoing director's fees and monitoring fees from the investee companies as appropriate and in line with market practice.

Under each Management Agreement, the Manager has agreed, so far as it is able, to ensure that the Companies shall have the opportunity to participate in any investment opportunities identified by Temporis which conform to the investment criteria contained in this document.

### **Performance-Related Incentive Fee**

The Manager will receive a performance-related incentive fee, subject to each Ordinary and 'C' Share fund achieving certain defined targets. No incentive fee will be payable until the relevant Company has provided a cumulative return to investors in the form of growth in Net Asset Value plus payment of dividends (the "Return") of 60 pence per Ordinary and 'C' Share. Thereafter, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Return in any accounting period exceeds 7p per Ordinary and 'C' Share. The incentive fee is exclusive of VAT.

In the event that the full payment of the incentive fee in any accounting period would cause the annual dividend payments made by a Company in that accounting period to fall below 6 pence per Ordinary and 'C' Share the incentive fee for that accounting period will be deferred as necessary so that the payment of the incentive fee does not cause the annual dividend payments made by that Company for that period to fall below 6 pence per Ordinary Share or 'C' Share (as the case may be). Any balance unpaid will be carried forward and paid at the end of the following accounting period or periods. Interest will be added to any deferred payments calculated at the prevailing base lending rate of HSBC Bank plc.

### **Investment Allocation Agreement**

Under an investment allocation agreement entered into between the Companies and the Manager, in situations in which both Companies wish to invest in a Qualifying Investment which satisfies their investment criteria but where the Ordinary Share and C Share funds of the Companies are prevented from participating to the extent that they would but for the interest of those other funds, the investment shall be allocated between those funds in accordance with the ratio of their available funds. This is subject, inter alia, neither of the Companies being in danger of not reaching, or falling below, the required 70% level for Qualifying Investments.

### **Charging Expenses to Capital**

A maximum of 75% of the Manager's annual fee (plus irrevocable VAT, but excluding any incentive fee) will be chargeable against capital reserves, with the remainder of the Manager's annual fee being chargeable against revenue.

## **LIFE OF THE COMPANIES AND ANNUAL ACCOUNTS**

It is not intended that the Companies should have a limited life. However, it is considered desirable that Shareholders should have the opportunity to review the future of the Companies at appropriate intervals. Accordingly, the articles of association of each Company (to be amended by the resolution to be proposed to the Shareholders at general meetings to be held on 8 March 2012) contain a provision requiring the Directors to propose an ordinary resolution at each Company's annual general meeting in 2018 to seek confirmation from Shareholders that it should continue as a VCT. If a resolution to continue is not passed, the Directors will, within the following four months, convene a general meeting at which new proposals for the reorganisation, reconstruction or voluntary winding up of the relevant Company (as is deemed appropriate at that time) will be submitted to Shareholders.

Each Company's annual report and accounts are made up to 28 February in each year and are normally sent to Shareholders in June of each year. Shareholders also receive unaudited half yearly reports which will include an interim review by each of the Company's auditors. It is the current intention of the Directors that the first reports to be sent to Shareholders after the Offers will be the audited annual reports in respect of the year 29 February 2012. The Directors reserve the right to change the date to which accounts will be made up to in each year.

## **TAXATION**

The Directors intend to continue conducting the affairs of the Companies so that they satisfy the conditions for approval as a venture capital trust laid down in section 274 of ITA. Whilst it is the intention of the Directors that Ventus and Ventus 2 will be continue to be managed so as to qualify as VCTs, there can be no guarantee that they will continue to qualify or that such status will be maintained. A failure to meet the qualifying requirements could result in Ventus and Ventus 2 losing the tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the 30% income tax relief.

Any potential investors in doubt as to the personal tax reliefs which are available as a result of investing in a venture capital trust, or the taxation consequences of the investment, disposal or holding of shares in a VCT, should consult an appropriately qualified professional adviser.

Further details of the tax position of venture capital trusts are set out in Parts II and III of this document.

## **VCT STATUS AND MONITORING**

Ventus and Ventus 2 retain PricewaterhouseCoopers LLP to advise on tax matters generally and, in particular, the maintenance of VCT status. HMRC has given approval of Ventus and Ventus 2 as VCTs. PricewaterhouseCoopers LLP assists the Manager in establishing the status of investments as Qualifying Investments and monitoring progress towards achieving full VCT approval, but also reports directly to the Boards. In order to comply with VCT requirements, at least 70% by value of each Company's investments are required to be comprised of Qualifying Investments by the accounting period commencing no later than three years after the date of the issuance of Shares with respect to which the 70% test is calculated.

## **OFFER INFORMATION**

### **Amount to be Raised under the Offers**

Each Offer is conditional, *inter alia*, on the passing of the resolutions being proposed at the general meetings of the shareholders of the Companies convened for 8 March 2012.

The Offers are for up to £15 million of Ventus Ordinary Shares and up to £10 million of Ventus 2 Ordinary Shares. The maximum amount receivable under the Offers, therefore, is £25 million before expenses.

In the event that applications are received for Ordinary Shares in excess of the maximum subscription under the Offers, the Directors reserve the right to exercise their discretion in the allocation of successful applications, although allocation will usually be on a first come first served basis. Applicants are encouraged to submit their Application Forms early in order to be confident that their applications will be successful.

Assuming full take up under the Tender Offers and full subscription under the Offers, the net assets of Ventus will be increased by £2,720,000 and the net assets of Ventus 2 will be increased by £1,860,000, in both cases before taking into account the effect of any waiver of commission by the subscribers' advisers. The Companies' earnings should also increase as a result of the returns made on the net proceeds as they are invested.

### **Personal Investment Levels**

There is a minimum subscription per investor of £3,000 in respect of each Offer. The maximum investment which can be made in order to qualify for the personal tax reliefs available from a VCT is currently £200,000 per person per tax year. The Directors are subject to the same minimum and maximum subscription levels as all other investors. Applicants may make multiple applications under the Offers, provided that the investor guidelines for VCTs are followed. The investor should take appropriate independent advice.

### **Allotment of Shares**

The Offers will open on 3 February 2012. Allotments under the Offers will be on or before 5 April 2012. Dealings in the Ordinary Shares are expected to commence within 21 business days of such allotment. The closing date for the Offers will be at 1.00 p.m. on 3 April 2012 unless extended or closed prior to that date. The results of the Offers will be announced through a regulatory information service within 3 business days of the closing of the Offers.

### **Listing**

Application will be made to the UK Listing Authority and the London Stock Exchange for the Ordinary Shares to be admitted to the premium segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange. All Ordinary Shares for each Company will be issued in registered form, will be transferable and will rank *pari passu* in all respects with each other. Application will be made for the Ordinary Shares to be admitted to the CREST system and it is anticipated that Ordinary Shareholders will be able to hold their Ordinary Shares in certificated or uncertificated form. In the case of applicants requesting share certificates, it is intended that definitive

shares 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. In the case of applicants requesting Ordinary Shares in uncertificated form, it is expected that the Ordinary Shares will be issued in uncertificated form within 10 business days of allotment. The Registrars will instruct Euroclear to credit the appropriate electronic stock accounts of such persons with entitlements to Ordinary Shares with effect from those days.

Notwithstanding any other provision of this document, the Companies reserve the right to allot and issue any Ordinary Shares in certificated form. In normal circumstances, the right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST), or on the part of the facilities and systems operated by the Registrars in connection with CREST. This right may also be exercised if the correct details (such as Participant ID and Member Account ID details) are not provided as requested on the Application Form. The Offers may not be withdrawn after dealings in the Ordinary Shares issued under the Offers have commenced.

### **Introductory Commission**

Introductory commission is being offered to authorised financial intermediaries at the rate of 3% on the value of successful applications submitted through them, except with respect to Ordinary Shares acquired with proceeds of the Tender Offers. The introductory commission may be waived and used to satisfy an additional allotment of Ordinary Shares.

With respect to Ordinary Shares acquired with proceeds from the Tender Offers, no introductory commission will be paid. However, participating Shareholders will be given a rebate of 3.5% of the amounts subscribed with proceeds of the Tender Offers, in the form of additional Ordinary Shares.

### **Offer Costs**

The costs of the Offers and the Tender Offers will be borne by the Companies. The costs of the Offers and the Tender Offers in aggregate are expected to be approximately 2% of gross proceeds raised pursuant to the Offers.

### **Category of Potential Investors**

A typical investor for whom the Offers are designed is an individual (a retail investor) who is a UK income taxpayer over 18 years of age with an investment range of between £3,000 and £200,000 per tax year who considers the investment policy as detailed in Part I of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a medium to long term investment. Before deciding whether to apply for Ordinary Shares under the terms of the Offers you are recommended to consult an independent adviser authorised under FSMA.

## PART II

### TAXATION CONSIDERATIONS FOR INVESTORS

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors who are in any doubt about the taxation consequences of investing in a VCT are recommended to consult a professional adviser.

#### Tax reliefs

The tax reliefs set out below are available to individuals aged 18 or over who subscribe for Ordinary Shares under the Offers. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should seek professional advice.

#### (a) *Income tax*

##### (i) *Relief from income tax on investment*

Income tax relief at the rate of 30% will be available on subscriptions for Ordinary Shares up to a maximum of £200,000 in any tax year. This relief is limited to the amount which reduces the investor's income tax liability to nil.

The effect of this relief for an investor subscribing £10,000 for Ordinary Shares is shown below:

	No VCT tax relief	30% income tax relief
Initial investment	£10,000	£10,000
30% income tax relief	-	(£3,000)
Effective investment cost	£10,000	£7,000

To obtain relief an investor must subscribe on his own behalf although the Ordinary Shares may subsequently be transferred to a nominee. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

##### (ii) *Dividend relief*

An investor who acquires in any tax year VCT shares having a value of up to £200,000 will not be liable to income tax on dividends paid by the VCT on those shares.

##### (iii) *Purchasers in the market*

An individual purchaser of existing VCT shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above) but not relief from income tax on investment (as described in paragraph (i) above).

##### (iv) *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) within five years of issue or if the VCT loses its approval within this period.

#### (b) *Capital gains tax*

##### (i) *Relief from capital gains tax on the disposal of shares*

A disposal by an investor of Ordinary Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

##### (ii) *Purchasers in the market*

An individual purchaser of Ordinary Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph (b)(i) above).

**Obtaining tax reliefs**

The Companies will provide to each investor a certificate which the investor may use to claim income tax relief, either by obtaining from HMRC an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

**Investors not resident in the UK**

Investors not resident in the UK should seek professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

**Withholding taxation**

No taxation will be withheld at source on any income arising from the Ordinary Shares and the Companies assume no responsibility for such withholding.

**Withdrawal of approval**

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

## PART III

### CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

The Companies have to satisfy a number of tests to qualify as VCTs. A summary of these tests is set out below.

#### Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on any regulated market in the EU or European Economic Area;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by value of its investments in shares or securities in Qualifying Investments;
- (e) for funds raised after 5 April 2011, have at least 70% by value of Qualifying Investments in ordinary shares which carry no preferential rights to assets on a winding up and no rights to be redeemed, although they may have certain preferential rights to dividends
- (f) have at least 10% by value of its Qualifying Investments in any single company or group in ordinary shares which carry no preferential rights to assets on a winding up and no rights to be redeemed, although they may have certain preferential rights to dividends;
- (g) not have more than 15% by value of its investments in a single company (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (h) not retain more than 15% of its income derived from shares and securities in any accounting period.

#### Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying certain conditions and for which not more than £1 million was subscribed by the VCT in any one tax year (nor more than £1 million in, broadly, any period of 6 months straddling two tax years). The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £7 million immediately before and £8 million immediately after the investment, apply the money raised for the purposes of a Qualifying Trade within certain time periods and not be controlled by another company. In any twelve month period the company can receive no more than £2 million from VCT funds and Enterprise Investment Schemes, raised after 5 April 2007. The company must have fewer than 50 full time (or equivalent) employees at the time of making the investment. In certain circumstances, an investment in a company by a VCT can be split into part Qualifying Investment and part non-Qualifying Investment.

#### Qualifying Companies

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on the PLUS Market and AIM) and must carry on a Qualifying Trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The Qualifying Trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a Relevant Qualifying Subsidiary (see below) at the time of the issue of shares or securities to the VCT (and at all times thereafter). A Qualifying Company must have a permanent establishment in the UK. A company intending to carry on a Qualifying Trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than Qualifying Subsidiaries which must be more than 50% owned.

A Relevant Qualifying Subsidiary must be a 90% directly held subsidiary of the company invested in, its wholly owned subsidiary, or a wholly owned subsidiary of a 90% directly held subsidiary.

### **Approval as a VCT**

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval.

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. However, in order to facilitate the launch of a VCT, HMRC may approve a VCT notwithstanding that certain of the tests are not met at the time of application, provided HMRC is satisfied that the tests will be met within certain time limits. In particular, in the case of the test described at (d) under the heading "Qualification as a VCT" above, approval may be given if HMRC is satisfied that this will be met throughout an accounting period of the VCT beginning no more than three years after the date on which approval takes effect.

The Directors intend to conduct the affairs of the Companies so that they satisfy the conditions for approval as VCTs and that such approval will be maintained. HMRC has granted the Companies approval under section 274 ITA as VCTs. The Companies intend to comply with section 274 ITA and have retained PricewaterhouseCoopers LLP to advise them 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.

### **Proposed Changes to rules regarding Qualifying Investments**

On 6 December 2011, the draft Finance Bill 2012 was published which contained measures, in respect of investments made on or after 6 April 2012 (subject to EU State Aid approval), to increase certain limits on restrictions relating to Qualifying Investments. Subject to EU State Aid approval, the Government plans to increase the limit on number of employees from 50 to 250, the limit on gross assets immediately prior to investment from £7 million to £15 million, the limit on gross assets immediately after investment from £8 million to £16 million and the limit on the amount of that can be invested in an individual company from £2 million to £10 million. Other measures include removing the annual £1 million limit on the amount a VCT can invest in a Qualifying Investment and a "disqualifying purpose" test designed to exclude companies set up for the purpose of accessing the tax reliefs. Under the "disqualifying purpose" test, an investment will not be a Qualifying Investment if the investee company has been set up for the purpose of accessing tax reliefs, although the details of how the "disqualifying purpose" test will be implemented have not yet been published. For VCT funds raised after 5 April 2012 it is proposed that there be an exclusion on the use of VCT funds for the acquisition of shares in another company.

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

# PART IV

## FINANCIAL INFORMATION ON THE COMPANIES

### VENTUS

Full audited financial information for the accounting periods ended 28 February 2009, 28 February 2010 and 28 February 2011 are available free of charge at Ventus' registered address or can be downloaded at [www.ventusvct.com/financial-reports.aspx.html](http://www.ventusvct.com/financial-reports.aspx.html).

Interim reports and statements are also available at that web address.

The annual report for the year ended 28 February 2009 was audited by Baker Tilly Audit UK LLP of 2 Bloomsbury Street, London, WC1B 3ST. The annual reports for the years ended 28 February 2010 and 28 February 2011 were audited by PKF (UK) LLP, chartered accountants, of Farringdon Place, 20 Farringdon Road, London, EC1M 3AP. Each report was unqualified and did not contain a statement under Section 498 (2) and (3) of the Act.

The annual reports for the years ended 28 February 2009, 28 February 2010 and 28 February 2011 referred to above were prepared in accordance with IFRS, the fair value rules of the Companies Acts and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies'.

PKF (UK) LLP, chartered accountants, of Farringdon Place, 20 Farringdon Road, London, EC1M 3AP, are the current auditors of Ventus.

The financial information contained in this Part IV has been extracted without material adjustment from the audited financial statements of Ventus for the periods ended 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim report for the six months ended 31 August 2010 and 31 August 2011.

### Historical Financial Information

Historical financial information of Ventus for the periods ending 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 included the information set out below which is incorporated by reference as follows:

Where these documents make reference to other documents, such other documents are not incorporated into and do not form part of this document.

Description	28 February 2009 Annual Report	28 February 2010 Annual Report	28 February 2011 Annual Report	31 August 2010 Interim Report	31 August 2011 Interim Report
Balance Sheet	Page 22	Page 28	Page 29	Page 16	Page 15
Income Statement (or equivalent)	Page 21	Page 26	Page 27	Page 13	Page 12
Statement showing all changes in equity (or equivalent note)	Page 24	Page 29	Page 30	Page 17	Page 16
Cash Flow Statement	Page 23	Page 31	Page 32	Page 20	Page 19
Accounting Policies and Notes	Page 25-35	Page 32-43	Page 33-47	Page 21-32	Page 20-32
Auditors' Report	Page 20	Page 25	Page 26	n/a	n/a

## Operating and Financial Review

The operating and financial review of Ventus for the periods 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 included the information set out below which is incorporated by reference as follows:

Description	28 February 2009 Annual Report	28 February 2010 Annual Report	28 February 2011 Annual Report	31 August 2010 Interim Report	31 August 2011 Interim Report
Performance Summary	Page 12-13	Page 16-17	Page 17-18	n/a	n/a
Results and Dividends	Page 1	Page 1	Page 1	Page 1	Page 1
Investment Policy	Page 5	Page 8	Page 10	Page 10	Page 8
Outlook	Page 1	Page 2	Page 2	Page 11	Page 9
Manager's Review	Page 2-7	Page 3-10	Page 3-11	Page 4-11	Page 4-9
Portfolio Summary	Page 2-7	Page 3-10	Page 3-11	Page 4-11	Page 4-9
Business Review	Page 8	Page 11	Page 12	n/a	n/a
Valuation Policy	n/a	Page 8	Page 5	Page 4	Page 7

As at 31 August 2011, the date to which the most recent unaudited six month interim financial information on Ventus has been drawn up, Ventus had unaudited Ordinary Share net assets of £17.5 million and unaudited 'C' Share net assets of £10.5 million.

## Other

The audited statutory accounts for the periods ended 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 are incorporated by reference. The pages of these documents which are not incorporated by reference are not relevant to investors.

There has been no significant change in the financial or trading position of Ventus since 31 August 2011 (being the date on which unaudited financial information was last published).

## VENTUS 2

Full audited financial information for the accounting periods ending 28 February 2009, 28 February 2010 and 28 February 2011 are available free of charge at Ventus 2's registered address or can be downloaded at [www.ventusvct.com/financial-reports.aspx.html](http://www.ventusvct.com/financial-reports.aspx.html). Interim reports and statements are also available at that web address.

The annual report for the year ended 28 February 2009 was audited by Baker Tilly Audit UK LLP of 2 Bloomsbury Street, London, WC1B 3ST. The annual reports for the years ended 28 February 2010 and 28 February 2011 were audited by PKF (UK) LLP, chartered accountants, of Farringdon Place, 20 Farringdon Road, London, EC1M 3AP. Each report was unqualified and did not contain a statement under Section 498 (2) and (3) of the Companies Act 2006. However, the auditor's report in respect of the annual report of Ventus 2 for the year ended 28 February 2011 included a reference to matters to which the auditor drew attention by way of emphasis without qualification.

The annual reports for the years ended 28 February 2009, 28 February 2010 and 28 February 2011 referred to above were prepared in accordance with IFRS, the fair value rules of the Companies Acts and the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies'.

PKF (UK) LLP, chartered accountants, of Farringdon Place, 20 Farringdon Road, London, EC1M 3AP, are the current auditors of Ventus 2.

The financial information contained in this Part has been extracted without material adjustment from the audited financial statements of Ventus 2 for the periods 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011.

## Historical Financial Information

Historical financial information of Ventus 2 for the periods ending 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 included the information set out below which is incorporated by reference as set out below.

Description	28 February 2009 Annual Report	28 February 2010 Annual Report	28 February 2011 Annual Report	31 August 2010 Interim Report	31 August 2011 Interim Report
Balance Sheet	Page 22	Page 27	Page 31	Page 19	Page 18
Income Statement (or equivalent)	Page 21	Page 25	Page 29	Page 15	Page 14
Statement showing all changes in equity (or equivalent note)	Page 24	Page 28	Page 34	Page 21	Page 22
Cash Flow Statement	Page 23	Page 29	Page 36	Page 24	Page 25
Accounting Policies and Notes	Page 25-35	Page 30-43	Page 38-59	Page 26-39	Page 27-44
Auditors' Report	Page 20	Page 24	Page 28	n/a	n/a

## Operating and Financial Review

The operating and financial review of Ventus 2 for the periods ended 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 included the information set out below which is incorporated by reference as follows:

Description	28 February 2009 Annual Report	28 February 2010 Annual Report	28 February 2011 Annual Report	31 August 2010 Interim Report	31 August 2011 Interim Report
Performance Summary	Page 12-13	Page 16-17	Page 20-21	n/a	n/a
Results and Dividends	Page 1	Page 1	Page 1	Page 1	Page 1
Investment Policy	Page 5	Page 10	Page 13	Page 11	Page 10
Outlook	Page 1	Page 2	Page 3	Page 12-13	Page 11
Manager's Review	Page 2-7	Page 3-11	Page 4-14	Page 4-13	Page 5-11
Portfolio Summary	Page 2-5	Page 3-9	Page 5-12	Page 4-5	Page 5-7
Business Review	Page 8	Page 12	Page 15	n/a	n/a
Valuation Policy	n/a	Page 10	Page 7	Page 4	Page 9-10

As at 31 August 2011, the date to which the most recent unaudited six month interim financial information on Ventus 2 has been drawn up, Ventus 2 had unaudited Ordinary Share net assets of £14.6 million and unaudited 'C' Share net assets of £10.5 million.

## Other

The audited statutory accounts for the periods 28 February 2009, 28 February 2010 and 28 February 2011 and the unaudited interim reports for the six months ended 31 August 2010 and 31 August 2011 are incorporated by reference. The pages of these documents which are not incorporated by reference are not relevant to investors.

There has been no significant change in the financial or trading position of Ventus 2 Group since 31 August 2011 (being the date on which unaudited financial information was last published).

# PART V

## ADDITIONAL INFORMATION

### 1. The Companies

- 1.1 Ventus VCT plc was incorporated and registered in England and Wales on 13 August 2004 under the 1985 Act with registered number 5205442 as a public company limited by shares.
- 1.2 Ventus 2 VCT plc was incorporated and registered in England and Wales on 5 January 2006 under the 1985 Act with registered number 5667210 as a public company limited by shares.
- 1.3 On 18 October 2004, the Registrar of Companies issued Ventus with a certificate under section 117 of the 1985 Act entitling it to commence business.
- 1.4 On 11 January 2006, the Registrar of Companies issued Ventus 2 with a certificate under section 117 of the 1985 Act entitling it to commence business.

### 2. Registered Offices and Principal Legislation

- 2.1 The registered office of both Companies is at The Registry, 34 Beckenham Road, Beckenham Kent, BR3 4TU. The head office of both Companies is at Berger House, 36/38 Berkeley Square, London W1J 5AE, their telephone number is +44 (0) 20 7491 9033.
- 2.2 The principal legislation under which the Companies operate and which govern the Shares is the Act.

### 3. Share and loan capital

#### Ventus

- 3.1 By ordinary and special resolutions passed on 4 July 2008:
  - 3.1.1 the Directors were generally and unconditionally authorised in accordance with section 80 of the 1985 Act to exercise all the powers of Ventus to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £1,250,015, such authority to expire on the conclusion of the next general meeting of Ventus;
  - 3.1.2 the Directors were empowered pursuant to section 95 of the 1985 Act to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash, pursuant to the authority referred to in sub-paragraph 3.1.1 above as if section 89(1) of the 1985 Act did not apply to any such allotments and sales, provided that such authority shall expire on the conclusion of the next annual general meeting of Ventus, or if earlier, on the expiry of fifteen months from the passing of the resolution. This power was limited to the allotments and sales of equity securities:
    - 3.1.2.1 in connection with a rights issues, open offer or other offer of securities in favour of the holders of Ordinary Shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them on any such record date(s); and
    - 3.1.2.2 (otherwise than pursuant to sub-paragraph 3.1.2.1 above) to any person or persons of equity securities up to an aggregate nominal amount of £187,502;
  - 3.1.3 Ventus was authorised in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its issued Ordinary Shares provided that:
    - 3.1.3.1 the maximum number of Ordinary Shares authorised to be purchased shall be 2,248,527;
    - 3.1.3.2 the minimum price which may be paid for an Ordinary Share is 25 pence;
    - 3.1.3.3 the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to the higher of (a) 105% of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange

Daily Official List, for the five business days immediately preceding the day on which the Ordinary Share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;

- 3.1.3.4 any purchase of Ordinary Shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary Share (as determined by the Directors);
- 3.1.3.5 the authority expires on the conclusion of the next annual general meeting of Ventus or, if earlier, on the expiry of fifteen months from the passing of the resolution unless the authority is renewed by Ventus in general meeting prior to such time; and
- 3.1.3.6 Ventus may make a contract to purchase Ordinary Shares under the authority conferred prior to the expiry of such authority and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry;
- 3.1.4 Ventus adopted new articles of association.
- 3.2 By ordinary and special resolutions passed on 2 March 2009, Shareholders resolved to:
  - 3.2.1 increase the authorised share capital of Ventus from £10,000,000 to £15,000,000 by the creation of 20,000,000 'C' Shares;
  - 3.2.2 generally and unconditionally authorise the Directors in accordance with section 80 of the 1985 Act to exercise all the powers of Ventus to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £6,250,015.25, such authority to expire on 1 March 2014;
  - 3.2.3 empower the Directors pursuant to section 95 of the 1985 Act to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash, pursuant to the authority referred to in sub-paragraph 3.2.2 above as if section 89(1) of the 1985 Act did not apply to any such allotments and sales, provided that such authority shall expire on 1 March 2014. This power is limited to the allotments and sales of equity securities:
    - 3.2.3.1 in connection with the 2009 'C' Share Offer which shall include any offer for subscription of 'C' Shares pursuant to a supplemental prospectus issued in connection with the 'C' Share Offer;
    - 3.2.3.2 in connection with a rights issues, open offer or other offer of securities in favour of the holders of Ordinary Shares or 'C' Shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shareholders or the 'C' Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares or 'C' Shares held by them on any such record date(s); and
    - 3.2.3.3 (in addition to sub-paragraphs 3.2.3.1 and 3.2.3.2 above) to any person or persons of equity securities up to an aggregate nominal amount equal to the authorised but unissued 'C' Shares immediately following the closing of the 2009 'C' Share Offer; and
    - 3.2.3.4 (in addition to sub-paragraphs 3.2.3.1, 3.2.3.2 and 3.2.3.3 above) to any person or persons of equity securities up to an aggregate nominal amount of 10% of the issued Ordinary Shares as at the date of the resolution;
  - 3.2.4 amend the articles of association of Ventus; and
  - 3.2.5 authorise the Directors in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its issued Ordinary Shares or 'C' Shares provided that:
    - 3.2.5.1 the maximum number of shares authorised to be purchased shall be an amount equal to 10% of the 'C' Shares in issue following the 2009 'C' Share Offer;
    - 3.2.5.2 the minimum price which may be paid for a share is 25 pence;
    - 3.2.5.3 the maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of (a) 105% of the middle market quotations for a

- share as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- 3.2.5.4 any purchase of shares will be made in the market for cash at prices below the prevailing NAV per share (as determined by the Directors);
  - 3.2.5.5 the authority expires on the conclusion of the next annual general meeting of Ventus or, if earlier, on the expiry of fifteen months from the passing of the resolution unless the authority is renewed by Ventus in general meeting prior to such time; and
  - 3.2.5.6 Ventus may make a contract to purchase shares under the authority conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.
- 3.3 By special resolution passed on 1 July 2009, the following resolution was passed
- 3.3.1 that Ventus be and is hereby generally and unconditionally authorised for the purpose of section 166 of the Act to make market purchases (as defined in section 163(3) of the Act) of Shares provided that:
    - 3.3.1.1 the maximum aggregate number of shares hereby authorised to be purchased is 2,248,527 Shares and 944,206 'C' Shares;
    - 3.3.1.2 the minimum price which may be paid for a share is 25 pence;
    - 3.3.1.3 the maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of (a) 105% of the average of the middle market prices shown in the quotations for a share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
    - 3.3.1.4 the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company held in 2010 and the date which is 18 months after the date on which this resolution is passed; and
    - 3.3.1.5 Ventus may make a contract to purchase shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.
- 3.4 By special resolution passed on 8 March 2010, Shareholders resolved to adopt new articles of association.
- 3.5 By special resolution passed on 13 July 2010, the following resolution was passed
- 3.5.1 that Ventus be and is hereby generally and unconditionally authorised to make market purchases within the meaning of section 693(4) of the Act of Ordinary Shares and 'C' Shares provided that:
    - 3.5.1.1 the maximum aggregate number of shares hereby authorised to be purchased is 2,456,080 Ordinary Shares and 1,698,233 'C' Shares;
    - 3.5.1.2 the minimum price which may be paid for a Share is 25 pence;
    - 3.5.1.3 the maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of (a) 105% of the average of the middle market prices shown in the quotations for a share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
    - 3.5.1.4 the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company held in 2011 and the date which is 18 months after the date on which this resolution is passed; and

- 3.5.1.5 Ventus may make a contract to purchase shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.
- 3.6 By special resolution passed on 27 July 2011, the following resolution was passed
- 3.6.1 that Ventus be and is hereby generally and unconditionally authorised to make market purchases within the meaning of section 693(4) of the Act of Ordinary Shares and 'C' Shares provided that:
- 3.6.1.1 the maximum aggregate number of shares hereby authorised to be purchased is 2,456,080 Ordinary Shares and 1,698,233 'C' Shares;
- 3.6.1.2 the minimum price which may be paid for a Share is 25 pence;
- 3.6.1.3 the maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of (a) 105% of the average of the middle market prices shown in the quotations for a share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
- 3.6.1.4 the authority hereby conferred shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company held in 2011 and the date which is 18 months after the date on which this resolution is passed; and
- 3.6.1.5 Ventus may make a contract to purchase shares under the authority conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.
- 3.7 The following resolutions will be proposed at a general meeting of Ventus convened for 8 March 2012:
- 3.7.1 that the authorised share capital of the Company be increased by £2,500,000, by the creation of 10,000,000 ordinary shares (an increase of 25 per cent);
- 3.7.2 that, in substitution for existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal value of £4,000,000 during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted after such expiry;
- 3.7.3 that, in addition to its existing authorities, the Company be authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 25p each in the Company in connection with a tender offer (details of which are set out in the circular to shareholders dated 3 February 2012) to all holders of ordinary shares to purchase up to 12,000,000 ordinary shares (representing approximately 73.2 per cent of the issued ordinary shares capital of the Company as at the date of this notice) at a price equal to the latest published net asset value per ordinary share immediately prior to purchase (adjusted for any dividends paid subsequent to such publication), divided by 1.055, rounded up the nearest tenth of a penny (which price shall, for the purposes of section 701(3)(b) of the Act, constitute both the maximum and minimum price that may be paid for the ordinary share purchased) provided that the authority conferred by this resolution shall expire on the first anniversary of the passing of this resolution save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority;

- 3.7.4 that, in substitution for existing authorities, the Directors be and are hereby empowered in accordance with section 570(1) of the Act during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the general authority conferred upon the Directors in resolution 2 above as if section 561 of the Act did not apply to any such allotment provided that this power shall expire on the fifth anniversary of the resolution but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired; and
- 3.7.5 that, article 135.1 of the Company's Articles of Association be amended to delete the words "2014" and substituting the words "2018" therefor.

## Ventus 2

- 3.8 By ordinary and special resolutions passed on 2 July 2008:
  - 3.8.1 the Directors were generally and unconditionally authorised in accordance with section 80 of the 1985 Act to exercise all the powers of Ventus 2 to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £931,111; such authority to expire on the conclusion of the next general meeting of Ventus 2 or, if earlier 1 October 2008;
  - 3.8.2 the Directors were empowered (pursuant to section 95(1) of the 1985 Act) to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash pursuant to the authority referred to in sub-paragraph 3.8.1 above as if section 89(1) of the 1985 Act did not apply to any such allotment, such power to expire on the conclusion of the next general meeting of Ventus 2 or, if earlier 1 October 2008; this power was limited to the allotment of equity securities in connection with:
    - 3.8.2.1 an offer of equity securities in connection with a rights issue, open offer or other offer of securities in favour of the holders of Ordinary Shares; and
    - 3.8.2.2 otherwise than pursuant to sub-paragraph 3.6.2.1 above, an offer of equity securities up to an aggregate nominal amount of £139,667;
  - 3.8.3 Ventus 2 was authorised to make one or more market purchases (within the meaning of section 163(3) of the 1985 Act) of Ordinary Shares (this authority expired on 1 October 2008).
- 3.9 By ordinary and special resolutions passed on 4 July 2008:
  - 3.9.1 the Directors were generally and unconditionally authorised in accordance with section 80 of the 1985 Act to exercise all the powers of Ventus 2 to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £931,111; such authority to expire on the conclusion of the next general meeting of Ventus 2;
  - 3.9.2 the Directors were empowered pursuant to section 95 of the 1985 Act to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash, pursuant to the authority referred to in sub-paragraph 3.9.1 above as if section 89(1) of the 1985 Act did not apply to any such allotments and sales, provided that such authority shall expire on the conclusion of the next annual general meeting of Ventus 2, or if earlier, on the expiry of fifteen months from the passing of the resolution. This power was limited to the allotments and sales of equity securities:
    - 3.9.2.1 in connection with a rights issues, open offer or other offer of securities in favour of the holders of Ordinary Shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares held by them on any such record date(s); and
    - 3.9.2.2 (otherwise than pursuant to sub-paragraph 3.9.2.1above) to any person or persons of equity securities up to an aggregate nominal amount of £139,667.

- 3.9.3 Ventus 2 was authorised in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its issued Ordinary Shares provided that:
  - 3.9.3.1 the maximum number of Ordinary Shares authorised to be purchased shall be 1,674,883;
  - 3.9.3.2 the minimum price which may be paid for an Ordinary Share is 25 pence;
  - 3.9.3.3 the maximum price, exclusive of any expenses, which may be paid for an Ordinary Share is an amount equal to the higher of (a) 105% of the middle market quotations for an Ordinary Share as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the Ordinary Share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
  - 3.9.3.4 any purchase of Ordinary Shares will be made in the market for cash at prices below the prevailing net asset value per Ordinary Share (as determined by the Directors);
  - 3.9.3.5 the authority expires on the conclusion of the next annual general meeting of Ventus 2 or, if earlier, on the expiry of fifteen months from the passing of the resolution unless the authority is renewed by Ventus 2 in general meeting prior to such time; and
  - 3.9.3.6 Ventus 2 may make a contract to purchase Ordinary Shares under the authority conferred prior to the expiry of such authority and may make a purchase of Ordinary Shares pursuant to any such contract notwithstanding such expiry;
- 3.9.4 Ventus 2 adopted new articles of association.
- 3.10 At a general meeting of the Shareholders of Ventus 2 held on 2 March 2009, resolutions were passed to:
  - 3.10.1 increase the authorised share capital of Ventus 2 from £7,500,000 to £12,500,000 by the creation of 20,000,000 'C' Shares;
  - 3.10.2 generally and unconditionally authorise the Directors in accordance with section 80 of the 1985 Act to exercise all the powers of Ventus 2 to allot relevant securities (as defined in that section) up to an aggregate nominal amount of £5,931,111.25, such authority to expire on 1 March 2014;
  - 3.10.3 empower the Directors pursuant to section 95 of the 1985 Act to allot or make offers or agreements to allot equity securities (as defined in section 94(2) of the 1985 Act) for cash, pursuant to the authority referred to in sub-paragraph 3.10.2 above as if section 89(1) of the 1985 Act did not apply to any such allotments and sales, provided that such authority shall expire on 1 March 2014. This power is limited to the allotments and sales of equity securities:
    - 3.10.3.1 in connection with the 2009 'C' Share Offer which shall include any offer for subscription of 'C' Shares pursuant to a supplemental prospectus issued in connection with the 2009 'C' Share Offer;
    - 3.10.3.2 in connection with a rights issues, open offer or other offer of securities in favour of the holders of Ordinary Shares or 'C' Shares on the register of members at such record date(s) as the Directors may determine where the equity securities respectively attributable to the interests of the Ordinary Shareholders or the 'C' Shareholders are proportionate (as nearly as may be) to the respective numbers of Ordinary Shares or 'C' Shares held by them on any such record date(s); and
    - 3.10.3.3 (in addition to sub-paragraphs 3.7.3.1 and 3.7.3.2 above) to any person or persons of equity securities up to an aggregate nominal amount equal to the authorised but unissued 'C' Shares immediately following the closing of the 2009 'C' Share Offer; and
    - 3.10.3.4 (in addition to sub-paragraphs 3.7.3.1, 3.7.3.2 and 3.7.3.3 above) to any person or persons of equity securities up to an aggregate nominal amount of 10% of the issued Ordinary Shares as at the date of the resolution;

- 3.10.4 amend the articles of association of Ventus 2; and
- 3.10.5 authorise the Directors in accordance with section 166 of the 1985 Act to make market purchases (within the meaning of section 163 of the 1985 Act) of its issued Ordinary Shares or 'C' Shares provided that:
  - 3.10.5.1 the maximum number of shares authorised to be purchased shall be an amount equal to 10% of the 'C' Shares in issue following the 2009 'C' Share Offer;
  - 3.10.5.2 the minimum price which may be paid for a share is 25 pence;
  - 3.10.5.3 the maximum price, exclusive of any expenses, which may be paid for a share is an amount equal to the higher of (a) 105% of the middle market quotations for a share as derived from the London Stock Exchange Daily Official List, for the five business days immediately preceding the day on which the share is purchased, and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
  - 3.10.5.4 any purchase of shares will be made in the market for cash at prices below the prevailing NAV per share (as determined by the Directors);
  - 3.10.5.5 the authority expires on the conclusion of the next annual general meeting of Ventus 2 or, if earlier, on the expiry of fifteen months from the passing of the resolution unless the authority is renewed by Ventus 2 in general meeting prior to such time; and
  - 3.10.5.6 Ventus 2 may make a contract to purchase shares under the authority conferred prior to the expiry of such authority and may make a purchase of shares pursuant to any such contract notwithstanding such expiry.
- 3.11 The following special resolution was passed on 1 July 2009:-
  - 3.11.1 that the Company be and is hereby generally and unconditionally authorised for the purpose of 166 of the Act to make market purchases (as defined in section 163(3) of the Act) of Ordinary Shares of 25p each in the Company provided that;
    - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 1,674,883 shares and 944,206 'C' Shares;
    - (b) the minimum price which may be paid for an Ordinary Share is 25p; and
    - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (a) 105% of the average of the middle market prices shown in the quotations for a share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that share is purchased or (b) the amount stipulated by Article 5(1) of the Buy Back and Stabilisation Regulations 2003.
    - (d) the authority conferred by this resolution shall expire on the earlier of the AGM of the Company in 2010 or 15 months from the date of this resolution save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase Ordinary Shares which will or may be executed wholly or partly after the expiry of such authority.
- 3.12 The following ordinary and special resolutions were passed on 8 March 2010:
  - 3.12.1 that, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Act to exercise all the powers of the Company to allot Shares and to grant rights to subscribe for or to convert any security into Shares up to an aggregate nominal value of £3,686,059 in connection with the Scheme (as defined in the circular to Shareholders dated 8 February 2010, provided that the authority conferred by this resolution shall expire on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting),
  - 3.12.2 That the acquisition by the Company of the assets and liabilities of Ventus 3 VCT plc on the terms set out in the circular to shareholders dated 8 February 2010 be and hereby is approved

- 3.12.3 That the Directors be and are hereby empowered pursuant to section 570(1) of the Act to allot equity securities (as defined in Section 560(1) of the Act) for cash pursuant to the general authority conferred upon the Directors in resolution 1 above as if section 561(1) of the Act did not apply to any such allotment provided that this power shall expire on the fifth anniversary of the resolution unless previously renewed, varied or revoked by the Company in general meeting.
- 3.12.4 That the articles of association produced to the meeting, and for the purposes of identification initialled by the Chairman, be adopted as the articles of association of the Company.
- 3.13 The following special resolution was passed on 13 July 2010:
- 3.13.1 that the Company be authorised to make market purchases (as defined in Section 693(4) of the Act) of Ordinary Shares and 'C' Shares provided that;
- (a) the maximum number of Shares hereby authorised to be purchased is an amount equal to 3,678,180 Ordinary Shares and 1,698,233 'C' Shares, representing 14.99% of the current issued share capital of each class;
  - (b) the minimum price which may be paid per Share is 25p per Share; and
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (a) 105% of the average of the middle market prices shown in the quotations for a Share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Share is purchased and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
  - (d) the authority conferred by this resolution shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company to be held in 2011 and the date which is 18 months after the date on which the resolution is passed and
  - (e) the Company may make a contract or contracts to purchase its own shares under this authority before the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of its own shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.
- 3.14 The following special resolution was passed on 27 July 2011:
- 3.14.1 that the Company be authorised to make market purchases (as defined in Section 693(4) of the Act) of Ordinary Shares and 'C' Shares provided that;
- (a) the maximum number of Shares hereby authorised to be purchased is an amount equal to 3,678,180 Ordinary Shares and 1,698,233 'C' Shares, representing 14.99% of the current issued share capital of each class;
  - (b) the minimum price which may be paid per Share is 25p per Share; and
  - (c) the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be the higher of (a) 105% of the average of the middle market prices shown in the quotations for a Share in The London Stock Exchange Daily Official List for the five business days immediately preceding the day on which that Share is purchased and (b) the amount stipulated by Article 5(1) of the Buy-back and Stabilisation Regulation 2003;
  - (d) the authority conferred by this resolution shall (unless previously renewed or revoked) expire on the earlier of the AGM of the Company to be held in 2012 and the date which is 18 months after the date on which the resolution is passed and
  - (e) the Company may make a contract or contracts to purchase its own shares under this authority before the expiry of this authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of its own shares in pursuance of any such contract or contracts as if the authority conferred hereby had not expired.

- 3.15 By special resolution passed on 22 December 2011, Shareholders resolved that the amounts standing to the credit of the share premium accounts of the Ordinary Shares and the 'C' Shares, at the date the order is made confirming such cancellation by the court, be cancelled.
- 3.16 The following resolutions will be proposed at the general meeting of Ventus 2 convened for 8 March 2012:
- 3.16.1 that, the authorised share capital of the Company be increased by £5,000,000, by the creation of 20,000,000 ordinary shares (an increase of 66.7 per cent);
- 3.16.2 that, in substitution for existing authorities, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 (the "Act") to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security into shares in the Company up to an aggregate nominal value of £5,000,000 during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), but so that this authority shall allow the Company to make before the expiry of this authority offers or agreements which would or might require shares to be allotted after such expiry;
- 3.16.3 that, in addition to its existing authorities, the Company be authorised in accordance with Section 701 of the Act to make market purchases (within the meaning of Section 693(4) of the Act) of ordinary shares of 25p each in the Company in connection with a tender offer (details of which are set out in the circular to shareholders dated 3 February 2012) to all holders of ordinary shares to purchase up to 14,000,000 ordinary shares (representing approximately 57.1 per cent of the issued ordinary shares capital of the Company as at the date of this notice) at a price equal to the latest published net asset value per ordinary share immediately prior to purchase (adjusted for any dividends paid subsequent to such publication), divided by 1.055, rounded up the nearest tenth of a penny (which price shall, for the purposes of section 701(3)(b) of the Act, constitute both the maximum and minimum price that may be paid for the ordinary share purchased) provided that the authority conferred by this resolution shall expire on the first anniversary of the passing of this resolution save that the Company may, before the expiry of the authority granted by this resolution, enter into a contract to purchase ordinary shares which will or may be executed wholly or partly after the expiry of such authority;
- 3.16.4 that, in substitution for existing authorities, the Directors be and are hereby empowered in accordance with section 570(1) of the Act during the period commencing on the passing of this resolution and expiring on the fifth anniversary of this resolution (unless previously revoked, varied or extended by the Company in general meeting), to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the general authority conferred upon the Directors in resolution 2 above as if section 561 of the Act did not apply to any such allotment provided that this power shall expire on the fifth anniversary of the resolution but so that this authority shall allow the Company to make offers or agreements before the expiry and the Directors may allot equity securities in pursuance of such offers or agreements as if the powers conferred hereby had not so expired; and
- 3.16.5 that article 135.1 of the Company's Articles of Association be amended to delete the words "2014" and substituting the words "2018" therefor.
- 3.17 At the date of this document the authorised and issued fully paid share capital of each of the Companies is:

<i>Class of shares</i>	<i>Nominal value</i>		<i>Authorised no</i>		<i>Issued (fully paid) no</i>	
	£	£			£	
<b>Ventus</b>						
Ordinary Shares	£0.25	10,000,000	40,000,000	4,096,198	16,384,793	
C Shares	£0.25	5,000,000	20,000,000	2,832,277	11,329,107	
<b>Ventus 2</b>						
Ordinary Shares	£0.25	7,500,000	30,000,000	6,134,390	24,537,560	
C Shares	£0.25	5,000,000	20,000,000	2,832,277	11,329,107	

- 3.18 The authorised and issued fully paid share capital of the Companies immediately after the Offers have closed (assuming full take-up under the Tender Offers, the Offers being fully subscribed and an Offer Price of 105.5p per Ventus Ordinary Share and 59.6p per Ventus 2 Ordinary Share (which are the latest published NAVs of the Companies prior to the date of this Prospectus)) will be as follows:

<i>Class of shares</i>	<i>Nominal value</i>	<i>£</i>	<i>Authorised no</i>	<i>£</i>	<i>Issued (fully paid) no</i>
<b>Ventus</b>					
Ordinary Shares	£0.25	12,500,000	50,000,000	4,750,227	19,000,907
'C' Shares	£0.25	5,000,000	20,000,000	2,832,277	11,329,107
<b>Ventus 2</b>					
Ordinary Shares	£0.25	12,500,000	50,000,000	6,945,149	27,780,596
'C' Shares	£0.25	5,000,000	20,000,000	2,832,277	11,329,107

- 3.19 The authorised but unissued share capital of Ventus immediately after the Offers have closed (assuming full take-up under the Ventus Tender Offer, the Ventus Offer being fully subscribed and an NAV per Ventus Ordinary Share of 105.5p, being the latest NAV of Ventus prior to the date of this Prospectus) will be £9,917,497 divided into 30,999,093 Ordinary Shares and 8,670,893 'C' Shares representing approximately 56.7% of the authorised share capital. On the above assumptions, the Ordinary Shares issued under the Ventus Offer will represent 76.9% of Ventus's enlarged issued ordinary share capital.
- 3.20 The authorised but unissued share capital of Ventus 2 immediately after the Offers have closed (assuming full take-up under the Ventus 2 Tender Offer, the Ventus 2 Offer being fully subscribed and an NAV per Ventus 2 Ordinary Share of 59.6p, being the latest NAV of Ventus 2 prior to the date of this Prospectus) will be £7,722,574 divided into 22,219,404 Ordinary Shares and 8,670,893 'C' Shares representing approximately 44.1% of the authorised share capital. On the above assumptions, the Ordinary Shares issued under the Ventus 2 Offer will represent 62.1% of Ventus 2's enlarged issued ordinary share capital.
- 3.21 Other than the issue of Ordinary Shares pursuant to the Offers, the Companies have no present intention to issue any of the authorised but unissued share capital of the Companies.
- 3.22 The Companies do not have in issue any securities not representing share capital.
- 3.23 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 Companies, except to the extent disapplied by resolutions passed by Shareholders. Subject to certain limited exceptions, unless the approval of Shareholders in a general meeting is obtained, the Companies must normally offer shares to be issued for cash to holders on a pro rata basis.
- 3.24 No shares of the Companies 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.
- 3.25 Save as disclosed in this paragraph 3, there has been no issue of share or loan capital of the Companies in the three years immediately preceding the date of this document and (other than pursuant to the Offers) no such issues are proposed.
- 3.26 No share or loan capital of the Companies is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 3.27 Except for commissions paid to authorised introducers in respect of previous offers for subscription, no commissions, discounts, brokerages or other special terms have been granted by the Companies in connection with the issue or sale of any share or loan capital of the Companies in the three years immediately preceding the date of this document.
- 3.28 Other than pursuant to the Offers, none of the Ordinary Shares have been sold or are available in whole or in part to the public in conjunction with the application for the Ordinary Shares to be admitted to the Official List.

- 3.29 The Ordinary 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 Ordinary Shares not to be held through CREST will be posted to allottees as soon as practicable following allotment of the Ordinary Shares. Ordinary Shares to be held through CREST will be credited to CREST accounts on Admission. CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and otherwise than by a written instrument. The Companies' articles of association, permit the holding of 'Ordinary' Shares in CREST.
- 3.30 The ISIN and SEDOL Code of the Ventus Ordinary Shares is GB00B03KMY45 and B03KMY4, respectively. The ISIN and SEDOL Code of the Ventus 2 Ordinary Shares is GB00B0WCHT14 and B0WCHT1, respectively. The ISIN and SEDOL Code of the Ventus `C' Shares is GB00B3KVC412 and B3KVC41, respectively. The ISIN and SEDOL Code of the Ventus 2 `C' Shares is GB00B3KVC529 and B3KVC52, respectively.

#### 4. Memorandum and articles of association

The memorandum of association of each Company provides that the Company's principal object is to carry on the business of a VCT. The objects of each Company are set out in full in clause 4 of its memorandum of association.

The articles of association of each Company, as amended pursuant to the resolution to be proposed at the general meeting of each Company convened for 8 March 2012 ("the Articles"), contain, *inter alia*, the following provisions. In this paragraph 4, "the Company" means each of Ventus and Ventus 2.

##### 4.1 Rights attaching to the 'C' Shares

The following provisions apply in respect of the 'C' Shares and their subsequent conversion into Ordinary Shares:

"Calculation Date" means the earlier of:

- (a) close of business on the business day on which the 'C' Share assets are, in the opinion of the directors, sufficiently mature and income generating that it is in the interest of all shareholders of the Company to give effect to the conversion;
- (b) close of business on the day being the financial year end date of the Company immediately following the period of 5 years from date of the final allotment of 'C' Shares pursuant to the 2009 'C' Share Offer; and
- (c) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent;

"Conversion" means conversion of the 'C' Shares in accordance with the Articles;

"Conversion Date" means the earlier of:

- (a) close of business on the business day which falls two months after the Calculation Date; and
- (b) close of business on the day selected by the directors following a resolution of the directors that Force Majeure Circumstances have arisen or are imminent;

"Conversion Ratio" is  $\frac{A}{B}$  where:

$$"A" = \frac{C-D}{E}$$

and

$$"B" = \frac{F-(C-D)}{G}$$

and where:

“C” is the aggregate of:

- (a) the value of all investments of the Company attributable to the ‘C’ Shareholders at their respective acquisition costs, subject to such adjustments as the directors may deem appropriate to be made for any variations in the value of such investments between the date of acquisition and the Calculation Date; and
- (b) the amount which in the directors’ opinion fairly reflects, at the Calculation Date, the value of the current assets of the Company attributable to the ‘C’ Shareholders (including cash and deposits with or balances at a bank and including any income and other items of a revenue nature);

“D” is the amount (to the extent not otherwise deducted from the assets attributable to the ‘C’ Shareholders) which in the directors’ opinion fairly reflects the amount of the liabilities attributable to the ‘C’ Shareholders on the Calculation Date;

“E” is the number of ‘C’ Shares in issue on the Calculation Date;

“F” is the net asset value of the Company as at the Calculation Date which is arrived at after all adjustments reasonably deemed necessary by the directors to reflect the current value of all assets and to allow for all liabilities including any income and other items of a revenue nature;

“G” is the number of Ordinary Shares in issue on the Calculation Date;

provided that an amount equal to that which the directors reasonably estimate will be paid as the final dividend in respect of the year ending on or after the Calculation Date shall be allowed for (at the directors’ discretion) in the amount of “F” and that the directors shall make such other adjustments to the value or amount of “A” and “B” as the auditors shall report to be appropriate having regard, inter alia, to the assets attributable to the ‘C’ Shareholders on the Calculation Date, to the assets of the Company on the Calculation Date and/or to the reasons for the issue of the ‘C’ Shares referred to in the circular to the shareholders of the Company dated 13 February 2009.

“‘C’ Share Surplus” means the net assets of the Company attributable to the ‘C’ Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company’s liabilities including the fees and expenses of the liquidation or return of capital (as the case may be) shall reasonably allocate to the assets of the Company attributable to the ‘C’ Shareholders;

“Existing Ordinary Shares” means the Ordinary Shares in issue on the Conversion Date.

“Force Majeure Circumstances” means any political and/or economic and/or market circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the directors, renders it necessary to bring the Conversion Date and/or the Calculation Date forward;

“Issue Date” means the day on which the Company receives the net proceeds of the first issue of the ‘C’ Shares;

“New Ordinary Shares” means new shares of 25 pence each (created under the Companies Act 1985) arising on Conversion of the ‘C’ Shares which, when issued, shall rank *pari passu* in all respects and form a single class with the Existing Ordinary Shares. The New Ordinary Shares will be in registered form and may be held either by way of definitive share certificate or in electronic form in a CREST account.

“Share Surplus” means the net assets of the Company (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less the Company’s liabilities (including the fees and expenses of a liquidation or return of capital, as the case may be) less the ‘C’ Share Surplus; and

“Statutes” means the Companies Act 1985 as amended and supplemented by the Companies Act 1989 and the Companies Act 2006, and every other statute for the time being in force concerning companies affecting the Company.

For the purposes of the Articles, assets attributable to the 'C' Shareholders or the 'C' Shares shall mean the net cash proceeds (after all expenses relating thereto) of the issue of the 'C' Shares as invested in or represented by investments or cash or other assets from time to time less such proportion of the expenses and liabilities of the Company incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) as the directors fairly consider to be allocatable to the 'C' Shares.

References in the Articles to the auditors certifying any matter shall be construed to mean certification of their opinion as to such matter whether qualified or not and should the Company's auditors be unable or unwilling to act, references to "auditors" shall be construed to mean references to any expert to be nominated by the President or next senior officer then available for the time being of the Institute of Chartered Accountants in England and Wales.

#### 4.2 Undertakings

Until Conversion and without prejudice to its obligations under the Statutes, the Company shall (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the 'C' Shareholders can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate cash pool account, investment settlement account and income account shall be created and maintained in the books of the Company for the assets attributable to the 'C' Shareholders, (ii) allocate to the assets attributable to the 'C' Shareholders such proportion of the expenses and liabilities of the Company incurred or accrued between the Issue Date and the Calculation Date (both dates inclusive) as the directors fairly consider to be allocatable to the 'C' Shares and (iii) give appropriate instructions to the Company's investment managers to manage the Company's assets so that such undertakings can be complied with by the Company.

#### 4.3 The Conversion Process

- (a) The directors shall procure that:
  - (i) within the two months of the Calculation Date, both the Conversion Ratio as at the Calculation Date and the number of New Ordinary Shares to which each 'C' Shareholder shall be entitled on Conversion shall be calculated; and
  - (ii) the auditors shall be requested to certify, within two months of the Calculation Date, that both the calculation on the Conversion Ratio and the total number of New Ordinary Shares arising on Conversion:
    - (1) have been performed in accordance with the Articles; and
    - (2) are arithmetically accurate;whereupon, subject to the proviso immediately after the definition of "G" above, such calculations shall become final and binding on the Company and all shareholders.
- (b) The directors shall procure that as soon as practicable following such certification a notice is sent to each 'C' Shareholder advising such 'C' Shareholder of the Conversion Date, the Conversion Ratio and the number of New Ordinary Shares to which such 'C' Shareholder shall be entitled on Conversion.
- (c) The directors may in their absolute discretion from time to time decide the manner in which the 'C' Ordinary Shares are to be converted, subject to the provisions of the Articles and the Statutes, to the intent that on Conversion all 'C' Shares shall convert into New Ordinary Shares.
- (d) Without prejudice to paragraph (c) above, the directors may, where the Conversion Ratio is greater than 1, in order to facilitate the Conversion, provide for the profits or reserves attributable to the 'C' Shares to be capitalised and applied in paying up in full such number of New Ordinary Shares as shall be calculated by multiplying the number of New Ordinary Shares arising on Conversion by the Conversion Ratio and then deducting the number of New Ordinary Shares arising on Conversion, and allot such shares, credited as fully paid up, to the holders of 'C' Shares pro rata to their holdings.
- (e) Without prejudice to paragraph (c) above, the directors may, where the Conversion Ratio is less than 1, in order to facilitate the Conversion, provide for the profits or reserves attributable to the Existing Ordinary Shares to be capitalised and applied in paying up in full such number of New Ordinary Shares as shall be calculated by dividing the number of Existing Ordinary

Shares by the Conversion Ratio and then deducting the number of Existing Ordinary Shares, and allot such shares, credited as fully paid up, to the holders of Existing Ordinary Shares pro rata to their holdings.

- (f) The directors may deal in such manner as they think fit with any fractional entitlements to New Ordinary Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for then benefit of the Company.
- (g) Forthwith upon Conversion, the Company shall issue to each former 'C' Shareholder, certificates in respect of the New Ordinary Shares which have arisen upon Conversion. The New Ordinary Shares will be admitted to the Official List of the UKLA and to trading on London Stock Exchange Plc's market for listed securities.
- (h) Forthwith upon Conversion, the rights attaching to the 'C' Shares under the Articles shall lapse.

#### 4.4 Voting rights

Subject to the rights or restrictions referred to in paragraph 4.5 below and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (i) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (ii) on a show of hands every proxy appointed by a member shall have one vote; and on a poll every member who is present in person or by proxy or (being a corporation) is present by a duly authorised representative shall have one vote for each share held by such member. Where a duly authorised representative or proxy is a member in his own right, he may only vote once on a show of hands.

#### 4.5 Restrictions on voting

A member of the Company is not entitled, either in person or by proxy, in respect of any share held by him, to be present at any general meeting of the Company unless all amounts payable by him in respect of that share have been paid.

A member of the Company shall not, if the directors determine, be entitled to attend general meetings and vote or to exercise rights of membership if he or another person appearing to be interested in the relevant shares has failed to comply with a notice given under section 793 of the Act within 14 days. The restrictions will continue for the period specified by the board provided that such period shall end not later than seven days after the earliest of (i) due compliance to the satisfaction of the board with the section 793 notice; or (ii) receipt by the Company of notice that the shareholding has been sold to a third party pursuant to an arm's length transfer.

#### 4.6 Dividends

The Company may, by ordinary resolution, declare a dividend to be paid to the members out of the net assets attributable to the relevant class of share and from income received which is attributable to the relevant class of share. The directors may pay such interim dividends as appear to the board to be justified by the financial position of the Company. No dividends payable in respect of a share shall bear interest. The directors may, if authorised by an ordinary resolution, offer shareholders the right to elect to receive further shares, credited as fully paid instead of cash in respect of all or part of a dividend (a "scrip dividend"). The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, withhold dividends or other sums payable in respect of shares which are the subject of a notice under section 793 of the Act and which represent 0.25% or more in nominal value of the issued shares of their class and in respect of which the required information has not been received by the Company within 14 days of that notice and the member holding those shares may not elect, in the case of a scrip dividend, to receive shares instead of that dividend.

The Company or its directors may fix a date as the record date for a dividend provided that the date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared. A dividend unclaimed for a period of 12 years from the date when it became due for payment shall be forfeited and cease to remain owing by the Company.

#### 4.7 Return of capital

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the members *in specie* the whole or any part of the assets of the Company attributable to the relevant class of share and may, for that purpose, value

any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may with the same sanction, vest the whole or any part of the assets in trustees on trusts for the benefit of the members as the liquidator, with the same sanction, thinks fit but no member shall be compelled to accept any assets on which there is any liability.

#### 4.8 Variation of rights

Any rights attaching to a class of shares in the Company may be varied with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of the class (excluding any shares of the class held as treasury shares), or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons holding, or represented by proxy, not less than one-third in nominal value of the issued shares of the relevant class (excluding any shares of the class held as treasury shares).

#### 4.9 Transfer of shares

Subject to the restriction set out in this paragraph, any member may transfer all or any of his shares in any manner which is permitted by the Statutes (as defined in the Articles) or in any other manner approved by the board. A transfer of a certificated share shall be in writing in the usual common form or in any other form permitted by the Statutes or approved by the board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Statutes and is from time to time approved by the board.

The directors have a discretion to refuse to register a transfer of a certificated share which is not fully paid (provided that this does not prevent dealings in the shares from taking place on an open and proper basis). The directors may also decline to register a transfer of shares in certificated form unless (i) the instrument of transfer is deposited at the office of the Company or such other place as the board may appoint, accompanied by the certificate for the shares to which it relates if it has been issued and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer; (ii) the instrument of transfer is in respect of only one class of share as in favour of no more than four transferees. The directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under section 793 of the Act and which represent at least 0.25% of the issued shares of their class, and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

#### 4.10 Alteration of capital and purchase of own shares

The Company may alter its share capital as follows:

- 4.10.1 by ordinary resolution, it may increase its share capital, consolidate and divide all or any of its share capital into shares of a larger amount, sub-divide all or any of its shares into shares of smaller amount and cancel any shares not taken or agreed to be taken by any person;
- 4.10.2 by special resolution and subject to the provisions of the Statutes, it may reduce its share capital, any capital redemption reserve, any share premium account or other undistributable reserves in any way; and
- 4.10.3 subject to the provisions of the Statutes, the Company may purchase all or any of its shares of any class, including redeemable shares and may hold such shares as treasury shares or cancel them.

#### 4.11 General meetings

##### 4.11.1 Annual general meetings

The board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Statutes.

##### 4.11.2 Convening of general meetings

All meetings other than annual general meetings shall be called general meetings. The board may convene a general meeting whenever it thinks fit. A general meeting shall also

be convened by the board on the requisition of members pursuant to the provisions of the Statutes or, in default, may be convened by such requisitions, as provided by the Statutes. The board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

#### 4.11.3 Orderly conduct of meetings

The board may both prior to and during any general meeting make any arrangements and impose any restrictions which it considers appropriate to ensure the security and/or the orderly conduct of any such general meeting, including, without limitation, arranging for any person attending any such meeting to be searched, for items of personal property which may be taken into any such meeting to be restricted and for any person (whether or not a member of the Company) who refuses to comply with any such arrangements or restrictions to be refused entry to or excluded from any such meeting.

#### 4.11.4 Notice of general meetings

Subject to the provisions of the Statutes, an annual general meeting and all other general meetings of the Company shall be called by at least such minimum period of notice as is prescribed under the Statutes for the type of meeting concerned.

The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or the terms of issue of the shares which they hold, are not entitled to receive such notices from the Company, and also to the auditors (or, if more than one, each of them) and to each director.

Every notice of meeting shall state with reasonable prominence that a member entitled to attend, speak and vote at the meeting may appoint one or more proxies to attend, speak and vote at that meeting instead of him and that a proxy need not be a member of the Company.

#### 4.11.5 Quorum

No business, other than the appointment of a chairman, shall be transacted at any general meeting unless the requisite quorum is present when the meeting proceeds to business.

Except as otherwise provided by the Articles two persons entitled to attend and to vote on the business to be transacted, each being a member present in person or by proxy or a duly authorised representative of a corporation which is a member shall be a quorum. If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or, if that day is not a business day, to the next business day) and at the same time and place, as the original meeting, or to such other day, and at such other time and place, as the board may decide and in the latter case not less than seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

#### 4.11.6 Chairman

At each general meeting, the chairman of the board or, if he is absent or unwilling, the deputy chairman (if any) of the board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other directors who is appointed for the purpose by the board or (failing appointment by the board), by the members present, shall preside as chairman of the meeting, but if no director is present within 15 minutes after the time fixed for holding the meeting or, if none of the directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

4.11.7 Directors entitled to attend and speak

Whether or not he is a member, a director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

4.11.8 Adjournment

With the consent of any meeting at which a quorum is present the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time to time or *sine die* and from place to place.

In addition, the chairman of the meeting may at any time without the consent of the meeting adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting.

4.11.9 Method of voting and demand for poll

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- (a) the chairman of the meeting;
- (b) not less than five members present in person or by proxy having the right to vote on the resolution;
- (c) a member or members present in person or by proxy representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares);
- (d) a member or members present in person or by proxy holding shares conferring the right to vote on the resolution on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any shares in the Company conferring a right to vote at the meeting which are held as treasury shares);

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand were made by the member himself.

4.11.10 Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).

4.11.11 Proxies

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

4.11.12 Form of proxy

An appointment of a proxy shall be in writing in:

- (a) hard copy in any usual form or in any other form which the board may approve, executed by the appointor, or his agent duly authorised in writing, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by some agent or officer authorised for that purpose; or
- (b) electronic form.

#### 4.11.13 Deposit of proxy

The appointment of a proxy shall:

- (a) in the case of an appointment in hard copy form, be delivered personally or by post to the office or such other place within the United Kingdom as may be specified by or on behalf of the Company for that purpose in the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;
- (b) in the case of an appointment in electronic form, be received at an address specified (or is deemed by a provision in the Act to have been specified) by or on behalf of the Company for the purpose of receiving documents or information in electronic form in, or by way of note to, the notice convening the meeting or in any form of proxy sent by or on behalf of the Company in relation to the meeting or in any invitation in electronic form to appoint a proxy issued by or on behalf of the Company in relation to the meeting, not less than 48 hours before the time appointed for holding the meeting or adjourned meeting;
- (c) in the case of a poll which is taken more than 48 hours after it is demanded, be delivered or received as aforesaid not less than 24 hours before the time appointed for the taking of the poll; or
- (d) in the case of a poll which is not taken at the meeting at which it is demanded but is taken not more than 48 hours after it was demanded, be delivered in hard copy form at the meeting at which the poll was demanded to the chairman or to the secretary or to any director.

In relation to any shares which are held in uncertificated form, the board may from time to time permit appointments of a proxy to be made by electronic means in the form of an uncertificated proxy instruction.

An appointment of a proxy relating to more than one meeting (including any adjournment thereof) having once been so received for the purposes of any meeting shall not require to be received again for the purposes of any subsequent meeting to which it relates.

#### 4.11.14 Notice of revocation of proxy

Notice of the revocation of the appointment of a proxy may be given in any lawful manner which complies with the regulations (if any) made by the directors to govern the revocation of a proxy.

### 4.12 Directors

#### 4.12.1 Number

Unless otherwise determined by ordinary resolution of the Company, the number of directors shall be not less than two but there shall be no maximum number of directors.

#### 4.12.2 Appointment of directors by the Company in general meeting

The Company may by ordinary resolution appoint any person who is willing to act to be a director, either to fill a vacancy or as an additional director.

No person (other than a director retiring by rotation or otherwise) shall be appointed or re-appointed a director at any general meeting unless:

- (a) he is recommended by the board; or
- (b) not less than seven nor more than 42 clear days before the date appointed for the meeting there has been given to the Company, by a member (other than the person to be proposed) entitled to vote at the meeting, notice of his intention to propose a resolution for the appointment of that person, stating the particulars which would, if he were so appointed, be required to be included in the Company's register of directors and a notice executed by that person of his willingness to be appointed.

The board may appoint any person who is willing to act to be a director either to fill a vacancy or by way of addition to their number.

#### 4.12.3 Remuneration

The directors (other than any director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as determined by the directors. The aggregate of the fees per Company shall not exceed £100,000 per annum (or such larger sum as the Company may, by ordinary resolution determine). Any fee shall be distinct from any remuneration or other amounts payable to a director under other provisions of the Articles and shall accrue from day to day. The directors may be paid all travelling, hotel and other expenses properly incurred in and about the discharge of their duties as directors including expenses incurred in travelling to and from meetings of the board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

#### 4.12.4 Retirement of directors

At each annual general meeting any director who has been appointed by the board since the previous annual meeting and any director selected to retire by rotation shall retire from office.

#### 4.12.5 Retirement of Directors by rotation

At each annual general meeting of the Company, one-third of the directors (excluding any director who has been appointed by the directors since the previous annual general meeting) or, if their number is not an integral multiple of three, the number nearest to one-third but not exceeding one-third shall retire from office. In addition, each director shall retire from office at the third annual general meeting after he was appointed or reappointed, if he would not otherwise fall within the directors to retire by rotation.

The directors to retire shall be those directors who, at the date of the notice of the meeting, have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The directors to retire on each occasion shall be determined (both as to number or identity) by the composition of the board at the start of business on the date of the notice convening the annual general meeting and no directors shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the directors after that time but the before the close of the meeting.

A retiring director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a director ought to take place the office vacated by a retiring director is not filled, the retiring director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

No person shall be disqualified from being appointed a director and no director shall be required to vacate from office, by reason only of his age.

#### 4.12.6 Removal of Directors

The Company may by ordinary resolution, of which special notice has been given in accordance with the Statutes, remove any director before his period of office has expired notwithstanding anything in the Articles or in any agreement between him and the Company.

#### 4.12.7 Vacation of office of Director

Without prejudice to the provisions of the Articles for retirement or removal, the office of a director shall be vacated:

- (a) if he is prohibited by law from being a director;
- (b) if he becomes bankrupt or he makes any arrangement or composition with his creditors generally;
- (c) if he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court (whether in the United Kingdom or elsewhere) for his detention or for the appointment of some person to exercise powers with respect to his property or affairs;
- (d) if for more than six months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the board, from meetings of the board held during that period and the board resolves that his office be vacated; or
- (e) if he serves on the Company notice of his wish to resign, in which event he shall vacate office on the service of that notice on the Company or at such later time as is specified in the notice.

#### 4.12.8 Executive Directors

The board may appoint one or more directors to hold any executive office or employment under the Company and on such terms as the board determine.

A director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a director without prejudice to any claim for damages for breach of any contract of employment.

#### 4.12.9 Power to appoint alternate Directors

Each director may appoint another director or any other person who is willing to act as his alternate and may remove him from that office. The appointment as an alternate director of any person who is not himself a director shall be subject to the approval of a majority of the directors or a resolution of the board.

An alternate director shall be entitled to receive notice of all meetings of the board and of all meetings of committees of which the director appointing him is a member, to attend and vote at any such meeting at which the director appointing him is not personally present and at the meeting to exercise and discharge all the functions, powers and duties of his appointor as a director and for the purposes of the proceedings at the meeting the provisions of the Articles shall apply as if he were a director.

Every person acting as an alternate director shall have one vote for each director for whom he acts as alternate, in addition to his own vote if he is also a director, but he shall count as only one for the purpose of determining whether a quorum is present.

#### 4.12.10 Directors' interests

A director shall not be entitled to vote on a resolution or (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested (including by virtue of interests of persons connected with him) save where the other directors resolve that he should be entitled to do so where they are satisfied that this interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

- (a) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of a debt or obligation of the Company (or any of its subsidiary undertakings) for which he has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;

- (b) any contract concerning an offer of shares, debentures or other securities of or by the Company (or any of its subsidiary undertakings) for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (c) any contract in which he is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (d) any contract concerning any other company in which he is interested, directly or indirectly, in 1% or more either of its equity share capital or of its voting rights;
- (e) any contract relating to an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award him any privilege or benefit not generally awarded to the employees to whom the arrangement relates; and
- (f) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including directors.

Subject to the interest of a director being duly declared, a contract entered into by or on behalf of the Company in which any director is any way interested shall not be avoided nor shall any director be liable to account to the Company for any benefit realised as a result of the contract.

A director shall not vote or be counted in the quorum in relation to a resolution of concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more directors, a separate resolution may be put in relation to each director and in that case, each director concerned (if not otherwise debarred from voting) is entitled to vote.

#### 4.13 Authorisation of conflicts of interest

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest (excluding a conflict of interest arising in relation to a transaction or arrangement with the company) on the part of any director (a "Conflicted Director") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the directors other than the Conflicted Director (the "Non-Conflicted Directors").

The Non-Conflicted Directors shall meet to consider the matter as soon as possible after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the board.

The Non-Conflicted Directors have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit. Any such terms may be varied by the Non-Conflicted Directors and the Non-Conflicted Directors may revoke such authority at any time insofar as it has not already been acted on. The Non-Conflicted Directors shall communicate their decision promptly to each Conflicted Director.

A Conflicted Director shall not be entitled to any information which is relevant to the matter giving rise to the conflict of interest except to the extent authorised by the Non-Conflicted Directors.

Where a matter giving rise to a conflict of interest is authorised by the Non-Conflicted Directors, the Conflicted Director shall be released from any duty to disclose to the Company any confidential information relating to the matter in question which he receives or has received from a third party; and save as otherwise determined by the Non-Conflicted Directors at the time when they authorise the matter, not be accountable to the Company for any benefit which he derives from such matter (excluding a benefit conferred on the director by a third party by reason of his being a director of the Company or by reason of his doing or not doing anything as a director of the Company).

Any confidential information which a Conflicted Director has received from the Company or in his capacity as a director of the Company shall not be disclosed by him to any third party except insofar as permitted by the Non-Conflicted Directors.

The directors may authorise a matter which may give rise to a conflict of interest on the part of a person who is proposed to be appointed as a director to the board and any authorisation of such matter by the directors shall apply in relation to such person on his appointment as a director.

#### 4.14 Benefits

The board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits allowances or gratuities to any person who is or who has at any time been a director of the Company or in the employment or service of the Company or any Associated Company (as defined in the Articles) or of the predecessors in business of the Company or any Associated Company (or the relatives or dependants of any such person).

#### 4.15 Powers of the board

The business of the Company shall be managed by the board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the memorandum of association of the Company, the Articles and any special resolution of the Company. No special resolution or alteration of the memorandum of association of the Company or the Articles shall invalidate any prior act of the board which would have been valid if the resolution had not been passed or the alteration had not been made.

#### 4.16 Borrowing powers

The board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party. The board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries so as to secure (in relation to subsidiaries only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (as defined in the Articles) (exclusive of intra-group borrowing) shall not, without the previous sanction of the Company in general meeting, exceed a sum equal to 10 per cent. of the adjusted share capital and reserves, provided that prior to the publication of an audited balance sheet of the Company such aggregate principal amount shall be limited to 10 per cent. of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

For this purpose, the adjusted capital and reserves means the aggregate of the amount paid up on the issued or allotted share capital of the Company and the amount standing to the credit of the reserves of the Group (as defined in the Articles) (including share premium account, capital redemption reserve fund, property revaluation reserve and unappropriated balance of investment or grants), after adding or deducting any balance standing to the credit or debit of the Group's profits and loss account, all as shown in the relevant balance sheet but adjusted as may be appropriate in respect of any variation in the amount of the paid up share capital, the share premium account or capital redemption reserve since the date of the relevant balance sheet, excluding amounts attributable to the share capital of any undertaking not owned by a Group Company (as defined in the Articles) and any sum set aside for taxation, and after deducting the amount of any distribution declared, recommended or made by any Group Company and after making such other adjustments (if any) as the board may consider appropriate or necessary and as are approved by the auditors.

#### 4.17 Indemnity of officers

Subject to the provisions of and so far as may be permitted by and consistent with the Statutes each current or former director or other officer (other than an auditor) of the Company or any Associated Company may be indemnified out of the assets of the Company against:

- (a) any liability incurred by or attaching to him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company other than in the case of a current or former director:
  - (i) any liability to the Company or any Associated Company; and
  - (ii) any liability of the kind referred to in section 234(3) of the Act; and

- (b) any liability incurred by or attaching to him in connection with the activities of the Company or any Associated Company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the Act ) other than a liability of the kind referred to in section 235(3) of the Act ; and
- (c) any other liability incurred by or attaching to him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers.

For the purpose of this Article, references to “liability” shall include all costs and expenses incurred by the current or former director or other officer (other than an auditor) in relation thereto.

Subject to the provisions of and so far as may be permitted by the Statutes, the board may exercise all the powers of the Company to:

- (a) provide any current or former director or other officer (other than an auditor) of the Company with funds to meet expenditure incurred or to be incurred by him in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust by him in relation to the Company or an Associated Company, or in connection with any application for relief under the provisions mentioned in section 205(5) of the Act; and
- (b) do anything to enable any such person to avoid incurring expenditure,

but so that the terms set out in section 205(2) of the Act shall apply to any such provision of funds or other things so done. For the purpose of this Article references to “director” in section 205(2) of the Act shall be deemed to include references to a former director or other officer (other than an auditor) of the Company.

The board may purchase and maintain for or for the benefit of any person who holds or has at any time held a relevant office (as defined in the Articles), insurance against any liability or expense incurred by him in relation to the Company or any Associated Company or any third party in respect of any act or omission in the actual or purported discharge of his duties or otherwise in connection with holding his office.

#### 4.18 Delegation to individual Directors

The board may entrust to and confer upon any director any of its powers, authorities and discretions (with power to sub-delegate) on such terms and conditions as it thinks fit and may revoke or vary all or any of them, but no person dealing in good faith shall be affected by any revocation or variation.

#### 4.19 Committees

The board may delegate any of its powers, authorities and discretions (with power to sub-delegate) including without prejudice to the generality of the foregoing all powers, authorities and discretions whose exercise involves or may involve the payment of remuneration to, or the conferring of any other benefit on, all or any of the directors to any committee consisting of such person or persons (whether directors or not) as it thinks fit, provided that the majority of the members of the committee are directors and that no meeting of the committee shall be quorate for the purpose of exercising any of its powers, authorities or discretions unless a majority of those present are directors.

#### 4.20 Board meetings

The board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

##### 4.20.1 Notice of board meetings

Notice of a board meeting shall be deemed to be properly given to a director if it is given to him personally or by word or mouth or sent in hard copy form to him at his last known address or any other address given by him to the Company for this purpose or sent in electronic form to him at an address given by him to the Company for this purpose.

##### 4.20.2 Quorum

The quorum necessary for the transaction of the business of the board may be fixed by the board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any director who ceases to be a director at a board meeting may continue to be present and to act as a director and be counted in the quorum until the termination of the board meeting if no other director objects and if otherwise a quorum of directors would not be present.

#### 4.20.3 Voting

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

#### 4.20.4 Telephone and video conference meetings

A meeting of the board may consist of a conference between directors some or all of whom are in different places provided that each director who participates is able:

- (a) to hear each of the other participating directors addressing the meeting; and
- (b) if he wishes, to address all of the other participating directors simultaneously, whether by conference telephone or by video conference or by any other form of communications equipment (whether in use when the Articles are adopted or developed subsequently) or by a combination of any such methods.

A meeting held in this way is deemed to take place at the place where the largest group of participating directors is assembled or, if no such group is readily identifiable, at the place from where the chairman of the meeting participates.

#### 4.20.5 Resolutions in writing

A resolution in writing signed by all the directors entitled to notice of a meeting of the board and to attend such meeting, count in the quorum and vote on such resolution shall be as valid and effective as if it had been passed at a meeting of the board duly called and constituted provided that the number of directors signing the resolution is not less than the number of directors required for a quorum necessary for the transaction of the business of the board. The resolution may be contained in one document or in several documents in like form, each signed or approved by one or more of the directors concerned.

#### 4.21 Distribution of realised capital profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the registrar of companies of its intention to carry on business as an investment company (a "Relevant Period") distribution of the Company's capital profits shall be prohibited. The board shall establish a reserve to be called the capital reserve. During a Relevant Period all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the board to be in the nature of accretion to capital shall be credited to the capital reserve. Subject to the Statutes, the board may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the Statutes, any expenses, loss or liability (or provision therefor) which the board considers to relate to a capital item or which the board otherwise considers appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to any revenue reserve are applicable except and provided that notwithstanding any other provision of these Articles during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 830(2) of the Act) or be applied in paying dividends on any shares in the Company. In periods other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 830(2) of the Act) or be applied in paying dividends on any shares in the Company.

#### 4.22 Duration of the Company

The Directors shall put an ordinary resolution to the annual general meeting of the Companies in 2018 and, if passed, to every fifth subsequent annual general meeting, proposing that each Company should continue as a VCT for a further five year period. If any such ordinary resolution is not passed, the Directors shall draw up proposals for the reorganisation, reconstruction or voluntary winding up of the Company for submission to the members of the Company at general meeting to be convened

by the Directors on a date not more than four months after such annual general meeting. Implementation of the proposals will require the approval of members by special resolution.

## 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. The Ordinary Shares and "C" Shares have been made eligible for settlement in CREST by means of a resolution of the Boards of each of the Companies, with the necessary notice having been given to all members of the Company at that time, as contemplated by the Uncertificated Securities Regulations 2001.

## 6. Directors' interests

6.1 As at the date of this document and on Admission the interests of the Directors and their immediate families (all of which are beneficial) in the share capital of the Companies which:

6.1.1 are or will be notified to the Companies in accordance with rule 3 of the Disclosure and Transparency Rules ("DTR 3") by each Director; or

6.1.2 are interests of a connected person (within the meaning in DTR 3) of a Director which are or will be required to be disclosed under paragraph 6.1.1 above 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:

<i>Director</i>	<i>As at the date of this Document</i>		<i>After the Offers have closed</i>	
	<i>Number of Ordinary Shares</i>	<i>Number of 'C' Shares</i>	<i>Number of Ordinary Shares</i>	<i>Number of 'C' Shares</i>
<b>Ventus</b>				
David Pinckney	10,300	2,600	10,105	2,600
David Williams	nil	nil	nil	nil
Richard Abbott	nil	nil	nil	nil
<b>Ventus 2</b>				
Alan Moore	16,061	10,400	15,866	10,400
Colin Wood	10,284	5,200	10,089	5,200
Paul Thomas	10,284	5,200	10,089	5,200

6.2 At the date of this document and after the Offers have closed, the Companies are aware of the following persons who are or will hold, directly or indirectly, voting rights representing 3% or more of the issued share capital of the Companies to which voting rights are attached (assuming full take up under the Tender Offers and full subscription under the Offers):

<i>Name</i>	<i>As at the date of this Document</i>			
	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights of Ordinary Shares</i>	<i>Number of 'C' Shares</i>	<i>Percentage of voting rights of the "C" Shares</i>
<b>Ventus</b>				
Heartwood Nominees Limited	1,917,400	11.7%	Nil	Nil
<b>Ventus 2</b>				
N/A	N/A	N/A	N/A	N/A

Name	Number of Ordinary Shares	Percentage of voting rights of Ordinary Shares	After the Offers have closed	
			Number of 'C' Shares	Percentage of voting rights of the "C" Shares
<b>Ventus</b>				
Heartwood Nominees Limited	1,881,051	9.9%	Nil	Nil
<b>Ventus 2</b>				
N/A	N/A	N/A	N/A	N/A

- 6.3 Save as disclosed in paragraphs 6.1 and 6.2 above, the Companies are not aware of any person who will, immediately following Admission, hold (for the purposes of rule 5 of the Disclosure and Transparency Rules ("DTR 5")) directly or indirectly voting rights representing 3% or more of the issued share capital of either Company to which voting rights are attached or could, directly or indirectly, jointly or severally, exercise control over either Company.
- 6.4 The persons, including the Directors, referred to in paragraphs 6.1 and 6.2 above, do not have voting rights in respect of the share capital of either of the Companies (issued or to be issued) which differ from any other Shareholder.
- 6.5 The Companies and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Companies.
- 6.6 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Companies and which were effected by the Companies in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- 6.7 Although no conflicts have arisen prior to the date of this document, Alan Moore has, pursuant to section 175 of the Act declared a potential conflict of interest arising in respect of his non executive directorship of Partnerships for Renewables Limited, which develops small-to-mid scale renewable projects in partnership with public sector bodies. Save as set out in this paragraph, there are no potential conflicts of interest between any duties owed to the Companies by the Directors and their private and/or other duties.
- 6.8 In addition to their directorships of the Companies, the Directors currently hold, and have during the five years preceding the date of this document held, the following directorships, partnerships or been a member of the senior management:

Name	Position	Name of company/ partnership	Position still held (Y/N)
<b>David Pinckney</b>	Director	DP European Property Limited	N
	Director	Albion Development VCT plc	Y
	Director	Syndicate Asset Management Plc	N
	Director	Ventus 3	N (company dissolved)
	Director	The Access Fund General Partner Limited	N (company dissolved)
	Director	Access Fund (Nominee) Limited	N (company dissolved)
	Director	KleenAir Systems International plc	N
<b>David Williams</b>	Director	Eco2 Limited	Y
	Director	Tidal Energy Limited	Y
	Director	Eco2 Marine Energy Limited	Y
	Director	Fochriw Renewable Energy Limited	Y
	Director	Greenscares Renewable Energy Limited	Y
	Director	Glyncorwg Renewable Energy Limited	Y
	Director	Eco2 Lincs CHP Limited	Y
	Director	Eco2 Biomass Limited	Y
	Director	Eco2 North Lincs Limited	Y
Director	Eco2 Central Limited	Y	

<i>Name</i>	<i>Position</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>
David Williams	Director	Eco2 Espana Limited	Y
(continued)	Director	Eco2 Hatton Limited	Y
	Director	Hatton Windpower Limited	Y
	Director	Eco2 Aranda Limited	Y
	Director	Eco2 Medina Limited	Y
	Director	Eco2 Rioja Limited	Y
	Director	Eco2 Romania Limited	Y
	Director	Eco2 Eastern Limited	Y
	Director	Eco2 Renewables Limited	Y
	Director	Eco2 Southern Limited	Y
	Director	Eco2 Northern Limited	Y
	Director	Eco2 Western Limited	Y
	Director	Tidal Energy Developments North Wales Limited	Y
	Director	Tidal Energy Developments South Wales Limited	Y
	Non Executive Director	Barrington Energy Group Ltd	Y
	Director	Boganlea Renewable Energy Limited	Y
	Director	Renewable Energy Association	Y
	Director	Eco-5 Limited	N
	Director	Western Bio-Energy (Fuels) Limited	N
	Director	British Biogen Limited	N (company dissolved)
	Director	Lyme & Wood Power Limited	N
	Director	Berwick Farm Power Limited	N
	Director	Eco2 LFG Power Limited	N
	Director	Frampton Power Limited	N
	Director	Vigo Utopia Power Limited	N
	Director	Eco2 Cambrian Limited	N
	Director	Cambrian Renewable Energy Limited	N
	Director	Eco2 Lincs Limited	N
	Director	Lincolnshire Biomass Limited	N
	Director	Eco2 Hatton Limited	N
	Director	Redimo LFG Power Limited	N
<b>Richard Abbott</b>	Director	Access Fund (Nominee) Limited	N (company dissolved)
	Director	Carter Lane Limited	Y
	Director	City of London Financial Services Limited	Y
	Director	Hardy (Underwriting Agencies) Limited	Y
	Director	Hardy Underwriting Group Plc	N
	Director	I-Mob Holdings Limited	Y
	Director	I-Mob Plc	Y
	Member	Inside Track 3 LLP	Y
	Member	Inside Track 2 LLP	Y
	Director	KF Corporate Finance Limited	N
	Director	Marechale Capital Plc	N
	Director	MEM Capital Limited	N
	Director	MEM Consumer Finance Limited	N

<i>Name</i>	<i>Position</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>
Richard Abbott (continued)	Designated Member	Quercus Capital LLP	N (partnership dissolved)
	Director	Ropley Associates Limited	Y
	Designated Member	SHF Asset Management LLP	N
	Director	Professions Funding Limited	N
	Director	SHF London Limited	N (company dissolved)
	Director	SHF Energy Limited	N (company dissolved)
	Director	St Helens Finance Plc	Y
	Director	The Access Fund General Partner Limited	N (company dissolved)
	Member	RCP Carry LLP	N
<b>Alan Moore</b>	Director	Cowrie Limited	Y (proposal to strike off company)
	Director	Ventus 3	N (company dissolved)
	Director	Partnerships For Renewables Limited	Y
	Director	Renewable UK Association	N
<b>Colin Wood</b>	Director	Ventus 3	N (company dissolved)
	Director	The Century Building Society	Y
	Director	Ventus	N
<b>Paul Thomas</b>	Director	Pi Capital (Holdings) Ltd	Y
	Director	Private Investor Capital Limited	Y
	Director	Ventus 3	N (company dissolved)
	Director	Pi Capital Partners 1 Limited	Y
	Director	Pi Capital Partners 2 Limited	Y
	Director	Pi Capital Limited	Y
	Director	Seraphim Capital (GP) Limited	Y
	Director	Pi Capital Partners 3 Limited	Y
	Director	Newco PST Limited	Y (proposal to strike off company)
	Member	ECI Partners LLP	N
	Designated member	Seraphim Capital (General Partner) Limited Liability Partnership	Y

The business address of all the Directors is Berger House, 36-38 Berkeley Square, London W1J SAE.

- 6.9 None of the Directors has at any time within the last five years:
- 6.9.1 had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
  - 6.9.2 been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated recognised professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
  - 6.9.3 been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or
  - 6.9.4 been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.
- 6.10 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected as a member of the administrative, management or supervisory bodies or member of senior management.

- 6.11 There are no restrictions agreed by any Director on the disposal within a certain period of time of their holdings in the Companies' securities.
- 6.12 There are no outstanding loans or guarantees provided by either of the Companies for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for either of the Companies.

## **7. Directors' remuneration and service agreements**

- 7.1 In the financial year ended 28 February 2011, the aggregate remuneration of the Directors from Ventus was £65,000 and from Ventus 2 £58,448. The aggregate remuneration of the Directors in respect of the current financial year (under the arrangements in force at the date of this document) is expected to be £65,000 for each of Ventus and Ventus 2.
- 7.2 The Directors, other than David Pinckney and Alan Moore, are entitled to receive £20,000 per annum from Ventus and £20,000 per annum from Ventus 2. David Pinckney, as Chairman, is entitled to receive £25,000 per annum from Ventus and Alan Moore, as Chairman, £25,000 per annum from Ventus 2.
- 7.3 None of the Directors has a service contract with either of the Companies and no such contract is proposed. Each of the Directors has been appointed on terms which can be terminated by either party on three months' notice.
- 7.4 The Directors are not entitled to compensation on termination of their directorships and no amounts have been set aside or accrued for their pensions, retirement or similar benefits.

## **8. The Companies and their subsidiaries**

Ventus does not have any subsidiaries. Ventus 2 has 2 subsidiaries, Redeven Energy Limited and Spurlens Rig Wind Limited, both of which are incorporated and registered in England and Wales, and holds 60 per cent. of the voting rights in each of these companies.

## **9. Offer Agreement**

Under an offer agreement dated 3 February 2012, between the Companies, the Directors, Temporis and the Sponsor, the Sponsor has agreed to act as sponsor to the Offers (the "Offer Agreement"). The Companies have given customary representations, warranties and indemnities to the Sponsor. The Sponsor may terminate this agreement at any time prior to Admission if it becomes aware of any material breach of warranty prior to Admission.

## **10. The City Code**

### **10.1 Mandatory takeover bids**

The City Code on Takeovers and Mergers (the "Code") applies to all takeover and merger transactions in relation to the Companies, 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 Companies Act 2006. The Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or EEA.

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% 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% but not more than 50% of the voting rights, acquires additional shares which increase his 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 him holding shares carrying more than 50% of the voting rights.

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

#### 10.2 **Squeeze out**

Section 979 of the Act provides that if, within certain time limits, an offer is made for the share capital of either 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% 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%, 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 relevant 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.

#### 10.3 **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 either Company which amount to not less than 90%, in value of all the voting shares in the relevant Company and carry not less than 90%, 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.

### 11 **Notifications of shareholdings**

The provisions of DTR 5 will apply to the Companies and their shareholders. DTR 5 sets out the notification requirements for shareholders and the Companies where the voting rights of a shareholder exceed, reach or fall below the threshold of 3% and each 1% thereafter up to 100%. DTR 5 provides that disclosure by a shareholder to the relevant Company must be made within two trading days of the event giving rise to the notification requirement and the relevant Company must release details to a regulatory information service as soon as possible following receipt of a notification and by no later than the end of the trading day following such receipt.

### 12 **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 Companies 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 Companies and which contain any provision under which either Company has any obligation or entitlement which is, or may be, material to the relevant Company as at the date of this document:

- 12.1 the Offer Agreement, details of which are set out in paragraph 9 above;
- 12.2 The Management Agreement dated 26 August 2011 (effective on 12 September 2011) between (i) Ventus and (ii) the Manager pursuant to which the Manager will provide or procure the provision of certain investment management services to Ventus for a fee payable quarterly in advance on 1 December, 1 March, 1 June and 1 September in each year (together with any applicable VAT) of an amount equal to 2.5% per annum of the Net Asset Value of Ventus.
- 12.3 The Manager will also provide administrative services to Ventus. Under the Management Agreement, Ventus' operating expenses, including all sums payable under the Management Agreement save for the performance incentive fee described below and exclusive of irrecoverable VAT, will not exceed

3.6% of Ventus' audited Net Asset Value at the relevant year end (save that the Manager's liability will not exceed the amount of its fees).

The Management Agreement also contains the Manager's incentive fee arrangement. No incentive fee will be payable until Ventus has provided a cumulative return to investors in the form of growth in Net Asset Value plus payment of dividends (the "Return") of 60p per Ordinary Share. Thereafter, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Return in any accounting period exceeds 7p per share. The incentive fee is exclusive of VAT. In the event that the full payment of the incentive fee plus irrecoverable VAT in any accounting period would cause the annual dividend payments made by Ventus in that accounting period to fall below 6p per Ordinary Share, the incentive fee for that accounting period will be deferred as necessary so that the payment of the incentive fee does not cause the annual dividend payments made by Ventus for that period to fall below 6p per Ordinary share. Any balance unpaid will be carried forward and paid at the end of the following accounting period or periods. Interest will be added to any deferred payments calculated at the prevailing base lending rate of HSBC Bank plc. The incentive fee will be payable annually.

The Management Agreement is terminable by either party on 12 months' written notice given at any time after 12 September 2014 subject to earlier termination by any party in the event of, *inter alia*, Ventus or the Manager having a receiver, administrator or liquidator appointed or committing a material breach of the Management Agreement, or by Ventus if it ceases to be a VCT for tax purposes or if the Manager shall cease to be able to carry out its obligations under the Agreement lawfully. If terminated by Ventus without due cause or on less than the requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payment. The Incentive fee will continue to be payable if the Management Agreement is terminated other than by reason of a default on the part of the Manager. The Management Agreement will terminate automatically, without compensation, upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Ventus.

- 12.4 The Management Agreement dated 26 August 2011 (effective on 12 September 2011) between (i) Ventus 2 and (ii) the Manager pursuant to which the Manager will provide or procure the provision of certain investment management services to Ventus 2 for a fee payable quarterly in advance on 1 December, 1 March, 1 June and 1 September in each year (together with any applicable VAT) of an amount equal to 2.5% per annum of the Net Asset Value of Ventus 2. In connection with taking over the investment management of Ventus 2, Temporis has agreed to waive investment management fees amounting to £530,000 in relation to the Ventus 2 Ordinary Share fund.

The Manager will also provide administrative services to Ventus 2. Under the Management Agreement, Ventus 2's operating expenses, including all sums payable under the Management Agreement save for the performance incentive fee described below and exclusive of irrecoverable VAT, will not exceed 3.6% of Ventus 2's audited Net Asset Value at the relevant year end (save that the Manager's liability will not exceed the amount of its fees).

The Management Agreement also contains the Manager's incentive fee arrangement. No incentive fee will be payable until Ventus 2 has provided a cumulative return to investors in the form of growth in Net Asset Value plus payment of dividends (the "Return") of 60p per Ordinary Share. Thereafter, the incentive fee, which is payable in cash, is calculated as 20% of the amount by which the Return in any accounting period exceeds 7p per share. The incentive fee is exclusive of VAT. In the event that the full payment of the incentive fee plus irrecoverable VAT in any accounting period would cause the annual dividend payments made by Ventus 2 in that accounting period to fall below 6p per Ordinary Share, the incentive fee for that accounting period will be deferred as necessary so that the payment of the incentive fee does not cause the annual dividend payments made by Ventus 2 for that period to fall below 6p per Ordinary share. Any balance unpaid will be carried forward and paid at the end of the following accounting period or periods. Interest will be added to any deferred payments calculated at the prevailing base lending rate of HSBC Bank plc. The incentive fee will be payable annually.

The Management Agreement is terminable by either party on 12 months' written notice given at any time after 12 September 2014 subject to earlier termination by any party in the event of, *inter alia*, Ventus 2 or the Manager having a receiver, administrator or liquidator appointed or committing a material breach of the Management Agreement, or by Ventus 2 if it ceases to be a VCT for tax

purposes or if the Manager shall cease to be able to carry out its obligations under the Agreement lawfully. If terminated by Ventus 2 without due cause or on less than the requisite notice, the Manager shall be entitled to receive an amount representing the fees which would have been payable during the period for which notice shall not have been given, calculated by reference to the previous quarterly payment. The Incentive fee will continue to be payable if the Management Agreement is terminated other than by reason of a default on the part of the Manager. The Management Agreement will terminate automatically, without compensation, upon the passing of a resolution for the voluntary liquidation, reconstruction or reorganisation of Ventus 2.

- 12.5 A Termination and Transfer Agreement dated 26 August 2011 ( "TTA" ) in respect of investment management arrangements between Ventus (1), Ventus 2 (2), Climate Change Capital Limited ("CCC") (3), Climate Change Advisory Limited ("CCA") (4) and Climate Change Holdings Limited ("CCH") ( together "the CC Companies " ) (5) whereby the investment management agreements (as varied and supplemented) entered into by the parties were terminated by mutual agreement with effect from 12 September 2011. Under the TTA arrangements were made for the orderly transfer of the investment management services to Temporis and indemnities were given to the CC Companies by Ventus and Ventus 2 in respect of the transfer of employment of certain employees to Temporis. The TTA is in full and final settlement of all claims that either party may have against the others arising out of or in connection with the said management arrangements.
- 12.6 An agreement dated 3 February 2012 between (1) Ventus 2 (2) Ventus and (3) the Manager relating to the allocation of investment opportunities as described under "Investment Allocation Agreement" in Part I of this document.
- 12.7 A client agreement dated 15 March 2005 between (1) Ventus, (2) Climate Change Capital Limited and (3) Cazenove Capital Management Limited ("Cazenove"), whereby Cazenove has agreed to advise Ventus in relation to investment in fixed interest securities in return for fees paid quarterly at the end of each of March, June, September and December. The quarterly fee is calculated as the average monthly net asset value of investments in fixed interest securities placed by Cazenove x 0.175%/4 (plus VAT). There is no minimum fee. The agreement may be terminated by the parties on written notice.
- 12.8 A client agreement dated 11 January 2006 between (1) Ventus 2 (2) Climate Change Capital Limited and (3) Cazenove Capital Management Limited ("Cazenove"), whereby Cazenove has agreed to advise Ventus 2 in relation to investment in fixed interest securities in return for fees paid quarterly at the end of each of March, June, September and December. The quarterly fee is calculated as the average monthly net asset value of investments in fixed interest securities placed by Cazenove x 0.175%/4 (plus VAT). There is no minimum fee. The agreement may be terminated by the parties on written notice.
- 12.9 A loan agreement dated 21 October 2011 between (1) Temporis and (2) Ventus 2 whereby Temporis granted to Ventus 2 a loan of £530,000 (the "Loan") to be used exclusively to fund Ventus 2's working capital requirements or as otherwise agreed with Temporis. The Loan is interest free. For so long as the Loan is outstanding, Temporis has agreed to waive the management fee payable under the Management Agreement referred to at paragraph 12.4 above.
- 12.10 Save as otherwise disclosed in this paragraph 12, as at the date of this document there are no contracts (not being contracts entered into in the ordinary course of business) entered into by the Companies which contain any provision under which the Companies have any obligation or entitlement which is material to the Companies.

### **13. Related party transactions**

Other than the offer agreement referred to at paragraph 9 above, the TTA referred to at paragraph 12.5 above and the loan agreement referred to at paragraph 12.9 above, there have been no related party transactions relating to the Companies since 1 March 2008.

### **14. Specific Disclosures in respect of Closed Ended Funds**

- 14.1 The Manager intends to structure the investment of the Ventus and Ventus 2 Ordinary Share funds in accordance with the Companies' object of spreading investment risk and in accordance with their

respective published investment policies as set out in the sections of Part I entitled “About Ventus and Ventus 2” and “Investment and Borrowing Policy”. This investment policy is in line with the VCT rules and neither of the Companies will deviate from them, in any material respect. Further, in accordance with the VCT rules, the Companies will invest in ordinary shares, in some cases a small number of preference shares where applicable, and always in accordance with such rules.

- 14.2 The Companies are not regulated by the FSA (or equivalent overseas regulator) although VCTs need to meet a number of conditions set out in tax legislation in order for the VCT tax reliefs to apply, and comply with the rules and regulations of the UK Listing Authority.
- 14.3 Each of the Companies is regulated by the VCT rules in respect of the investments they make as described in Part II of this document. Each of the Companies has appointed PricewaterhouseCoopers LLP as its VCT status monitor. PricewaterhouseCoopers LLP will report twice yearly to the Companies as a part of their annual and interim reporting obligations. In respect of any breach of the VCT rules, the Company, together with PricewaterhouseCoopers LLP, will report directly and immediately to HMRC to rectify the breach and announce the same immediately to each of the Companies’ shareholders via a Regulatory News Service provider. In addition, the Companies intend to maintain the investment approach as detailed in the section entitled “The Ventus Approach” in part I of this document.
- 14.4 Neither Company will invest more than 15% of its gross assets in any single company, in accordance with the VCT legislation, nor will either Company control the companies in which it invests in such a way as to render them subsidiary undertakings until it has obtained approval as a VCT from HMRC.
- 14.5 The Companies will not conduct any trading activity which is significant in the context of their groups (if any) as a whole. No more than 10%, in aggregate, of the value of the total assets of the Company at the time an investment is made may be invested in other listed closed-ended investment funds, except where those funds themselves have published investment policies which permit them to invest no more than 15% of their total assets in other listed closed-ended investment funds. The Companies will, at all times, invest and manage their assets in a way which is consistent with their objective of spreading investment risk and in accordance with their published investment policy. The Companies will also invest and manage their assets to ensure compliance with the VCT rules and restrictions.
- 14.6 Each Board must be able to demonstrate that they will act independently of the Manager. A majority of the Board (including the Chairman) must not be directors, employees, partners, officers, or professional advisers of or to, the Manager or any company in the Manager’s group or any other investment entity which they manage.
- 14.7 Neither Company will invest directly in physical commodities.
- 14.8 Neither Company will invest in any property collective investment undertaking.
- 14.9 Neither Company will invest in any derivatives, financial instruments, money market instruments or currencies other than for the purposes of efficient portfolio management (i.e. solely for the purpose of reducing, transferring or eliminating investment risk in the underlying investments of the collective investment undertaking, including any technique or instrument used to provide protection against exchange and credit risks).
- 14.10 The Manager is responsible for the determination and calculation of the Net Asset Value of the Companies on a quarterly basis.
- 14.11 The net asset value of the Companies’ investments will be determined half-yearly, concurrent with the half-yearly and annual announcements (which are expected in October and June respectively) in accordance with the British Venture Capital Association’s recommendations as set out in the BVCA notes of guidance. The value of investments will be determined according to their listing status. Quoted securities will be valued at mid-market price unless the investment is subject to restrictions or the holding is significant in relation to the share capital of a small quoted company, in which case a discount may be appropriate as per the BVCA guidelines. Unquoted investments will be valued on a cost basis in the first year and reviewed subsequently on the basis of the progression of the business. The net asset value of the Companies will be communicated to investors in Ventus and Ventus 2 through a Regulatory News Service provider at the same frequency as the determinations. In the event of any suspension, valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers.

14.12 The Directors do not anticipate any circumstances arising under which the valuations may be suspended. Should the determination of net asset value differ from that set out above then this will be communicated to investors in Ventus and Ventus 2 through a Regulatory News Service provider.

## 15. Information on Investment Managers and Advisers

### 15.1 Further information on Temporis Capital LLP

Temporis Capital LLP is regulated and authorised by the Financial Services Authority (no. 440925) and registered in England and Wales under number OC315077 and was incorporated as an LLP on 7 September 2005 in the UK and operates under the Acts and the regulations made under those Acts. Temporis Capital LLP is domiciled in the UK and is a limited company. It is registered at Berger House, 36-36 Berkeley Square, London, W1J 5AE. The telephone number is 020 7491 9033.

### 15.2 Further information on Cazenove Capital Management Limited

Cazenove Capital Management Limited is regulated by the Financial Services Authority and registered in England and Wales under number 3017060 and was incorporated on 1 February 2005 in the UK and operates under the Acts and the regulations made under those Acts. It is domiciled in the UK and is a Limited company. It is registered at 12 Moorgate, London EC2R 6DA and the general telephone number is 020 7155 5600.

## 16. Working capital

16.1 Ventus is of the opinion that the working capital of Ventus is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this document.

16.2 Ventus 2 is of the opinion that the working capital of the Ventus 2 Group is sufficient for its present requirements, that is, for at least the period of 12 months from the date of this document.

## 17. Capitalisation and Indebtedness

17.1 The capitalisation and indebtedness of the Companies as at 31 December 2011 was as follows:

	Ventus (£000)	Ventus 2 (£000)
Indebtedness	Nil	327
Shareholders' equity	27,786	25,211
Share capital	6,928	8,966
Reserves	11,917	482
Share Premium	8,941	15,763
Cash at bank	4,070	4,411

17.2 All of the indebtedness of the Companies is unsecured and unguaranteed. The Companies have incurred no indirect or contingent indebtedness. Each Company has power to borrow under its articles of association, details of which are set out in the paragraph entitled "Borrowing powers" on page 67.

## 18. Corporate Governance

Each Board is accountable to shareholders for the governance of each Company's affairs and is committed to maintaining the highest standards of corporate governance. Accordingly, each Board has adopted the AIC Code of Corporate Governance and reports against the principles and recommendations of this Code and the relevant provisions of the UK Corporate Governance Code (the "Codes"). Considering the principles detailed in the Codes the Boards believe that, insofar as they are relevant to the size and structure of each Company's business, each Company as at the date of this document complies or explains non-compliance with the provisions of the Codes throughout the financial year ended 28 February 2011 (as detailed on pages 19 of Ventus' Annual Report and Accounts for the period ended 28 February 2011 and pages 22 of Ventus 2's Annual Report and Accounts for the period ended 28 February 2011, which can both be downloaded at [www.ventusvct.com/financial-reports.aspx.html](http://www.ventusvct.com/financial-reports.aspx.html). These Accounts are incorporated by reference.

## Audit Committees

The Audit Committee of Ventus comprises David Pinckney (Chairman) and David Williams. The Audit Committee of Ventus 2 comprises Colin Wood (Chairman), Alan Moore and Paul Thomas. Each Committee meets twice a year to review the half-yearly report and annual financial statements before submission to each Board. The roles and responsibilities of the Audit Committees include reviewing each Company's internal controls and risk management systems, and monitoring auditor independence. The Audit Committees have primary responsibility for making recommendations on the appointment, reappointment and removal of the external Auditor of each Company.

The Audit Committees review the nature and extent of non-audit services provided by each Company's Auditor and ensure that the Auditor's independence and objectivity is safeguarded. The Auditor provides risk management advice and corporation tax services to the Companies. The Board is satisfied that the fees charged and work undertaken do not affect the Auditor's objectivity.

## Nomination and Remuneration Committees

To date no Nomination or Remuneration Committees have been established. The establishment of a Nomination Committee is not anticipated as there are no current proposals to appoint any new Directors and recommendations for the re-election of Directors are considered by each Board. Matters relating to remuneration of Directors are considered by each Board and any Director is excluded from meetings whose purpose is the setting of his own remuneration.

## 19. Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Companies are aware) during the 12 months preceding the date of this document, which may have, or have had in the recent past, significant effects on either of the Company's or Ventus 2 Group's financial position or profitability.

## 20. General

- 20.1 The estimated costs and expenses relating to the Offers, assuming full take up under the Tender Offers and full subscription under the Offers, payable by each Company are estimated to amount to approximately £280,000 (inclusive of VAT) for Ventus and £230,000 (inclusive of VAT) for Ventus 2. The total net proceeds of the Offers, after all fees, are expected to be £2,720,000 (inclusive of VAT) for Ventus and £1,860,000 (inclusive of VAT) for Ventus 2 (assuming full take up under the Tender Offers and full subscription under the Offers).
- 20.2 Baker Tilly UK Audit LLP, chartered accountants of 2 Bloomsbury Street, London WC1B 3ST were auditors of the Companies in respect of the audited financial information set out in Part IV for the year ended 28 February 2009 and PKF (UK) LLP, chartered accountants of Farringdon Place, 20 Farringdon Road, London EC1M 3AP, were the auditors of the Companies in respect of the audited financial information set out in Part IV for the years ended 28 February 2010 and 28 February 2011. The auditors of the Companies have given unqualified audit reports on the statutory accounts of the Companies for those financial years referred to in Part IV within the meaning of section 495 of the Companies Act 2006. None of those reports contained any statements under section 237(2) or (3) of the Act. Statutory accounts of the Companies for those financial years have been delivered to the Registrar of Companies in England and Wales pursuant to section 242 of the Act.
- 20.3 The Companies shall take all reasonable steps to ensure that its auditors are independent of them and will obtain written confirmation from their auditors that they comply with guidelines on independence issued by their national accountancy and auditing bodies.
- 20.4 Howard Kennedy Corporate Services LLP's office address is at 19 Cavendish Square, London W1A 2AW. Howard Kennedy Corporate Services LLP is regulated by the Financial Services Authority and is acting in the capacity as Sponsor to the Companies.
- 20.5 Howard Kennedy Corporate Services LLP 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.

- 20.6 The statements attributed to the Manager in this document have been included in the form and context in which they appear with the consent and authorisation of the Manager. The Manager accepts responsibility for those statements, and to the best of the knowledge and belief of the Manager (which has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and do not omit anything likely to affect the import of such information.
- 20.7 The Companies do not assume responsibility for the withholding of tax at source.
- 20.8 The Directors believe that the Offers will result in a significant gross change in each Company, including an increase in its earnings and in the net assets of an amount that is equal to the net proceeds it receives under the Offers. Subject to the level of subscription of the Offers, an increase in net assets would have certain consequences, potentially including a reduction in the annual expenses ratio of each Company, increasing the size and range of investments which each Company could undertake and increasing the number of investments each Company would be required to make in order to meet the VCT eligibility rules.

## **21. Documents available for inspection**

Copies of the following documents will be available for inspection during normal business hours on any weekday (Saturdays and public holidays excepted) at the registered office of each Company and at the offices of Howard Kennedy LLP, 19 Cavendish Square, London W1A 2AW whilst the Offer remains open:

- 21.1 the memorandum of association of each of the Companies and the Articles;
- 21.2 the material contracts referred to in paragraph 12 above;
- 21.3 the interim results of each Company for the periods ending 31 August 2010 and 31 August 2011, and the annual accounts for the periods ending 28 February 2009, 28 February 2010 and 28 February 2011;
- 21.4 the consent letter referred to in paragraph 20.5 above; and
- 21.5 this Prospectus.

Dated 3 February 2012

## PART VI

### TERMS AND CONDITIONS

- (a) The contract created by the acceptance of applications under the Offers will be conditional upon:
- (i) the Offer Agreement referred to in paragraph 9 of Part V becoming unconditional and not being terminated in accordance with its terms.
  - (ii) the passing of all the Resolutions set out in the relevant Notice.
- (b) The right is reserved by the Companies to present all cheques and bankers' drafts for payment on receipt and to retain surplus application monies pending clearance of successful applicants' cheques. The Companies also reserve the right to reject, in whole or in part, any application. 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 by crossed cheque in favour of the applicant through the post at the risk of the person entitled thereto. The Directors reserve the right to withdraw the Offer at any time prior to satisfaction of the conditions set out in paragraph (a) above.
- (c) By completing and delivering an Application Form you:
- (i) offer to subscribe for the number of Ordinary Shares specified in your Application Form (or such lesser number for which your application is accepted) at the Offer Price on the terms of and subject to this document, including these terms and conditions, and the Memorandum and Articles of Association of the Companies;
  - (ii) agree that, in consideration of the Companies agreeing that they will not issue or allot any Ordinary Shares which are subject to the Offers to any person other than by means of the procedures referred to in this document, your application shall not be revoked until after the close of the Offers and this paragraph shall constitute a collateral contract between you and the Companies which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agents 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 your CREST account credited, in respect of the Ordinary Shares applied for unless and until you make payment in cleared funds for such Ordinary Shares and such payment is accepted by the Companies 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 Companies, it may (without prejudice to other rights) avoid the agreement to allot such Ordinary 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 Ordinary Shares;
  - (iv) agree that if, following the issue of all or any Ordinary Shares applied for pursuant to the Offer (the "Issued Ordinary Shares"), your remittance is not honoured on first presentation, the Issued Ordinary Shares may, forthwith upon payment by Temporis of the Offer Price of the Issued Ordinary Shares to the Companies, be transferred to Temporis at the Offer Price per Issued Ordinary Share and any director of Temporis or any director of the Sponsor 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 Issued Ordinary Shares to Temporis or such other person as Temporis 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 Issued Ordinary Shares to Temporis, or such other person, in which case you will not be entitled to any payment in respect of such Ordinary Shares;
  - (v) agree that, in respect of those Ordinary Shares for which your application has been received and is not rejected, acceptance of your application shall be constituted, at the election of the Companies 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 the Receiving Agents;
  - (vi) agree that any monies returnable to you may be retained by the Receiving Agents pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations 2007 and that such monies will not bear interest;
  - (vii) subject as provided in paragraphs (iii) and (iv) above, authorise the Receiving Agents to send a share certificate or credit your CREST account in respect of the number of Ordinary Shares for which your application is accepted and/or to send a crossed cheque for any monies returnable, 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 therefrom under the Offers 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 Companies 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 Companies other than the information contained in this document and accordingly you agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof shall have any liability for any such other information or representation;
  - (xi) authorise the Receiving Agents and/or Temporis, or any persons authorised by either of them, 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 the Receiving Agents or of Temporis to execute any document required therefor;
  - (xii) agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations concerning the Companies contained herein;
  - (xiii) confirm and warrant that you have read and complied with paragraph (d) below;
  - (xiv) confirm that you have read the restrictions contained in paragraph (e) below and warrant as provided therein;
  - (xv) warrant that you are not under the age of 18; and
  - (xvi) agree that all documents and cheques sent by post by or on behalf of the Companies or the Receiving Agents, will be sent at the risk of the person(s) entitled thereto.
- (d) 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 him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him 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 himself 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.
- (e) The Ordinary Shares have not been and will not be registered under the United States Securities Act 1933 (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 Companies 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 Companies that they are not a person in the United States 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 Companies have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager is not registered under the United States Investment Advisers Act of 1940, as amended.

- (f) Applicants are encouraged to submit their Application Forms early in order to be confident that their applications will be successful. 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.
- (g) 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.

### **Availability of this Prospectus**

Copies of this document and the Application Form are available until the Offers close from:

The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF; and

RAM Capital Partners LLP, 74 Chancery Lane, London, WC2A 1AD; and

The Companies' web site at [www.ventusvct.com](http://www.ventusvct.com).

A copy of this Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web site address: <http://www.hemscott.com/nsm.do>.

# GUIDE TO THE APPLICATION FORMS

**To be used for subscriptions for Ordinary Shares under the Offers other than from proceeds of the Tender Offers – Not to be used for subscriptions for Ordinary Shares from proceeds of the Tender Offers**

**You must complete separate Application Forms for subscriptions to Ventus VCT plc and Ventus 2 VCT plc.**

The following instructions should be read in conjunction with the Application Forms.

1. Insert your full name, address and date of birth and national insurance number in Block Capitals in Section 1. No joint applications are permitted.

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

2. Insert in Section 2 the sums you are subscribing.

Your cheque or bankers' draft must be payable to "Ventus VCT plc – Offer Account" for subscriptions for Ordinary Shares in Ventus VCT plc, or to "Ventus 2 VCT plc – Offer Account" for subscriptions for Ordinary Shares in Ventus 2 VCT plc and should be crossed "A/C Payee". Receipt of your application will be acknowledged within a day of its having been received. Your cheque or bankers' draft must be drawn in sterling on an account at a bank, and must bear the appropriate sort code number in the top right hand corner. The right is reserved to reject any application. Applications may be accompanied by a cheque or bankers' draft drawn by someone other than the applicant(s), but any monies to be returned will be sent by crossed cheque in favour of the person(s) named in Section 1.

You may also subscribe for shares by way of an electronic transfer to the account details provided in the Application Forms. Please quote your surname as a reference when making electronic payment.

### *Money Laundering Regulations*

It is a term of the Offers that, to ensure compliance with the Money Laundering Regulations 2007, the Receiving Agent may at its absolute discretion require verification of identity from any person lodging an Application Form (the "Applicant") in an amount greater than £11,000 and without prejudice to the generality of the foregoing, in particular any person who either (i) tenders payment by way of cheque or bankers' draft drawn on an account in the name of a person or persons other than the Applicant or (ii) appears to be acting on behalf of some other person. In the former case, verification of the identities of both the Applicant and the third party may be required. In the latter case, verification of the identity of any person on whose behalf the Applicant appears to be acting may be required.

If within a reasonable period of time following a request for verification of identity and in any case by no later than 3.00 p.m. on the relevant date of allotment the Receiving Agents have not received evidence satisfactory to them as aforesaid, the Companies with the agreement of the Receiving Agents may, at their absolute discretion, reject any such application in which event the remittance submitted in respect of that application will be returned to the Applicant (without prejudice to the rights of the Companies to undertake proceedings to recover any loss suffered by it as a result of the failure to produce satisfactory evidence of identity).

Where possible Applicants should make payment by their own cheque. If a third party cheque, bankers' draft or building society cheque is used, the Applicant should:

- (a) write his/her name and address on the back of the draft or cheque and, in the case of an individual, record his/her date of birth against his/her name; and
- (b) ask the bank or building society (if relevant) to endorse on the reverse of the draft or cheque the full name and account number of the person whose account is being debited and stamp such endorsement.

The above information is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agents' right to require verification of identity as indicated above).

3. Sign and date the Application Form in Section 3. The Application Form may be signed by someone else on your behalf, if duly authorised by power of attorney to do so, but any power of attorney pursuant to which it is done (or a duly certified copy thereof) must be endorsed for inspection.
4. Agents who are entitled to receive commission should stamp and complete Section 4, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. The right is reserved to withhold payment of any commission if the Receiving Agents are not, in their sole discretion, satisfied that the agent is so authorised.

Commission will be paid at 3% of the amount paid for the Ordinary Shares issued in respect of such valid Application Form.

Authorised financial intermediaries may agree to waive part or all of their commission in respect of an application. If this is the case, then such application will be treated as an application to subscribe the amount stated in Section 2 together with the amount of commission waived. Commission will be paid only in respect of the amount stated in Section 2. Financial intermediaries should keep a record of such Application Form submitted bearing their stamp to substantiate any claim for introductory commission. Claims for introductory commission must be made and substantiated on submission of an Application Form.

5. If you wish to have your share and income tax relief certificates sent to someone other than yourself, please complete Section 5 accordingly. Copy certificates will not be sent to you.
6. Dividend payments directly to Bank or Building Society Accounts; 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 6.
7. If you have any queries on the procedure for application and payment, you should contact The City Partnership (UK) Limited (telephone 0131 243 7210) or your normal financial adviser
8. 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 The City Partnership (UK) Limited, Thistle House, 21 Thistle Street, Edinburgh EH2 1DF so as to be received no later than 1 pm. on 3 April 2012 (unless the Offer is otherwise closed or extended earlier).

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

Receipt of Application Forms will be acknowledged by the Receiving Agent.

# ORDINARY SHARE APPLICATION FORM

## VENTUS VCT PLC

**To be used for subscriptions for Ordinary Shares in Ventus VCT plc under the Offers other than from proceeds of the Tender Offers – Not to be used for subscriptions for Ordinary Shares from proceeds of the Tender Offers**

**Before completing this Application Form you should read the Terms and Conditions of Application and the Guide to the Application Form. The Offers open on 3 February 2012 and the closing date will be 1.00 pm on 3 April 2012, (unless closed or extended prior to that date). Please send this Application Form together with your cheque or bankers' draft, if appropriate, and proof of identity if required to The City Partnership, Thistle House, 21 Thistle Street, Edinburgh EH2 1 DF**

Please complete in **BLOCK** capitals

### Section 1

Title (Mr/Mrs/Miss/Ms/Other)	Surname:
Forename(s) in full:	
Date of Birth:	National Insurance Number:

You should be able to find your NI number on a payslip, form P45 or P60, a letter from the HMRC, a letter from the DSS, or pension order book)

Permanent residential address:	
Postcode:	
Email:	
Telephone (work)	Telephone (home):

These contact details will be used for all communications, distributions and dividends.

If you wish to nominate another address to receive your share and income tax relief certificates, please complete Section 5.

### Section 2

I apply to subscribe £ \_\_\_\_\_ for Ordinary Shares in Ventus VCT plc on the Terms and Conditions of Application set out in the Prospectus dated 3 February 2012 and the Memorandum and Articles of Association of the Company.

*Applications must be for a minimum of £3,000 in total and may be made for any higher amount in multiples of £1,000.*

Please mark with an **X** as appropriate

I enclose a cheque or bankers' draft(s) drawn on a UK clearing bank, made payable to "Ventus VCT plc – Offer Account"

I have instructed my bank to make an electronic payment to:

Bank	HSBC Bank Plc
Account Name	Ventus VCT plc – Offer Account
Account Number	34207564
Sort Code	40 05 30

**Please quote your surname as a reference when making this electronic payment**



**Section 3**

**By signing this form I hereby declare that I have read the terms and conditions of subscription contained in the Prospectus and agree to be bound by them.**

Signature	Date
-----------	------

**Section 4**

**For completion by authorised financial intermediaries ONLY**

Name of Firm:	Stamp:
Address:	
Postcode:	
Telephone:	
Fax:	
Name of Contact:	
Email Address:	
Signature of authorised signatory of authorised financial intermediary:	Date:

Insert the amount of the subscription (if any) in respect of which you wish the commission to be waived and invested in additional Ordinary Shares

£
---

**Commission payment details**

(to be used if commission to be paid to a Network or other third party)

Name:
Contact:
Address:
Postcode:
Email:

## Section 5

Please complete Section 5 if you wish to nominate an alternative address, such as an account or financial adviser for your share and income tax relief certificates.

Title (Mr/Mrs/Miss/Ms/Other)	Surname:
Forename(s) in full:	
Company Name:	
Reference: (if required)	
Address:	
Postcode:	

## Section 6

All dividends on Shares held in Ventus VCT plc may be paid directly into bank and building society accounts. In order to facilitate this, please complete the mandate instruction form below. 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 forward until further notice, all dividends that may from time to time become due on any Shares now standing, or which may hereafter stand, in my name in the register of members of Ventus VCT plc:

Bank or Building Society reference number and details

a.	Name of Bank/Building Society:
	Title of Branch:
	Address of Branch:
b.	Account Number:
c.	Sort Code Number:
d.	Account Name: (BLOCK capitals please)
e.	Signature:
f.	Date:
g.	Applicant's name and Postcode (in BLOCK capitals please, as given in Section 1) <span style="float: right;">Postcode:</span>

**The Companies and The City Partnership (UK) Limited cannot accept responsibility if any details provided by you are in incorrect.**





# ORDINARY SHARE APPLICATION FORM

## VENTUS 2 VCT PLC

**To be used for subscriptions for Ordinary Shares in Ventus 2 VCT plc under the Offers other than from proceeds of the Tender Offers – Not to be used for subscriptions for Ordinary Shares from proceeds of the Tender Offers**

**Before completing this Application Form you should read the Terms and Conditions of Application and the Guide to the Application Form. The Offers open on 3 February 2012 and the closing date will be 1.00 pm on 3 April 2012, (unless closed or extended prior to that date). Please send this Application Form together with your cheque or bankers' draft, if appropriate, and proof of identity if required to The City Partnership, Thistle House, 21 Thistle Street, Edinburgh EH2 1 DF**

Please complete in **BLOCK** capitals

### Section 1

Title (Mr/Mrs/Miss/Ms/Other)	Surname:
Forename(s) in full:	
Date of Birth:	National Insurance Number:
You should be able to find your NI number on a payslip, form P45 or P60, a letter from the HMRC, a letter from the DSS, or pension order book)	
Permanent residential address:	
Postcode:	
Email:	
Telephone (work)	Telephone (home):

These contact details will be used for all communications, distributions and dividends.

If you wish to nominate another address to receive your share and income tax relief certificates, please complete Section 5.

### Section 2

I apply to subscribe £ \_\_\_\_\_ for Ordinary Shares in Ventus 2 VCT plc on the Terms and Conditions of Application set out in the Prospectus dated 3 February 2012 and the Memorandum and Articles of Association of the Company.

*Applications must be for a minimum of £3,000 in total and may be made for any higher amount in multiples of £1,000.*

Please mark with an **X** as appropriate

I enclose a cheque or bankers' draft(s) drawn on a UK clearing bank, made payable to "Ventus 2 VCT plc – Offer Account"

I have instructed my bank to make an electronic payment to:

Bank	HSBC Bank Plc
Account Name	Ventus 2 VCT plc – Offer Account
Account Number	34207572
Sort Code	40 05 30

**Please quote your surname as a reference when making this electronic payment**



**Section 3**

**By signing this form I hereby declare that I have read the terms and conditions of subscription contained in the Prospectus and agree to be bound by them.**

Signature	Date
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**Section 4**

**For completion by authorised financial intermediaries ONLY**

Name of Firm:	Stamp:
Address:	
Postcode:	
Telephone:	
Fax:	
Name of Contact:	
Email Address:	
Signature of authorised signatory of authorised financial intermediary:	Date:

Insert the amount of the subscription (if any) in respect of which you wish the commission to be waived and invested in additional Ordinary Shares

£
---

**Commission payment details**

(to be used if commission to be paid to a Network or other third party)

Name:
Contact:
Address:
Postcode:
Email:

## Section 5

Please complete Section 5 if you wish to nominate an alternative address, such as an account or financial adviser for your share and income tax relief certificates.

Title (Mr/Mrs/Miss/Ms/Other)	Surname:
Forename(s) in full:	
Company Name:	
Reference: (if required)	
Address:	
Postcode:	

## Section 6

All dividends on Shares held in Ventus 2 VCT plc may be paid directly into bank and building society accounts. In order to facilitate this, please complete the mandate instruction form below. 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 forward until further notice, all dividends that may from time to time become due on any Shares now standing, or which may hereafter stand, in my name in the register of members of Ventus 2 VCT plc:

Bank or Building Society reference number and details

a.	Name of Bank/Building Society:
	Title of Branch:
	Address of Branch:
b.	Account Number:
c.	Sort Code Number:
d.	Account Name: (BLOCK capitals please)
e.	Signature:
f.	Date:
g.	Applicant's name and Postcode (in BLOCK capitals please, as given in Section 1) <span style="float: right;">Postcode:</span>

**The Companies and The City Partnership (UK) Limited cannot accept responsibility if any details provided by you are in incorrect.**







