

Ventus VCT plc and Ventus 2 VCT plc

Message from the Boards of Ventus VCT plc and Ventus 2 VCT plc following the 2016 AGMs

The AGMs of Ventus VCT plc and Ventus 2 VCT plc (the “Companies”) were held on 21 July 2016 and were well attended. The results of the resolutions were announced by Regulated News Service (“RNS”) on 22 July 2016. The resolutions of both Companies were passed except Ventus 2 VCT plc shareholders agreed a proposal of the Chairman to withdraw Resolution 12, which was a resolution to amend the Articles to increase the limit on the aggregate remuneration of the Directors (this is further discussed below).

Immediately following the AGMs, there was a presentation made by the Companies’ Investment Manager, Temporis Capital LLP, which set out the significant positive turnaround the Companies have made over the last five years and highlighted that the Companies both now comprise a portfolio of high quality generating assets structured to deliver a stable tax-free dividend to shareholders. The Investment Manager has been tasked by the Boards to continue the Companies’ strategy of optimising the yield from the assets and paying a sustainable dividend to shareholders. The presentation slides in which the target dividends for each of the Companies’ share funds for the next five years were set out were released by RNS on the morning of the AGM.

The AGM provided shareholders with an opportunity to give feedback to the Directors of the Companies. The Directors have listened carefully to the views expressed by shareholders at the AGMs and have also considered shareholder correspondence addressed to the two Chairmen. The significant success of the Companies over recent years has been acknowledged by many shareholders. However, despite acknowledging that the results of both Companies were good, some shareholders were of the view that the Directors had not articulated the pros and cons of other potential strategies for the Companies sufficiently. It was also not obvious to shareholders that all the issues raised at last year’s AGMs had been addressed and, if they had, there was a view that answers had not been communicated adequately to all shareholders. The Boards believe that this is why, despite the resolutions being passed, a significant percentage of votes were cast against the resolutions on the Directors’ Remuneration Reports and the Re-appointment of Directors in both Companies.

In respect of the resolutions to increase the aggregate limit of the Directors’ fees, the Boards accept that it could have made clearer to shareholders that the resolutions were proposed solely to cover the potential need to have four Directors in one or both of the Companies for an overlap period in the event of future retirements. The Boards of the Companies viewed this as necessary to provide the appropriate level of corporate governance. The resolutions were not proposed in order to increase the remuneration received by any individual Director. The resolution was passed by the Ventus VCT plc shareholders and the company’s Articles have been amended. None the less, the Directors are mindful that any changes to the Board should be made efficiently. The Ventus 2 VCT plc Directors are not contemplating a change to the constitution of the Board currently. However, the resolution was initially proposed to deal with possible contingencies. Given the fact the resolution was withdrawn, any future changes to the Board will be conducted within the parameters agreed by shareholders.

Having paid attention to the views of shareholders, the Boards remain satisfied that the current strategy of striving to maximise dividend yield is the appropriate one in order to best promote the success of the Companies. However, the Boards will continue to keep the strategy under constant review and will respond to changes in legislative and economic environment. The Directors are also comfortable with the current level of costs associated with running the Companies and satisfied

these are in line with other VCTs and general infrastructure funds taking into account the nature and scale of the business. The Boards will continue to review costs as appropriate.

As to providing better communication, the Boards will consider how to address shareholders' comments in this regard over the next months. Work is already underway to improve the website, and at their upcoming strategy meeting the Directors will consider other means of giving further visibility to shareholders.

The Boards also intend to have Temporis Capital LLP make a presentation at next year's AGM, with publication of the presentation by RNS prior to the AGMs. The Directors believe this format was very helpful in addressing many of the questions raised by shareholders.

The Directors were interested to hear the views of shareholders at the AGMs and are grateful for the many comments of support. The Directors will continue to consider shareholder opinion when determining the strategic direction of the Companies.

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