

# Result of AGM - Shareholder Questions and Answers

## **VENTUS VCT PLC**

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Ventus VCT plc

22 July 2021

## **VENTUS VCT PLC (THE "COMPANY") - QUESTIONS RAISED BY SHAREHOLDERS AHEAD OF THE 2021 ANNUAL GENERAL MEETING ON 22 JULY 2021:**

### **QUESTION 1**

*Every year in the past, where a performance fee was potentially payable to Temporis, its value was made very obvious. This year, when very large amount is payable (more than £1.0m in V1 and more than £0.5m in V2), it's quantification is hidden in the note, with shareholders being cross referred to various locations (indeed almost being sent round in circles)*

*Why have the Directors chosen not to disclose this more openly?*

### **ANSWER 1**

The incentive fees payable by each share class are set out clearly in the appropriate note to each set of accounts, cross referred to directly from the Chairman's Statements.

### **QUESTION 2**

*As I have highlighted in earlier communications with the Board, the calculation of the previous performance fee was severely flawed. I am glad one of the anomalies was removed when the board agreed the new fee with Temporis which removed the double count of earnings increase and dividends paid. But I believe that where the 7% hurdle was not met in previous years, this should have needed to be made up before any fee is due in future year. This is especially relevant where the majority of the changes in NAV are driven by macro assumptions that can increase and decrease each year:*

*Can you please clarify why this was not also amended when the calculation was changed last year?*

### **ANSWER 2**

The mechanism that you refer to was contracted when the VCTs first listed. There is no basis in law to unilaterally break a contract simply because it is deemed to be "severely flawed" in the subjective view of an individual. The Directors negotiated an improved investment management agreement as previously disclosed, that represented a significant improvement for shareholders, the corollary of which is a significant and voluntary economic concession by Temporis Capital.

### **QUESTION 3**

*Separately, your terminology regarding the arrangements for the AGM is very confusing. In some places you refer to a virtual meeting, in others it is a closed meeting.*

*If it were virtual, surely shareholders would be able to attend in some way?*

### **ANSWER 3**

The articles of association of both Companies only allow for virtual meetings to be held if all participants can "hear and see all persons who speak" (clause 45.6.2). This issue was reviewed with City Partnership (acting as Company Secretary) and it was agreed that this would not be practical given the number of shareholders in each Company.

Therefore (as with the 2020 Annual General Meeting and the General Meeting held in May 2021) the meeting will be closed (i.e., attended by the minimum number of shareholders and Directors to form a quorum) and virtual, in that the shareholders and Directors in attendance will attend virtually.

### **QUESTION 4A**

*Elsewhere you say it is closed which seems to be more the case given you make no arrangements for any shareholder attendance.*

*Is it virtual or closed, and if the latter, why have you chosen this route?*

### **ANSWER 4A**

Please refer to Answer 3 above.

### **QUESTION 4B**

*And is this in compliance with new legislation "being" introduced - surely any legislation regarding post Covid arrangements has already been enacted, and by the time of your meeting, all indications are that gatherings are to be allowed? At least, you could have held an open online forum like so many other VCTs have done.*

### **ANSWER 4B**

Given the rapidly changing Government restrictions at the time of publication of the Notice of AGM, the Boards were of the view it was not possible to know with certainty (several months in advance) whether an in-person meeting could be held.

As set out above, and in line with the articles of association of the Companies, a virtual Annual General Meeting is not practicably possible.

Therefore, the Board invited shareholders to submit questions with answers to be issued via RNS and available to all shareholders, at the time of the closed, virtual AGMs on 22<sup>nd</sup> July 2021.

The Board notes that only one shareholder has submitted the questions above.