

## Dividend policy

The Company's dividend policy is to target a tax free dividend yield equivalent to 5 per cent. of the year end Net Asset Value.

The Company has a well-established track record of paying out tax free dividends to Shareholders. Whether a Shareholder qualifies to receive tax free dividends from the Company or not will depend on the personal circumstances of each individual Shareholder. If an Investor is uncertain as to their tax position they should consult their accountant or financial adviser.

The Company aims to pay an interim dividend in July each year and a final dividend in February. Special dividends may also be paid by the Company following significant realisations of investments.

The ability to pay dividends is also dependent on the Company's available reserves and cash resources, the Act, the Listing Rules and the VCT Rules. The policy is non-binding and at the discretion of the Board. Dividend payments may vary from year to year in both quantum and timing. The level of dividend paid each year will depend on the performance of the Company's portfolio. In years where there is strong investment performance, the Directors may consider a higher dividend payment, including the payment of special dividends. In years where investment performance is not as strong, the Directors may reduce or even pay no dividend.

In common with many other VCTs and in accordance with the terms of the Articles, the Company has revoked its status as an investment company to allow it to pay dividends out of capital profits.

VCTs can distribute realised capital profits from the sale of underlying investments and income by way of dividends, which are free of income tax to Investors (subject to each individual Investor's personal circumstances). The Directors intend that the Company will take advantage of this by distributing some or all of its realised capital profits from time to time. The distribution of realised capital profits will have a negative impact on the Company's NAV per Share.