

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”).

This document is a Summary and Securities Note published by Foresight VCT plc (the “Company”) dated 11 March 2011 in relation to the issue of New Ordinary Shares pursuant to an Open Offer (“the Open Offer”). This document also includes information relating to a tender offer to buy back Existing Ordinary Shares (“the Tender Offer”). The Open Offer and the Tender Offer together constitute an enhanced buyback (“the Enhanced Buyback”). The Company has also published additional information in a Registration Document dated 11 March 2011. This Summary and Securities Note and the Registration Document together comprise a Prospectus (“the Prospectus”) prepared in accordance with the Prospectus Rules made under Section 84 of FSMA and approved by the Financial Services Authority (“FSA”) in accordance with FSMA. The Company and the Directors (whose names are set out on page 47) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

If you have sold or otherwise transferred all your Ordinary Shares, please send this document at once to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, such document should not be forwarded or transmitted in or into the United States, Canada, Australia, South Africa or Japan.

An Enhanced Buyback

by way of

**an Open Offer
(Non
Renounceable)**

to subscribe up to
29,941,281
New Ordinary Shares

and

a Tender Offer

(by Singer Capital
Markets Limited
acting as agent)
to buy back up to
29,941,281
Existing Ordinary Shares

for Qualifying Shareholders only

in

FORESIGHT VCT PLC

Registered in England and Wales under number 03421340

In connection with the Enhanced Buyback, BDO LLP (“BDO”), Foresight Group LLP (“Foresight”) and Singer Capital Markets Limited (“Singer”) are acting for the Company and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of BDO (subject to their responsibilities imposed by FSMA and the regulatory regime established thereunder), Foresight and Singer respectively nor for providing advice in relation to the Enhanced Buyback. BDO, Foresight and Singer are each authorised and regulated in the United Kingdom by the FSA.

Copies of this document and the Registration Document are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of the Company’s investment manager, Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU, at the Foresight Group website at www.foresightgroup.eu and from the offices of the Company’s sponsor, BDO, 125 Colmore Row, Birmingham B3 3SD. The procedure for, and the terms and conditions of, application under the Enhanced Buyback are set out in Part 2 of this document and in the Application Form enclosed with this document. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, Computershare Investor Services PLC, Corporate Actions Project, Bristol, BS99 6AH. The Enhanced Buyback opens on 11 March 2011 and will close not later than 31 March 2011. Applications may be made for New Ordinary Shares to be allotted in the 2010/2011 tax year and/or also in the 2011/2012 tax year.

In respect of the New Ordinary Shares offered by Foresight VCT plc in connection with the Enhanced Buyback, application has been made to the UK Listing Authority for these to be listed on the Official List and to be admitted to trading on the London Stock Exchange plc on its market for listed securities. It is expected that Admission to the Official List will become effective and that dealings in the New Ordinary Shares will commence within three Business Days of allotment. The Company’s Existing Ordinary Shares are traded on the London Stock Exchange’s market for listed securities. **YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 7 TO 9.**

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SUMMARY

This summary conveys the essential characteristics and risks associated with Foresight and the New Ordinary Shares and should be read as an introduction to the Prospectus. Any decision to invest should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in this 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 those persons who are responsible for this summary, but only if the summary is misleading, inaccurate or inconsistent when read together with other parts of the Prospectus.

Introduction

This document contains details of an Open Offer and a Tender Offer. Both are available only to Qualifying Shareholders, that is to say, holders of Ordinary Shares whose names are entered on the Register as at the Record Date other than Overseas Shareholders.

Each Qualifying Shareholder may choose any combination of options 1 to 3 below, (except option 2 must be combined with either option 1 or option 3) or alternatively, choose to do nothing and choose option 4.

Option 1 – Additional New Ordinary Shares subscribed under his Open Offer Entitlement

A Qualifying Shareholder may subscribe for New Ordinary Shares under the Open Offer. He is entitled to subscribe any number of New Ordinary Shares up to a maximum of his Open Offer Entitlement which is calculated on the basis of **1 New Ordinary Share for every 1 Existing Ordinary Share** registered in his name on the Record Date. Open Offer Entitlements are personal to each Qualifying Shareholder and so are not negotiable and may not be sold.

If these New Ordinary Shares qualify as Additional New Ordinary Shares then the Qualifying Shareholder is entitled to an additional ‘free’ allocation of Incentive Shares equal to 2% of the amount he subscribes for these Additional New Ordinary Shares.

“Additional New Ordinary Shares” are the number of New Ordinary Shares subscribed for under the Open Offer by a Shareholder (i) who does not sell any Existing Ordinary Shares under the Tender Offer (see Option 3 below); or (ii) which is more than 98 New Ordinary Shares for every 100 Existing Ordinary Shares sold under the Tender Offer; or (iii) which are subscribed under the Excess Application Facility (see Option 2 below).

New Ordinary Shares may be subscribed for under the Open Offer at the Offer Price which is a price equal to approximately 102 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded up to the nearest £0.01 per New Ordinary Share).

The Open Offer is not conditional on a minimum subscription being achieved.

Option 2 – Additional New Ordinary Shares subscribed under the Excess Application Facility

A Qualifying Shareholder may also apply to subscribe for Additional New Ordinary Shares under the Excess Application Facility which become available as a result of other Qualifying Shareholders not subscribing their Open Offer Entitlements in full. If applications under the Excess Application Facility exceed the number of Additional New Ordinary Shares available then the application made by the Qualifying Shareholder under the Excess Application Facility will be scaled back pro rata to the number of Additional New Ordinary Shares which he applies for and which are applied for by other Qualifying Shareholders.

A successful subscription for Additional New Ordinary Shares under the Excess Application Facility will also entitle the Qualifying Shareholder to an additional ‘free’ allocation of Incentive Shares equal to 2% of the amount he subscribes for such Additional New Ordinary Shares.

Option 3 – Enhanced buyback

A Qualifying Shareholder may choose to sell under the Tender Offer all or some of his Existing Ordinary Shares (not including any New Ordinary Shares purchased under the Open Offer) back to the Company but this sale is subject to the condition that he subscribes for 98 New Ordinary Shares under his Open Offer Entitlement for every 100 Existing Ordinary Shares which sells under the Tender Offer. This Enhanced Buyback provides a Qualifying Shareholder with the opportunity to subscribe for New

Ordinary Shares in order to obtain additional VCT tax relief of up to 30% of the amount he subscribes for those New Ordinary Shares and to finance their purchase by selling Existing Ordinary Shares back to the Company. The Enhanced Buyback is administrative only as no cash is required from the Qualifying Shareholder in order to participate.

Existing Ordinary Shares may be sold under the Tender Offer at a price equal to 100 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2001 (rounded down to the nearest £0.01 per Existing Ordinary Share).

Option 4 – Do nothing

A Qualifying Shareholder may elect not to participate in either the Open Offer or the Tender Offer.

Qualifying Shareholders may choose any combination of options 1 to 3 above or, (except option 2 must be combined with option 1 or option 3) alternatively, Qualifying Shareholders may choose option 4 above and do nothing. Which option or combination of options should be chosen will depend upon the personal circumstances of each Qualifying Shareholder and Qualifying Shareholders are strongly recommended to seek the advice of their professional advisers before making a decision.

Timetable

The Open Offer and the Tender Offer will be open from 11 March 2011 until the Closing Date of 31 March 2011. Applications may be made for New Ordinary Shares to be allotted in the 2010/2011 tax year and also in the 2011/2012 tax year.

Use of proceeds

The net proceeds raised by subscriptions for Additional New Ordinary Shares will be invested in accordance with the Company's investment policy.

Reasons for the Tender Offer and the Open Offer

The Open Offer and the Tender Offer provide Qualifying Shareholders with the opportunity to subscribe Additional New Ordinary Shares and/or to take part in the Enhanced Buyback.

The reason for the Enhanced Buyback is that it is an efficient mechanism for significantly reducing the cost at which a market sale of VCT shares can normally be achieved, as VCT shares are normally bought back in the market at a discount of 10 per cent. to their prevailing net asset value and the typical 'all in' costs of a new issue of shares are approximately 5.5 per cent. of the amount subscribed.

The Enhanced Buyback also rewards Shareholder loyalty with further VCT Relief for reinvesting in the Company and not in another VCT. The Board anticipates that Qualifying Shareholders will participate in the Enhanced Buyback in preference to only subscribing for (subject to the Tax issues mentioned below) Additional New Ordinary Shares and is unable to predict the amount which may be subscribed for Additional New Ordinary Shares.

Tax issues

HMRC has confirmed that, in accordance with the current VCT Rules and their interpretation, VCT Reliefs including the 30% income tax relief, will be available on the total amount re-subscribed under the Open Offer for New Ordinary Shares whether Qualifying Shareholders participate in the Open Offer as new investors under Options 1 and 2 above or as participants in the Enhanced Buyback under Option 3 above, subject to their personal circumstances.

Shareholders who own Existing Ordinary Shares purchased since 5 April 2006 will lose any "front end" income tax relief which they obtained if they sell them under the Tender Offer and therefore will most likely not want to participate in the Tender Offer under Option 3 above in respect of those shares.

Shareholders who own Existing Ordinary Shares purchased before 6 April 2004 may have made a claim to defer a chargeable gain. The amount of the deferral relief would have been limited to aggregate subscriptions of £100,000 of shares issued in any one tax year. The gain deferred is brought back into charge on a later disposal of the shares or if certain other events occur. The sale of Existing Ordinary Shares under the Tender Offer will constitute a disposal which will bring deferred gains back into charge. VCT deferral relief was abolished for shares issued after 5 April 2004 and therefore deferred gains brought back into charge cannot be further deferred by subscribing for New Ordinary Shares under the Open Offer. However, Qualifying Shareholders in this position may wish to consider the possible merits

of crystallising deferred gains at a time when the rates of CGT are 18 per cent. or 28 per cent. (the tax rate used depends on the total amount of an individual's taxable income) rather than at some future date when the CGT rate may be higher; particularly if any capital gains tax payable on crystallisation can be offset by the additional VCT Reliefs generated.

Shareholders who have invested their "permitted maximum" of £200,000 in VCT shares during the tax year 2010/2011 (and who would consequently receive no further tax relief on additional VCT investments in this tax year) can request that their New Ordinary Shares are allotted in the tax year 2011/2012 (specifically, on 6 April 2011) and thus benefit from the VCT Relief available in tax year 2011/2012.

All Shareholders who are considering selling Existing Ordinary Shares under the Tender Offer are advised to consult their professional advisers regarding their own tax position.

Risk Factors

By its nature an enhanced buyback is a complicated corporate action. Investors are strongly recommended to seek the advice of their professional advisers before completing an Application Form. Participation in the Enhanced Buyback will not be appropriate for all Qualifying Shareholders.

The value of New Ordinary Shares and the income from them can fluctuate and investors may not get back the amount they invested.

Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange.

In addition, there is no certainty that the market price of New Ordinary Shares will fully reflect their underlying net asset value or that Shareholders will be able to realise their shareholding or that dividends will be paid. Investment in the Company should be seen as a long term investment.

The past performance of the Company or of other funds managed by Foresight Group, the investment manager to the Company, is not necessarily an indication of the future performance of the Company.

Investors may find it difficult to realise their investments. If the Company lacks sufficient cash reserves to support its buyback policy and during Prohibited Periods when the Company is unable to purchase its own shares the market price of the New Ordinary Shares may not fully reflect, and may trade at a discount to their underlying net asset value. A Prohibited Period is any Close Period or any period when there exists any matter which constitutes Inside Information (as defined in section 118C of FSMA) in relation to the Company.

While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that such status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax in relation to dividends and capital gains. The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. If an investor who subscribes for New Ordinary Shares disposes of those Shares within five years, the investor is likely to be subject to claw back by HMRC of any income tax relief originally obtained on subscription.

Financial information

The following is extracted from the unaudited interim statement for the six month period to 30 June 2010 released on 31 August 2010:

"the net asset value of the Ordinary Shares increased to 47.3p per share at 30 June 2010 from 39.8p per share at 31 December 2009, representing an uplift of 19 per cent. The current performance of several of the unquoted investments within the portfolio both in terms of revenues and profits generated has improved over the six months under review, a significant amount of which can be attributed to export driven growth principally to the US and Europe. Furthermore, the order books of several portfolio companies give the Manager cause for optimism for the latter half of the current year and that the recent positive portfolio performance can be maintained.

Notwithstanding these positive signs, stock market sentiment is fragile, significant macroeconomic uncertainties remain, and trading and credit conditions continue to be difficult in many sectors of

the economy. Against this background Foresight Group continues to adopt a cautious approach to managing the portfolio.”

Significant change

Save for the following, there has been no significant change in the financial or trading position of Foresight since 30 June 2010, the date of the latest unaudited interim statement of Foresight:

On 28 February 2011 Foresight acquired all the assets of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc in return for the issue of 6,463,504 Ordinary Shares to the shareholders of those venture capital trusts which are now in liquidation. Immediately after this acquisition the Company restructured its Ordinary Share capital by rateably redesignating a proportion of its Ordinary Share capital as nominally valued deferred shares and then purchasing those deferred shares in order to ensure that as nearly as practicable the Net Asset Value per Ordinary Share would be 100p. The number of Existing Ordinary Shares in issue is, as announced on 1 March 2011, 29,941,281 and the Net Asset Value of each Existing Ordinary Share was 100p. The acquisition of the net assets of Keydata 1 and Keydata 2 increased the net asset value of the Company by £3,583,483 These net assets comprised interests in the Keydata Portfolio Companies which, at the time of acquisition by the Company had not yet commenced trading and thus their acquisition had no immediate impact on earnings.

RISK FACTORS

This document contains details of an Open Offer and a Tender Offer for Qualifying Shareholders which together constitute the Enhanced Buyback. By their nature these are complicated corporate actions. Investors are strongly recommended to seek the advice of their professional advisers before completing an Application Form. Participation in the Enhanced Buyback will not be appropriate for all Qualifying Shareholders for the reasons set out in Parts 1 and 3 of this document.

Investors should also consider carefully the following risk factors in addition to the other information presented in this document and the Prospectus as a whole. If any of the risks described below were to occur, it could have a material effect on the Company's businesses, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in Ordinary Shares will face. Additional risks not currently known to the Company or the Board, or which the Company or the Board currently believe are not material, may also adversely affect the Company's businesses, financial condition and results of operations. The value of Ordinary Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in any doubt about what to do should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks:

1. The value of Ordinary Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of Ordinary Shares will fully reflect their underlying Net Asset Value or that Ordinary Shareholders will be able to realise their shareholding or that dividends will be paid. Investment in the Company should be seen as a long term investment. The past performance of the Company or of other funds managed by Foresight Group, the Investment Manager to the Company, is not necessarily an indication of the future performance of the Company. The Net Asset Value of the Ordinary Shares will reflect the values and performance of the underlying assets in the respective portfolios. The value of the investments and income derived from them can rise and fall. Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the companies which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of Distributions. To be qualifying holdings, VCT funds raised after 5 April 2006 must be invested in smaller companies with gross assets of not more than £7 million prior to the investment and £8 million post investment. In addition, to be qualifying holdings, VCT funds raised after 5 April 2007 must be invested in companies which have no more than 50 full time (equivalent) employees and do not obtain more than £2 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Enterprise Investment Scheme in any rolling 12 month period. Investment in smaller and unquoted companies involves a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Markets for smaller companies securities may be less regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
2. The level of returns from the Ordinary Shares Fund may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Open Offer are held in cash or near cash investments for longer than expected. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives. Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it may not be in a position to fully protect its interests against unforeseen risks which are misjudged or mismanaged by those in control.
3. Ordinary Shareholders may be adversely affected by the performance of the investments, whether acquired from Keydata 1 and Keydata 2 or made by the Company. The performance of the investments in Keydata 1 and Keydata 2 as well as the investments of the Company may restrict the ability of the Company following the merger to distribute any capital and revenue gains achieved on the investments transferred from Keydata 1 and Keydata 2 to the Company (as well as the investments of the Company). In particular, the Keydata Portfolio Companies are closely connected investments which collectively represent approximately 15 per cent. of the investments of the Ordinary Shares Fund, the performance of which may affect the performance of the Ordinary Shares Fund. In the opinion of the Board, the risk of any adverse impact was reduced by structuring

the acquisition of the investments from Keydata 1 and Keydata 2 so that the initial consideration was less than their book value as at 30 June 2010 and so that additional consideration is only paid if and to the extent that Company's interest in the Enterprise Value of the Derby Project after 30 September 2013 exceeds the aggregate Roll Over Value of the assets and liabilities of Keydata 1 and Keydata 2 acquired as a result of the merger.

4. Although the Existing Ordinary Shares issued by the Company have been (and it is anticipated that the New Ordinary Shares will be) admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, it is unlikely that there will be a liquid market as there is a limited secondary market for VCT shares and investors may find it difficult to realise their investments. The market price of Ordinary Shares may not fully reflect, and will tend to be at a discount to, their underlying Net Asset Value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares. If the Company lacks sufficient cash reserves to purchase its own Ordinary Shares and during Prohibited Periods when the Company is unable to purchase its own Ordinary Shares the market price of Ordinary Shares may not fully reflect, and will tend to be at a discount to, their underlying Net Asset Value.
5. The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective. If an investor who subscribes for New Ordinary Shares disposes of those New Ordinary Shares within five years, the investor is likely to be subject to claw back by HMRC of any income tax relief originally obtained on subscription. While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause a Company to lose its exemption from corporation tax on capital gains.
6. All Qualifying Shareholders may participate in the Enhanced Buyback but Qualifying Shareholders should consult with their professional tax advisers as to whether it is appropriate for them to do so. Qualifying Shareholders who own Existing Ordinary Shares purchased since 5 April 2006 will lose any "front end" income tax relief which they have obtained if they sell them under the Tender Offer and therefore will most likely not want to participate in the Tender Offer. Ex shareholders of Keydata 1 and Keydata 2 who hold Existing Ordinary Shares acquired pursuant to the Scheme will not lose their "front end" income tax relief if they sell them under the Tender Offer provided they acquired their shares in Keydata 1 and Keydata 2 before 6 April 2006.
7. Qualifying Shareholders who own Existing Ordinary Shares purchased before 6 April 2004 may have made a claim to defer a chargeable gain. The sale of Existing Ordinary Shares under the Tender Offer will constitute a disposal which will bring deferred gains back into charge which cannot be further deferred by subscribing for New Ordinary Shares under the Open Offer. For those Qualifying Shareholders who hold Ordinary Shares which carry deferred gains as well as Ordinary Shares which do not, the task of identifying which is which may be complicated, particularly in view of the reconstruction undertaken by the Company in January 2007. Such Qualifying Shareholders are strongly advised to seek the advice of their professional advisers before participating in the Enhanced Buyback. Further information regarding the reconstruction which took place in January 2007 is provided in Part 3 of this document.
8. Where the Ordinary Shares Fund invests in companies in which other funds managed by Foresight Group have invested or subsequently invest, conflicts of interest may arise. For example, where other funds have invested in the same Qualifying Company as the Ordinary Shares Fund but at different times and at different prices, the opportunity to realise their investment, for example, by supporting a sale of that Qualifying Company to a third party buyer, may not be equally attractive to all such funds if their expectation as to the timing of a realisation and the exit price are different. The Board will exercise independent judgement to manage any such conflicts for the benefit of the Company and, if there is a potential conflict of interest which concerns another class of Shares in the Company, in doing so, shall have regard (amongst other matters) to the need to act fairly between different members of the Company.
9. Although Foresight Group is currently seeing a strong flow of opportunities, there can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's

objectives and in this event the return on an investment in the Ordinary Shares Fund may be deferred or less than might otherwise be the case.

10. Qualifying Shareholders should be aware that the sale of Existing Ordinary Shares under the Tender Offer will constitute a disposal which will bring deferred gains back into charge. Furthermore, it may be difficult for Qualifying Shareholders and their advisers to distinguish between those Existing Ordinary Shares acquired more than five years ago which carry deferred gains and those which do not. The complicated history of the Company's share capital (set out at paragraph 11.10 on page 32) may make it difficult for Qualifying Shareholders or their advisers to work out which Existing Ordinary Shares carry deferred gains and which do not.

ENHANCED BUYBACK TIMETABLE AND STATISTICS

Indicative timetable

Record date	10 March 2011
Enhanced Buyback opens	11 March 2011
Recommended latest date for CREST Shareholders to arrange for rematerialisation of their holdings should they wish to participate in the Enhanced Buyback	18 March 2011
Enhanced Buyback closes	11.00 am on 31 March 2011
Announcement of the outcome of the Enhanced Buyback	4 April 2011
Allotment of New Ordinary Shares in respect of the 2010/2011 tax year and settlement by way of set off of amounts due to and owed by a Qualifying Shareholder under Enhanced Buyback	5 April 2011
Allotment of New Ordinary Shares in respect of the 2011/2012 tax year and settlement by way of set off of amounts due to and owed by a Qualifying Shareholder under Enhanced Buyback	6 April 2011
Effective date for the listing of New Ordinary Shares and the commencement of dealings	within three Business Days of allotment
Share certificates and tax certificates (if applicable) to be despatched	20 April 2011

Offer statistics

Maximum number of New Ordinary Shares to be issued*	29,941,281
Offer Price per New Ordinary Share	approximately 102 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March (rounded up to the nearest £0.01) per New Ordinary Share)
Estimated issued New Ordinary Share capital*	29,342,455

Costs relating to the Offer

Offer costs as a percentage of the gross proceeds	not exceeding 2 per cent.
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*assuming full subscription at the Offer Price
and full take up under the Tender Offer
and excluding Incentive Shares

PART 1

LETTER FROM THE CHAIRMAN OF FORESIGHT VCT PLC

11 March 2011

Dear Qualifying Shareholder and for information purposes only, holders of Planned Exit Shares

Introduction to the Enhanced Buyback

On 28 January 2010, the Board announced that the Company intended to offer existing holders of Ordinary Shares the opportunity to participate in an enhanced buyback. Authority to proceed with an enhanced buyback was given by Shareholders at the general meeting of the Company held on 23 February 2010 and subsequently again at a general meeting of the Company held on 18 February 2011.

On 28 February 2011 the Company completed its acquisition of Keydata 1 and Keydata 2. In connection with that transaction the Company published a circular and a securities note which referred to the Company providing the opportunity for ex-Keydata shareholders, as well as Existing Ordinary Shareholders, to participate in an enhanced buyback.

Accordingly, this document constitutes an offer to Qualifying Shareholders, including ex-Keydata shareholders, to participate in this Enhanced Buyback by completion of the Application Form which accompanies this document. The Enhanced Buyback will not be suitable for all Qualifying Shareholders for the reasons described below in the paragraph entitled “Considerations relating to the Enhanced Buyback” but the Board expects that many Qualifying Shareholders will find the opportunity to participate attractive.

The reason for an enhanced buyback is that it is an efficient mechanism for significantly reducing the cost at which a market sale of VCT shares can normally be achieved as, in line with the Company’s buyback policy and standard market practice within the VCT sector, Ordinary Shares are normally bought back in the market at a discount of 10 per cent. to their prevailing net asset value and the typical ‘all in’ costs of a fresh issue of Ordinary Shares are approximately 5.5 per cent. of the amount subscribed. An enhanced buyback also rewards shareholder loyalty with further VCT Relief for reinvesting in the Company and not in another VCT.

What is an enhanced buyback?

In a VCT enhanced buyback, a shareholder buys new shares in order to obtain additional VCT tax relief of up to 30 per cent. of the amount re-subscribed for the new shares and he finances their purchase by selling his existing shares back to the VCT.

This Enhanced Buyback has been structured as an open offer and a tender offer. The terms of the Open Offer are set out in Part 2.2 of this document (“the Terms of the Open Offer”). The terms of the Tender Offer are set out in Part 2.3 of this document (“the Terms of the Tender Offer”).

Both are available only to Qualifying Shareholders.

Each Qualifying Shareholder may choose any combination of options 1 to 3 below, (except option 2 must be combined with either option 1 or option 3), or alternatively do nothing and choose option 4.

Option 1 – Additional New Ordinary Shares subscribed under his Open Offer Entitlement

A Qualifying Shareholder may subscribe for New Ordinary Shares under the Open Offer. He is entitled to subscribe any number of New Ordinary Shares up to a maximum of his Open Offer Entitlement which is calculated on the basis of **1 New Ordinary Share for every 1 Existing Ordinary Share** registered in his name on the Record Date. Open Offer Entitlements are personal to each Qualifying Shareholder and so are not negotiable and may not be sold.

If these New Ordinary Shares qualify as Additional New Ordinary Shares then the Qualifying Shareholder is entitled to an additional ‘free’ allocation of Incentive Shares equal to 2% of the amount he subscribes for his Additional New Ordinary Shares.

“Additional New Ordinary Shares” are the number of New Ordinary Shares subscribed for under the Open Offer by a Shareholder (i) who does not sell any Existing Ordinary Shares under the Tender Offer (see Option 3 below); or (ii) which is more than 98 New Ordinary Shares for every 100 Existing Ordinary

Shares sold under the Tender Offer; or (iii) which are subscribed under the Excess Application Facility (see Option 2 below).

New Ordinary Shares may be subscribed for under the Open Offer at the Offer Price which is a price equal to approximately 102 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded up to the nearest £0.01 per New Ordinary Share).

The Open Offer is not conditional on a minimum subscription being achieved.

Option 2 – Additional New Ordinary Shares subscribed under the Excess Application Facility

A Qualifying Shareholder may also apply to subscribe for Additional New Ordinary Shares under the Excess Application Facility which become available as a result of other Qualifying Shareholders not subscribing their Open Offer Entitlements in full. If applications under the Excess Application Facility exceed the number of Additional New Ordinary Shares available then the application made by the Qualifying Shareholder will be scaled back pro rata to the number of Additional New Ordinary Shares which he applies for and which are applied for by other Qualifying Shareholders.

A successful subscription for Additional New Ordinary Shares under the Excess Application Facility will also entitle the Qualifying Shareholder to an additional 'free' allocation of Incentive Shares equal to 2% of the amount he subscribes for such Additional New Ordinary Shares.

Option 3 – Enhanced buyback

A Qualifying Shareholder may choose to sell under the Tender Offer all or some of his Existing Ordinary Shares (not including any New Ordinary Shares purchased under the Open Offer) back to the Company but this sale is subject to the condition that he subscribes 98 New Ordinary Shares under his Open Offer Entitlement for every 100 Existing Ordinary Shares which sells under the Tender Offer. This condition ensures that the Enhanced Buyback does not lead to a reduction in the reserves of the Company. This Enhanced Buyback provides a Qualifying Shareholder with the opportunity to subscribe New Ordinary Shares in order to obtain additional VCT tax relief of up to 30% of the amount he subscribes for those New Ordinary Shares and to finance their purchase by selling Existing Ordinary Shares back to the Company. The Enhanced Buyback is administrative only as no cash is required from the Qualifying Shareholder in order to participate.

Existing Ordinary Shares may be sold under the Tender Offer at a price equal to 100 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2001 (rounded down to the nearest £0.01 per Existing Ordinary Share).

Option 4 – Do nothing

A Qualifying Shareholder may elect not to participate in either the Open Offer or the Tender Offer.

Qualifying Shareholders may choose any combination of options 1 to 3 above (except option 2 must be combined with option 1 or option 3) or, alternatively, Qualifying Shareholders may choose option 4 above and do nothing. Which option or combination of options should be chosen will depend upon the personal circumstances of each Qualifying Shareholder and Qualifying Shareholders are strongly recommended to seek the advice of their professional advisers before making a decision.

Use of proceeds

The net proceeds raised by subscriptions for Additional New Ordinary Shares will be invested in accordance with the Company's investment policy.

Timetable

The Open Offer and the Tender Offer will be open from 11 March 2011 until the Closing Date of 31 March 2011. Applications may be made for New Ordinary Shares to be allotted in the 2010/2011 tax year and also in the 2011/2012 tax year.

HMRC has confirmed that, in accordance with the current VCT Rules and their interpretation, VCT Relief will be available on the total amount re-subscribed under the Open Offer for New Ordinary Shares whether Qualifying Shareholders participate in the Open Offer as new investors under Options 1 and 2 above or as participants in the Enhanced Buyback under Option 3 above, subject to their personal circumstances.

Considerations relating to the Enhanced Buyback

All Qualifying Shareholders may participate in the Enhanced Buyback but Qualifying Shareholders should consult with their professional tax advisers as to whether it is appropriate for them to do so.

Qualifying Shareholders who own Existing Ordinary Shares purchased since 5 April 2006 will lose any “front end” income tax relief which they have obtained if they sell them under the Tender Offer and therefore will most likely not want to participate in the Tender Offer. Ex-shareholders of Keydata 1 and Keydata 2 who hold Existing Ordinary Shares acquired pursuant to the Scheme will not lose their “front end” income tax relief if they sell them under the Tender Offer provided they acquired their shares in Keydata 1 and Keydata 2 before 6 April 2006. Please note that neither the Company nor the Receiving Agent, Computershare Investor Services PLC, shall be responsible for, or have any liability for, any loss of tax relief by a Qualifying Shareholder who participates in the Enhanced Buyback when it would not be in his best interests to do so.

Qualifying Shareholders who own Existing Ordinary Shares purchased before 6 April 2004 may have made a claim to defer a chargeable gain. The sale of Existing Ordinary Shares under the Tender Offer will constitute a disposal which will bring deferred gains back into charge which cannot be further deferred by subscribing for New Ordinary Shares under the Open Offer. For those Qualifying Shareholders who hold Shares which carry deferred gains as well as Existing Ordinary Shares which do not, the task of identifying which is which may be complicated, particularly in view of the reconstruction undertaken by the Company in January 2007. Such Qualifying Shareholders are strongly advised to seek the advice of their professional advisers before completing an Application Form. Further information regarding the reconstruction which took place in 2007 is provided in Part 3 of this document.

Qualifying Shareholders who hold Ordinary Shares which carry deferred gains may wish to consider the possible merits of crystallising those deferred gains at a time when the rate of CGT is 18 per cent or 28 per cent. (the tax rate used depends on the total amount of an individual’s taxable income) rather than at some future date when the CGT rate may be higher; particularly if any capital gains tax payable on crystallisation is offset by VCT income tax relief obtained by subscribing for New Ordinary Shares. Therefore all Qualifying Shareholders who are considering selling Existing Ordinary Shares under the Tender Offer are advised to consult their professional advisers regarding their own tax position.

How does the Enhanced Buyback work?

In order for a Qualifying Shareholder to buy New Ordinary Shares and obtain additional VCT tax relief of up to 30 per cent. without subscribing additional money the Qualifying Shareholder must sell 100 Existing Ordinary Shares for every 98 New Ordinary Shares which he buys.

At what price will Ordinary Shares be bought and sold under the Enhanced Buyback?

New Ordinary Shares may be subscribed under the Open Offer at a price equal to approximately 102 per cent. of the most recently published Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded up to the nearest £0.01 per New Ordinary Share).

Existing Ordinary Shares may be sold under the Tender Offer at a price equal to 100 per cent. of the most recently published Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded down to the nearest £0.01 per Existing Ordinary Share).

The 2 per cent. difference in the pricing of the Open Offer and the Tender Offer covers the costs of the Enhanced Buyback.

The Open Offer is not conditional on a minimum subscription being achieved.

The Closing Date for submission of Application Forms is the same for all Qualifying Shareholders but Qualifying Shareholders may request their New Ordinary Shares to be allotted in the 2010/2011 tax year or the 2011/2012 tax year.

Effect of the Enhanced Buyback on the assets, liabilities and earnings of the Company

As at 1 March 2011, being the date on which the Company last announced the Net Asset Value of the Ordinary Shares Fund following the completion of the Scheme for the acquisition of the assets of Keydata 1 and Keydata 2, the Ordinary Shares Fund had net assets of approximately £29,941,281. The costs of the Enhanced Buyback will not exceed 2 per cent. of the gross amount subscribed under the Open Offer.

If no Additional New Ordinary Shares are subscribed under the Open Offer then the Enhanced Buyback has no adverse impact on the net assets of the Ordinary Shares Fund because:

- (i) the net assets of the Ordinary Shares Fund will not be increased by the amount subscribed, net of costs, under the Open Offer as that amount will be applied in acquiring Existing Ordinary Shares under the Tender Offer; and
- (ii) notwithstanding the reduction in net assets of the Ordinary Shares Fund occasioned by the 2 per cent. costs of the Enhanced Buyback, the NAV per Ordinary Share will not reduce because the number of Ordinary Shares in issue will decrease by 2 per cent. of the number of Existing Ordinary Shares sold under the Tender Offer.

If the costs of the Enhanced Buyback amount to less than 2 per cent. of the amount subscribed for New Ordinary Shares, there will be a net increase in the NAV per Ordinary Share.

The 2 per cent. costs of the Enhanced Buyback are borne by those Qualifying Shareholders who participate in the Enhanced Buyback but who do not subscribe for Additional New Ordinary Shares because those Qualifying Shareholders who do subscribe for Additional New Ordinary Shares will be allotted a total number of New Ordinary Shares equal to: those applied for plus a number of New Ordinary Shares (Incentive Shares) equal to 2 per cent. of the total amount subscribed for Additional New Ordinary Shares divided by the Offer Price.

If Additional New Ordinary Shares are subscribed under the Open Offer then the net assets of the Company as at 1 March 2011 would be increased by the net amount subscribed, after costs, for Additional New Ordinary Shares.

The impact of the Enhanced Buyback on the Company's earnings should be accretive to the extent, if any, that interest earned on the proceeds will exceed expenses. Save for the costs described above, the Company will not incur any liabilities as a result of the Enhanced Buyback.

How can Qualifying Shareholders apply to participate in the Enhanced Buyback?

Qualifying Shareholders who hold share certificates for their Existing Ordinary Shares can apply to participate in the Enhanced Buyback by completing the Application Form which each Qualifying Shareholder will receive, in addition to this document, as set out below.

Qualifying Shareholders who hold their Existing Ordinary Shares electronically who wish to participate must first arrange for their Ordinary Shares to be rematerialised into certificated form as explained at paragraph 2 of Part 2.3 and then apply using an Application Form as set out below.

An explanation of how to apply by reference to the accompanying Application Form

Explained below is how the Enhanced Buyback works by reference to the Boxes on the Application Form which will be received by each Qualifying Shareholder together with a copy of this document.

Box A This box is pre-filled and states the number of Existing Ordinary Shares held by the Qualifying Shareholder on the Record Date.

Box B If the Qualifying Shareholder wants to exercise the Enhanced Buyback to its fullest extent he must sell all of his Existing Ordinary Shares and therefore he must write in this Box the same number as appears in Box A.

Box C This box is pre-filled and states the number of New Ordinary Shares which the Qualifying Shareholder must buy (and is entitled to buy) if he wants to sell **ALL** of his Existing Ordinary Shares stated in Box A. This is a lesser number than his current holding of Existing Ordinary Shares because at its fullest extent the Enhanced Buyback works by a Shareholder buying 98 New Ordinary Shares for every 100 Existing Ordinary Shares which he sells. This pre-filled number will therefore be approximately 98 per cent. of the number in Box A

If a Qualifying Shareholder completes Box B he will be treated as wanting to sell the number of Existing Ordinary Shares in Box B and to buy the number of New Ordinary Shares pre-filled in Box C.

Box D If the Qualifying Shareholder wants to exercise the Enhanced Buyback to a limited extent then he need only sell some of his Existing Ordinary Shares (in the ratio of 100 to be sold for every 98 to be bought) and therefore he must write in this Box the lesser number of Existing Ordinary Shares he wants to sell.

Box E If the Qualifying Shareholder has completed Box D, because he wants to sell some but not all of his Existing Ordinary Shares, then he must buy (and is entitled to buy) the number of New

Ordinary Shares which results from multiplying the number in Box D by 0.98 and he must write this number in this Box E.

If a Shareholder completes this box he will be treated as wanting to sell the number of Existing Ordinary Shares in Box D and to buy the number of New Ordinary Shares in Box E, rounding down to the nearest whole number.

If the Qualifying Shareholder completes both Boxes B and D, or both Boxes B and E, or Box D but not Box E his application will not be effective for any purpose.

The amount which the Company owes the Qualifying Shareholder for the Existing Ordinary Shares which he sells will be set off automatically from the amount which the Qualifying Shareholder owes the Company for the New Ordinary Shares stated in Box C or Box E which he buys.

This means that there is no need for the Qualifying Shareholder to send any money to the Company unless he wants to buy Additional New Ordinary Shares. See Box G below. If the Qualifying Shareholder does not want to buy Additional New Ordinary Shares, the Enhanced Buyback is simply an administrative process because there is no requirement for cash to change hands.

Box F Qualifying Shareholders can indicate in Box F the tax year(s) in which they would like their New Ordinary Shares allotted and how many in each year. The sum of the two numbers must be equal the number in Box C or Box E if exercising to a limited extent but can be in any ratio the Qualifying Shareholder wishes.

Can Qualifying Shareholders buy Additional New Ordinary Shares under the Enhanced Buyback without selling Existing Ordinary Shares?

As explained below, there is no need to sell Existing Ordinary Shares under the Tender Offer in order to buy Additional New Ordinary Shares under the Open Offer.

Qualifying Shareholders can choose to buy their full entitlement to New Ordinary Shares under the Open Offer or to buy part only of their entitlement.

Qualifying Shareholders may also apply to buy any surplus New Ordinary Shares which arise as a result of other Qualifying Shareholders not buying New Ordinary Shares in accordance with their Open Offer Entitlements

However, Qualifying Shareholders cannot sell their Open Offer Entitlements.

Box G In this Box the Qualifying Shareholder is asked to write the number of Additional New Ordinary Shares which he would like to buy.

If the Qualifying Shareholder has not completed either Box B or Box D (because he is not participating in the Tender Offer) he is entitled to buy up to the number of New Ordinary Shares stated in Box A and, if he wishes to do so, he must write this number in this Box G.

If the Qualifying Shareholder has completed Box D (because he is participating in the Enhanced Buyback to a limited extent) he is entitled to buy up to a number of Additional New Ordinary Shares equal to the number in Box A minus the number in Box E and, if he wishes to do so, he must write this up to number in this Box.

Box H A Qualifying Shareholder may also apply to buy any surplus Additional New Ordinary Shares under the Excess Application Facility which arise as a result of other Qualifying Shareholders not buying New Ordinary Shares in accordance with their Open Offer Entitlements.

This will be a pool of New Ordinary Shares equal to the aggregate of the numbers in Box A on all Application Forms less the number of New Ordinary Shares bought by all Qualifying Shareholders pursuant to their Open Offer Entitlements under Boxes C, E and G.

If the number of surplus New Ordinary Shares available for purchase under the Excess Application Facility is less than the aggregate number of applications to buy them, as stated in Box H of all Application Forms, then such applications will be scaled back pro rata to the aggregate number of Additional New Ordinary Shares for which applications are made in both Boxes G and H in all Application Forms.

Qualifying Shareholders who buy Additional New Ordinary Shares by completing Boxes G and/or H in their Application Form will be entitled to Incentive Shares equal to 2 per cent. of the amount they subscribe for their Additional New Ordinary Shares. This means, in effect, that the costs of the Open

Offer and the Tender Offer are borne entirely by those Qualifying Shareholders who participate in the Enhanced Buyback, not by the Company and not by Qualifying Shareholders to the extent they buy Additional New Ordinary Shares.

Box L Qualifying Shareholders can indicate in Box L the tax year(s) in which they would like their Additional New Ordinary Shares allotted and how many in each year. The sum of the two numbers must be equal the number in Box J but can be in any ratio the Qualifying Shareholder wishes.

Why is the Enhanced Buyback not being offered to holders of Planned Exit Shares?

An Enhanced Buyback is only likely to be of interest to Qualifying Shareholders where they have held their Ordinary Shares for at least five years or have acquired them pursuant to the Scheme. This is the case for most of the holders of Existing Ordinary Shares in the Company. The Company's Planned Exit Fund was only established last year. Therefore holders of Planned Exit Shares in the Company will not have held their Shares long enough to benefit from an Enhanced Buyback. Accordingly this Enhanced Buyback is only available to holders of Ordinary Shares in the Company. The Board intends to explore the viability of offering similar programmes for Shareholders in future years in order to provide all long term Shareholders with the opportunity to benefit from the additional tax relief which an enhanced buyback offers.

HMRC confirmation

A copy of this Summary and Securities Note has been submitted to HMRC who have confirmed that, subject to their personal circumstances, Qualifying Shareholders who buy New Ordinary Shares will be able to claim full VCT Relief (including income tax relief of up to 30 per cent. of the amount subscribed) for the New Ordinary Shares they buy and that their sale of Existing Ordinary Shares under the Tender Offer will not prejudice the availability of such VCT Relief. Accordingly, individuals aged 18 or over who subscribe on their own behalf for New Ordinary Shares should be entitled, subject to their personal circumstances, to "front end" income tax relief of 30 per cent. if they buy New Ordinary Shares up to the "permitted maximum" of £200,000 for the current tax year. To retain the relief, New Ordinary Shares must be retained for a minimum holding period of five years. HMRC has also confirmed that the issue of New Ordinary Shares by the Company under the Enhanced Buyback will not affect the approval of the Company under the VCT Rules.

Further information concerning tax considerations for investors is set out in Part 3.

Costs of the Enhanced Buyback

The total costs of the Enhanced Buyback (including irrecoverable VAT and stamp duty payable in connection with the Tender Offer) are estimated by the Board at less than 2 per cent. of the gross amount raised by the Open Offer. No commission will be paid to authorised financial intermediaries in respect of applications under the Open Offer.

Benefits to the Company and Shareholders

The Board believes that the Enhanced Buyback is an efficient mechanism for significantly reducing the cost at which a market sale of VCT shares can normally be achieved as Shares are normally bought back in the market at a discount of 10 per cent. to the prevailing net asset value and the typical 'all in' costs of a fresh issue of shares are approximately 5.5 per cent. of the amount subscribed.

The Enhanced Buyback also rewards Shareholder loyalty with further VCT Relief for reinvesting in the Company and not in another VCT.

For these reasons the Board believes the Enhanced Buyback to be in the best interests of both Shareholders and the Company.

Yours sincerely

John Gregory
Chairman of Foresight VCT plc
Registered Office: ECA Court, South Park, Sevenoaks, Kent TN13 1DU
Company Number 03421340

PART 2.1

General terms of the Enhanced Buyback

1. An unconditional Open Offer and a conditional Tender Offer

- 1.1 This Enhanced Buyback has been structured as an unconditional Open Offer and a conditional Tender Offer:
 - 1.1.1 The terms of the Open Offer are set out in Part 2.2 of this document; and
 - 1.1.2 The terms of the Tender Offer are set out in Part 2.3 of this document.
- 1.2 The Open Offer provides the opportunity for Qualifying Shareholders to buy New Ordinary Shares in the Company, pro rata to their existing rights, with the benefit of VCT Relief, including income tax relief of up to 30 per cent. of the amount subscribed. Qualifying Shareholders cannot sell their Open Offer Entitlements under the Open Offer.
- 1.3 The Tender Offer provides the means for Qualifying Shareholders to finance their purchase of New Ordinary Shares under the Open Offer.

2. Option to participate only in the Open Offer

- 2.1 There is no need to sell Existing Ordinary Shares under the Tender Offer in order to buy New Ordinary Shares under the Open Offer.
- 2.2 Qualifying Shareholders can choose to buy their full Open Offer Entitlements of New Ordinary Shares under the Open Offer or to buy part only of their Open Offer Entitlements.
- 2.3 Qualifying Shareholders may also apply to buy, under the Excess Application Facility, any Additional New Ordinary Shares which arise as a result of other Qualifying Shareholders not buying New Ordinary Shares in accordance with their Open Offer Entitlements.

3. Participation in the Tender Offer is conditional on participation in the Open Offer

- 3.1 Qualifying Shareholders who do not want to take up or apply for any New Ordinary Shares under the Open Offer must take no action and must not complete or return the Application Form and cannot participate under the Tender Offer.
- 3.2 The Tender Offer is open to all Ordinary Shareholders (other than Overseas Shareholders) on the Company's share register on the Record Date, but is subject to the condition that Ordinary Shareholders must buy 98 New Ordinary Shares under the Open Offer for every 100 Existing Ordinary Shares which they sell under the Tender Offer. This condition ensures that the Enhanced Buyback does not lead to a reduction in the reserves of the Company.
- 3.3 Ordinary Shareholders who satisfy this condition may participate in the Tender Offer by tendering all or a proportion of their holdings of Existing Ordinary Shares, not including any shares purchased under the Open Offer.
- 3.4 If a Shareholder does not apply to buy Additional New Ordinary Shares the Enhanced Buyback is administrative only as no cash is required from Shareholders in order for them to participate; - please see "Settlement" below. The Tender Offer is treated as a tender offer under the Listing Rules notwithstanding this conditionality.

4. Settlement

- 4.1 New Ordinary Shares will be sold to Qualifying Shareholders under the Open Offer at the Offer Price (102.04082 per cent. of the most recently published Net Asset Value of an Existing Ordinary Share on 31 March 2011 (rounded up to the nearest £0.01 per New Ordinary Share)).
- 4.2 Existing Ordinary Shares will be bought from Qualifying Shareholders under the Tender Offer at the Tender Price (equal to 100 per cent. of the most recently published Net Asset Value of an Existing Ordinary Share on 31 March 2011 (rounded down to the nearest £0.01 per Existing Ordinary Share)).
- 4.3 Settlement of the consideration owed by a Qualifying Shareholder for New Ordinary Shares issued under the Open Offer ("Amounts Owed") will be made by way of setting off the Amounts Owed by him against amounts due to that Qualifying Shareholder in respect of his sale of Existing Ordinary Shares under the terms of the Tender Offer ("Amounts Due") in

accordance with procedures agreed between the Company and HMRC. Refunds of less than £1.50 will not be distributed.

- 4.4 The Receiving Agent will act as agent for Qualifying Shareholders for the purpose setting off all Amounts Owed from all Amounts Due.
- 4.5 The Receiving Agent will process applications to sell Existing Ordinary Shares under the Tender Offer first, so that contractual obligations in respect of Amounts Due under the Tender Offer will crystallise before contractual obligations under the Open Offer, but this will be done subject to the condition subsequent that the Qualifying Shareholder's application to subscribe at least 98 New Ordinary Shares under the Open Offer for every 100 existing Ordinary Shares to be sold under the Tender Offer is also accepted as valid by the Company. This ensures that the Company does not have to buy Existing Ordinary Shares from the Qualifying Shareholder unless the Qualifying Shareholder is also successful in his application to acquire New Ordinary Shares under the terms of the Enhanced Buyback.
- 4.6 Contemporaneously with an acceptance by the Company of an application from a Qualifying Shareholder to subscribe New Ordinary Shares under the Open Offer, Amounts Owed by that Qualifying Shareholder will be automatically reduced by Amounts Due to him under the Tender Offer.
- 4.7 This means that a Qualifying Shareholder only ever becomes obliged to pay for New Ordinary Shares subscribed under the Open Offer to the extent that the Qualifying Shareholder buys Additional New Ordinary Shares.
- 4.8 All payments in respect of Additional New Ordinary Shares must be in pounds sterling and made by cheque or banker's draft made payable to "Computershare Investor Services PLC, - re Foresight VCT plc Open Offer" and crossed "A/C Payee Only".
- 4.9 Qualifying Shareholders who make valid applications for Additional New Ordinary Shares will be allotted a total number of Additional New Ordinary Shares equal to (i) those applied for and allotted plus (ii) a number of additional Ordinary Shares equal to 2% of the amount subscribed by the Qualifying Shareholder divided by the Offer Price. Fractions of Additional New Ordinary Shares will not be issued and fractions of Additional New Ordinary Shares will be rounded down to the nearest whole number.
- 4.10 Cheques should be drawn on the personal account to which a Qualifying Shareholder has sole or joint title to such funds. Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application.
- 4.11 Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt.
- 4.12 The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.
- 4.13 If cheques or banker's drafts are presented for payment before all of the conditions of the Open Offer are fulfilled, the application monies will be kept in a separate non-interest bearing bank account. If the Open Offer does not become unconditional, no New Ordinary Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as reasonably practicable following the lapse of the Open Offer.

- 4.14 All New Ordinary Shares will be issued credited as fully paid.
- 4.15 Fractions of New Ordinary Shares will not be issued under the Open Offer and fractions of New Ordinary Shares will be rounded down to the nearest whole number.

5. Money Laundering

- 5.1 If an application for Additional New Ordinary Shares is for the Sterling equivalent of Euro15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount) the verification requirements of the Money Laundering Regulations will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in your application being treated as invalid or in delay of confirmation. If the application for Additional New Ordinary Shares is for the Sterling equivalent of Euro15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount), the identity of the applicant (and if a cheque is drawn by a third party, of that third party) must be verified as set out under 5.2 or 5.3 below.
- 5.2 Verification of the applicant's identity may be provided by means of a "Letter of Introduction" from an IFA or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering Regulations 2007 or a UK or EC financial institution (such as a bank). The Receiving Agent will supply specimen wording on request
- 5.3 If an application is made direct (not through an IFA), you must ensure that the following documents are enclosed with the Application Form:
- 5.3.1 A certified copy of either the passport or the driving licence of the applicant (and cheque payer if different); and
- 5.3.2 An original bank or building society statement or utility bill (no more than 3 months old), or recent tax bill, in the name of the applicant (and cheque payer if different).
- Copies should be certified by a solicitor or bank. Original documents will be returned by post at your risk.

6. Overseas Shareholders

- 6.1 Shareholders with a registered address in one of the Excluded Territories are not being sent an Application Form.
- The distribution of this document and the Application Form and the making of the Open Offer and the Tender Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions.
- 6.2 No action has been or will be taken by the Company, Singer or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or application form(s) relating to the tendering of Existing Ordinary Shares or the subscription of New Ordinary Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.
- 6.3 Qualifying Shareholders who are citizens, residents or nationals, of other countries should inform themselves about and observe any applicable legal requirements. It is the responsibility of any such Qualifying Shareholder to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental or other consents that may be required, the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. Any such Qualifying Shareholder will be responsible for payment of any such issue, transfer or other taxes or other requisite payments due by whomsoever payable and the company and Singer and any person acting on either's behalf shall be entitled to be fully indemnified and held harmless by such Qualifying Shareholder for any such issue, transfer or other taxes as such person may be required to pay.

PART 2.2

TERMS OF THE OPEN OFFER

1. Open Offer Entitlements

- 1.1 Subject to the terms and conditions set out below Qualifying Shareholders are entitled to apply for any number of New Ordinary Shares at the Offer Price (payable in full on application and free of all expenses subject to paragraph 3 below) up to a maximum of their Open Offer Entitlement shown in Box A of the Application Form which has been calculated on the basis of:

1 New Ordinary Share for every 1 Existing Ordinary Share

registered in the name of each Qualifying Shareholder.

- 1.2 Completed Application Forms should be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours only) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE (who will also act as Receiving Agent in relation to the Open Offer) so as to be received by Computershare by no later than 11.00 am on 31 March 2011, after which time Application Forms will not be valid (subject to certain exceptions described below).
- 1.3 Application Forms delivered by hand will not be checked and no receipt will be provided. Qualifying Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four Business Days for delivery.
- 1.4 If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.
- 1.5 Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Open Offer Entitlements under the Open Offer, as will holdings under different designations and in different accounts.
- 1.6 Valid applications by Qualifying Shareholders will be satisfied in full up to the maximum amount of their individual Open Offer Entitlement (excluding any Additional New Ordinary Shares applied for through the Excess Application Facility).
- 1.7 Qualifying Shareholders may apply to subscribe for less than their Open Offer Entitlement should they so wish. Applications by Qualifying Shareholders under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares.
- 1.8 The Open Offer is not a rights issue. Accordingly, Application Forms are not negotiable documents and may not be assigned, transferred or split, except to satisfy bona fide market claims prior to the close of business on 18 March 2011.
- 1.9 **Applications to subscribe for New Ordinary Shares may only be made on the personalised Application Form** and may only be made by the Qualifying Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares will be marked “ex” the entitlement to participate in the Open Offer.
- 1.10 A Qualifying Shareholder who has sold or otherwise transferred all or part of their holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult their broker or other professional adviser as soon as possible, as the invitation to subscribe for New Ordinary Shares under the Open Offer may be a benefit which may be claimed by the transferee.
- 1.11 Qualifying Shareholders who have sold or otherwise transferred **all** of their registered holdings should, if the market claim is to be settled outside CREST, complete Box N on the Application Form and immediately send it (together with this document) to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee in accordance with the instructions set out in the Application Form.

- 1.12 Qualifying Shareholders who have sold or otherwise transferred **part only** of the Ordinary Shares shown in Box A on the Application Form prior to the close of business on 18 March 2011 should, if the market claim is to be settled outside CREST, complete Box N on the Application Form and immediately send it (together with this document) to the stockbroker, bank or other agent through whom the sale or transfer was effected to arrange for split Application Forms to be obtained. The Application Form should not, however be forwarded to or transmitted in or into the United States or any other Excluded Territory.
- 1.13 The New Ordinary Shares will rank pari passu in all respects with the Existing Ordinary Shares including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.14 The New Ordinary Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.
- 1.15 A Qualifying Shareholder who does not take up any New Ordinary Shares under the Open Offer would (assuming no Existing Ordinary Shares are sold under the Tender Offer) experience a dilution of 50 per cent. as a result of the Open Offer, assuming the New Ordinary Shares are subscribed in full. New Ordinary Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who are not eligible to or do not apply to take up New Ordinary Shares will have no rights under the Open Offer nor receive any proceeds from it.

2. Excess Application Facility

- 2.1 Qualifying Shareholders are also being given the opportunity, to apply in Box H of the Application Form for Additional New Ordinary Shares through the Excess Application Facility.
- 2.2 If applications under the Excess Application Facility (Box H on the Application Form) are received for more than the total number of New Ordinary Shares available such applications will be scaled back pro rata to the number of Additional New Ordinary Shares applied for by Qualifying Shareholders under Boxes G and H of the Application Form.
- 2.3 A Qualifying Shareholder who has made a valid application under the Excess Application Facility, and from whom payment in full for the Additional New Ordinary Shares applied for in Box H has been received in cleared funds, will receive a refund in respect of the number of New Ordinary Shares applied and paid for, but not allocated to, the relevant Qualifying Shareholder under the Excess Application Facility. Monies will be returned as soon as reasonably practicable, without payment of interest and at the applicant's sole risk.
- 2.4 Fractions of Additional New Ordinary Shares will not be issued under the Excess Application Facility and fractions of Additional New Ordinary Shares will be rounded down to the nearest whole number.

3. Settlement

The terms of Part 2.1 paragraph 4 of this document shall apply as regards settlement of the consideration owed by a Qualifying Shareholder ("Amounts Owed") for New Ordinary Shares issued under the Open Offer.

4. General

- 4.1 The Open Offer is not conditional on a minimum subscription being achieved. Any excess amounts paid by applicants will be refunded by cheque to the person named in Box 1 of the Application Form.
- 4.2 Definitive certificates in respect of New Ordinary Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their New Ordinary Shares in certificated form by 20 April 2011.
- 4.3 Application will be made to the UK Listing Authority for the New Ordinary Shares to be listed on the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission is expected to occur within three Business Days of allotment, when dealings in the New Ordinary Shares are expected to commence. All monies

received by the Receiving Agent in respect of New Ordinary Shares will be placed on deposit in a non-interest bearing account by the Receiving Agent.

- 4.4 Qualifying Shareholders who hold their Existing Ordinary Shares in CREST may apply for any number of New Ordinary Shares up to the maximum to which they are entitled under the Open Offer, and also under the Excess Application Facility by rematerialising their holding and then making an application on the new Application Form sent to them but should particularly note paragraph 4.6 below.
- 4.5 Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form on the Record Date will be allotted New Ordinary Shares in certificated form and share certificates are expected to be dispatched by post by 20 April 2011. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk.
- 4.6 Please note that tax certificates will not be issued in the name of a nominee or companies. If Existing Ordinary Shares are held in CREST by a nominee/company on behalf of an individual these shares will need to be rematerialised back into the individual's name to enable the individual to qualify for VCT Relief. Qualifying Shareholders who wish to do this should contact their broker or Computershare Investor Services PLC as soon as possible.
- 4.7 The Company reserves the right, but shall not be obliged, in consultation with BDO, to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged), in consultation with BDO, to accept either:
 - 4.7.1 Application Forms received after 11.00 am on 31 March 2011 but not later than 11.00 am on the Business Day next following 31 March 2011; or
 - 4.7.2 applications in respect of which remittances are received before 11.00 am on 31 March 2011 from authorised persons (as defined in FSMA) specifying the New Ordinary Shares applied for and undertaking to lodge the Application Form in due course but, in any event, within three Business Days.
- 4.8 Multiple applications will not be accepted.
- 4.9 All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk. If Additional New Ordinary Shares have already been allotted to a Qualifying Shareholder and such Qualifying Shareholder's cheque or banker's draft is not honoured upon first presentation or such Qualifying Shareholder's application is subsequently otherwise deemed to be invalid, the Receiving Agent shall be authorised (in its absolute discretion as to manner, timing and terms) to make arrangements, on behalf of the Company, for the sale of such Qualifying Shareholder's Additional New Ordinary Shares and for the proceeds of sale (which for these purposes shall be deemed to be payments in respect of successful applications) to be paid to and retained by the Company. None of the Receiving Agent, BDO or the Company, nor any other person shall be responsible for, or have any liability for, any loss, expense or damage suffered by such Qualifying Shareholder as a result.

5. Representations by applicant Qualifying Shareholders

By completing and delivering an Application Form, the applicant:

- 5.1 represents and warrants to the Company and BDO that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform his obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares or acting on behalf of any such person on a non-discretionary basis;

- 5.2 agrees with the Company and BDO that all applications under the Open Offer and any contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- 5.3 confirms to the Company and BDO that in making the application they are not relying on any information or representation in relation to the Company other than that contained in (or incorporated by reference in) this document, and the applicant Qualifying Shareholder accordingly agrees 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 information or representation not so contained and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- 5.4 confirms to the Company and BDO that no person has been authorised to give any information or to make any representation concerning the Company or the New Ordinary Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or BDO;
- 5.5 represents and warrants to the Company and BDO that they are the Qualifying Shareholder originally entitled to their Open Offer Entitlement or that they received such Open Offer Entitlement by virtue of a bona fide market claim;
- 5.6 represents and warrants to the Company or BDO that, if they have received some or all of their Open Offer Entitlement from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer Entitlement by virtue of a bona fide market claim;
- 5.7 requests that the New Ordinary Shares, to which they will become entitled, be issued to them on the terms set out in this document and the Application Form, subject to the Articles;
- 5.8 subject to certain exceptions by express agreement with the Company, represents and warrants to the Company and BDO that they are not, nor are they applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for New Ordinary Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the New Ordinary Shares which are the subject of their application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which an application for New Ordinary Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for New Ordinary Shares under the Open Offer; and
- 5.9 represents and warrants to the Company and BDO that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986.

6. Miscellaneous

- 6.1 Receipt of this document and an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- 6.2 The Company shall, in agreement with BDO, and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched or amend or

extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA.

- 6.3 If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).
- 6.4 Certain statements regarding United Kingdom taxation in respect of the New Ordinary Shares and the Open Offer are set out in Part 3 of this document as guidance only and Qualifying Shareholders should consult and rely only on their own suitable professional adviser.
- 6.5 If at any time prior to 31 March 2011 there shall occur any change in the financial position or prospects and/or circumstances of the Company or there shall occur any change in national or international, financial, economic, political, fiscal, or market conditions, or any change in the rules governing VCT Relief or HMRC's interpretation thereof which, in the opinion of the Company (acting in its absolute discretion), renders the Open Offer and/or the Tender Offer temporarily or permanently impracticable or inadvisable the Company shall be entitled to determine that the Open Offer is terminated and that no New Ordinary Shares applied for under the Open Offer shall be issued. If it is determined that the Open Offer is terminated, it shall cease and determine absolutely and the Company shall, as soon as practicable thereafter, notify Qualifying Shareholders in writing.
- 6.6 The terms and conditions of the Open Offer are as set out in this document and the Application Form only. No other terms apply.
- 6.7 The courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up New Ordinary Shares, whether by way of their Open Offer Entitlements alone or also through the Excess Application Facility, in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 6.8 All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Investor Services PLC, on the Shareholder Helpline on 0870 703 6388, call charges to this number may vary (or if calling from overseas +44 870 703 6388). Calls to the helpline from outside the UK will be charged at applicable international rates. Calls may be recorded and monitored for security and training purposes. Please note that neither the Receiving Agent nor the Company can or will provide financial or legal advice relating to the merits of the Open Offer or the Tender Offer or advice as to whether applicants should take up their Open Offer Entitlements or apply for Additional New Ordinary Shares under the Excess Application Facility. Calls may be recorded for security and training purposes.

PART 2.3

TERMS OF THE TENDER OFFER

Qualifying Shareholders who do not want to take up or apply for any New Ordinary Shares under the Open Offer must take no action in respect of the Tender Offer and should not complete or return the Application Form.

1. Introduction

- 1.1 Qualifying Shareholders are invited to tender Existing Ordinary Shares on the terms and subject to the conditions set out in this document and the accompanying Application Form.
- 1.2 The Tender Offer is open to all Qualifying Shareholders and Qualifying Shareholders may participate by tendering all or a proportion of their holdings of Existing Ordinary Shares provided that they buy 98 New Ordinary Shares under the Open Offer for every 100 Existing Ordinary Shares they sell under the Tender Offer.
- 1.3 The Tender Price will be the most recently published Net Asset Value per Existing Ordinary Share as at 31 March 2011 (rounded down to the nearest £0.01 per Existing Ordinary Share).
- 1.4 Existing Ordinary Shares purchased pursuant to the Tender Offer will be acquired free of all liens, charges, restrictions, claims equitable interests and encumbrances and together with all rights attaching thereto. Existing Ordinary Shares purchased by the Company will be cancelled and will not be available for reissue.

2. Procedures for tendering Existing Ordinary Shares

- 2.1 Different procedures apply for Existing Ordinary Shares in certificated and uncertificated form.
- 2.2 If you hold Existing Ordinary Shares in certificated form:
 - 2.2.1 you may only tender such Existing Ordinary Shares by completing and returning the Application Form in accordance with the instructions set out in paragraph 3 below; and
 - 2.2.2 if they are held under different designations, you should complete a separate Application Form in respect of each designation. Additional Application Forms are available from Computershare Investor Services plc, Corporate Actions Projects, Bristol, BS99 6AH.
- 2.3 If you hold Existing Ordinary Shares in uncertificated form (that is, in CREST):
 - 2.3.1 you may only tender such Existing Ordinary Shares in accordance with the procedure set out in paragraph 4 below; and
 - 2.3.2 as tax certificates will not be issued in the name of a nominee or companies, if Ordinary Shares are held in CREST by a nominee/company on behalf of an individual these shares will need to be re-materialised back into the Shareholder's name to enable the Shareholder to qualify for VCT Relief in respect of New Ordinary Shares subscribed under the Open Offer.
- 2.4 If you hold Existing Ordinary Shares in both certificated and uncertificated form, you should ensure your uncertificated holdings are re-materialised into your own name and enclose a valid share certificate for such holdings when sending your Application Form to the Receiving Agent. You should then complete a separate Application Form in respect of your certificated holdings. In addition you should complete separate Application Forms for Existing Ordinary Shares held in certificated form but under different designations. Additional Application Forms can be obtained from the Receiving Agent.

3. Ordinary Shares held in certificated form

- 3.1 If you wish to participate in the Tender Offer you should complete the relevant boxes on the Application Form in accordance with the instructions printed on it and sign the Application Form (in the presence of a witness) where indicated. Tenders may only be made on the Application Form, which is personal to the Qualifying Shareholder(s) named on it and may not be assigned or transferred. The Application Form represents a right to tender Existing Ordinary Shares. It is not a document of title.

- 3.2 If you wish to participate in the Tender Offer, the completed and signed Application Form, together with your share certificates and/or other documents of title in respect of your Existing Ordinary Shares tendered, should be returned to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand only to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE as soon as possible and in any event so as to be received not later than 11.00 am on 31 March 2011. No acknowledgement of receipt of documents will be given. The instructions printed on the Application Form shall be deemed to form part of the terms of the Tender Offer.
- 3.3 Box A of the accompanying Application Form shows your entire registered holding of Existing Ordinary Shares in the Company on the Record Date under the name and address specified in Box 1.
- 3.4 To accept the Tender Offer, insert in Box B or Box D the total number of Existing Ordinary Shares that you wish to tender under the Tender Offer. If no number of Existing Ordinary Shares is inserted in Box B, and you have signed the Application Form, you will be deemed to have inserted in Box B the number of Ordinary Shares in certificated form shown in Box A or, if less, your entire holding of Existing Ordinary Shares. If a number greater than your entire holding of Existing Ordinary Shares is inserted in Box B and you have signed the Application Form, you will be deemed to have inserted in Box B the number of Existing Ordinary Shares shown in Box A representing the whole of your registered holding of Existing Ordinary Shares on the Record Date. If a number less than your entire holding of Existing Ordinary Shares is inserted in Box B and you have signed the Application Form, you will be deemed to have inserted that number in Box D.
- 3.5 All Application Forms are issued only to the addressees and are specific to the classes of security and the unique designated accounts printed on the Application Forms. These personalised forms are not transferable between (i) account holders; (ii) classes of security; or (iii) uniquely designated accounts. The Company, Singer and Computershare accept no responsibility for any instruction that does not comply with these instructions.
- 3.6 If your Existing Ordinary Shares are in certificated form but your share certificates and/or other documents of title is/are not readily available or are lost, the Application Form should nevertheless be completed, signed and returned as described in sub-paragraph 3.2 above so as to be received not later than 11.00 am on 31 March 2011.
- 3.7 If you have lost your share certificates and/or other documents of title, you should write to the Company's Registrars at Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand only to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE.
- 3.8 You should note that no settlement of the Tender Offer will be made until satisfactory documentation has been received as described above.

4. Ordinary Shares in uncertificated form (that is, in CREST)

- 4.1 If the Existing Ordinary Shares that you wish to tender are in uncertificated form you should undertake (or procure your agent to undertake) the rematerialisation of such holdings into your own name. Please then follow the procedure for making an application under the Enhanced Buyback as set out in Parts 1, 2.2 and 2.3 of this document, ensuring, when you send your Application Form to the Receiving Agent, that you **include the certificate you received when your CREST holdings were rematerialised**. If you have any doubts concerning rematerialisation you should consult your financial adviser, broker or Computershare Investor Services PLC.
- 4.2 If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.

5. Settlement

- 5.1 Settlement of the consideration owed by a Qualifying Shareholder for New Ordinary Shares issued under the Open Offer ("Amounts Owed") will be made by way of setting off the Amounts Owed by him against amounts due to that Qualifying Shareholder in respect of his sale of Existing Ordinary Shares under the terms of the Tender Offer ("Amounts Due") in

accordance with Part 2.1 paragraph 4 of this document and in accordance with procedures agreed between the Company and HMRC.

- 5.2 Unless the Tender Offer becomes void or is terminated or is extended, the outcome of the Tender Offer will be announced by no later than 8.30 am on 4 April 2011.
- 5.3 The settlement of the consideration for Existing Ordinary Shares purchased pursuant to the Tender Offer as described in paragraph 5.1 above will be made only after timely receipt by the Receiving Agent of share certificates and/or other documents of title, a properly completed and duly executed Application Form and any other documents required by the Application Form.
- 5.4 If any tendered Existing Ordinary Shares are not purchased by the Company pursuant to the terms of the Tender Offer, relevant share certificates evidencing any such Existing Ordinary Shares and/or other documents of title will be returned or sent as promptly as practicable without expense to, but at the risk of, the tendering Shareholder.

6. Miscellaneous

- 6.1 If the Tender Offer is terminated or void, all documents lodged pursuant to the Tender Offer will be returned promptly by post not later than five Business Days after such date. In these circumstances, Application Forms will cease to have any effect.
- 6.2 Qualifying Shareholders will not be obliged to pay brokerage fees and commissions or transfer taxes or duty in the UK on the sale of Existing Ordinary Shares in relation to the Tender Offer.
- 6.3 The delivery of share certificates for Existing Ordinary Shares and all other required documents and all remittances will be at the risk of the Qualifying Shareholder participating in the Tender Offer.
- 6.4 All trade reporting and transaction reporting in respect of the purchases and sales of Ordinary Shares in relation to the Tender Offer will be executed by Singer as agent for the Company.
- 6.5 If you are in any doubt as to the procedure for acceptance, please contact the Receiving Agent. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking action.
- 6.6 Each Qualifying Shareholder by whom, or on whose behalf, the Application Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Company and Singer, so as to bind such holder and their personal or legal representatives, heirs, successors and assigns to the following effect:
 - 6.6.1 that the execution of the Application Form shall constitute an irrevocable offer to sell the total number of Existing Ordinary Shares inserted or deemed to be inserted in Box B or D of the Application Form on and subject to the terms and conditions set out or referred to in this document and the Application Form;
 - 6.6.2 that such Qualifying Shareholder has full power and authority to tender, sell, assign or transfer the Existing Ordinary Shares in respect of which such irrevocable offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Existing Ordinary Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all the rights attaching thereto and such representation and warranty will be true in all respects at the time the Company purchases such Existing Ordinary Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;
 - 6.6.3 that the execution of the Application Form will, upon acceptance of such irrevocable offer, constitute the irrevocable appointment of any director of, or other person nominated by Singer as such Shareholder's attorney and agent ("attorney"), and an irrevocable instruction to the attorney, to complete and execute all or any contracts and/or other documents at the attorney's discretion in relation to the purchase of Existing Ordinary Shares by the Company and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer;

- 6.6.4 that such Qualifying Shareholder agrees to ratify and confirm each and every act or thing that may be done or effected by Singer or any of its directors or any person nominated by Singer in the proper exercise of its or his or her powers and/or authorities hereunder;
- 6.6.5 that in respect of the tendered Existing Ordinary Shares held in certificated form, such Qualifying Shareholder will deliver to the Receiving Agent their share certificates and/or other documents of title in respect of the tendered Existing Ordinary Shares, or an indemnity acceptable to Singer in lieu thereof, or will procure the delivery of such documents to such person as soon as possible after and, in any event, before the close of the Tender Offer;
- 6.6.6 that such Qualifying Shareholder shall do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable to complete the purchase of the tendered Existing Ordinary Shares and/or to perfect any of the authorities expressed to be given here under;
- 6.6.7 that the execution of an Application Form constitutes, subject to the Tender Offer becoming unconditional, irrevocable authorisations and requests (if the Existing Ordinary Shares concerned are in certificated form) to the Company to procure that settlement occurs on the basis described in Part 2.1 paragraph 4 of this document; and
- 6.6.8 that such Qualifying Shareholder is not resident or ordinarily resident in, or a citizen of, or a corporations, partnership or other entity created or organised under the laws of countries other than the United Kingdom or a person who is a nominee of or custodian, trustee or guardian for citizens, residents in or nationals of, countries other than the United Kingdom.
- 6.7 The failure of any person to receive a copy of this document or the Application Form shall not invalidate any aspect of the Tender Offer. Additional copies of this document and Application Forms can be obtained from the Receiving Agent. No acknowledgement of receipt of any Application Forms, share certificates and/or other documents of title will be given.
- 6.8 All powers of attorney and authorities conferred by or referred to in this document are given by way of security for the performance of the obligations of Qualifying Shareholders and are in accordance with Section 4 of the Powers of Attorney Act 1971.
- 6.9 The Tender Offer and all Application Forms and all contracts resulting therefrom shall be governed by and construed in accordance with English law. Execution on behalf of a Qualifying Shareholder of a Application Form constitutes his or her submission, in relation to all matters arising out of or in connection with the Tender Offer and the Application Form, to the jurisdiction of the English courts.
- 6.10. References in this paragraph to a holder of Existing Ordinary Shares or a Qualifying Shareholder shall include references to the person or persons executing an Application Form and, in the event of more than one person executing a Application Form, the provisions of this paragraph shall apply to them jointly and to each of them.
- 6.11. The provisions of this Part 2.3 and/or any other terms of the Tender Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and Singer in their absolute discretion.

7. Invalid tenders

- 7.1 The Company and Singer reserve the absolute right to inspect (either themselves or through their agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgment of the Company and Singer meet the requirements of the Tender Offer. None of the Company, Singer, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or correct any liability for failure to give any such notification. The Company and Singer reserve the right, in their sole discretion, to treat as valid in whole or in part any Application Form that is not entirely in order or that is not accompanied by the relevant share certificates and/or other documents of title. In that event, however, settlement will only occur when the Application Form is entirely in order, and the relevant share certificates and/or other documents of title or indemnity (to the satisfaction of the Company and Singer) have been received.

- 7.2 All Application Forms received in respect of Existing Ordinary Shares must be made on an Application Form delivered to the Receiving Agent.
- 7.3 An Application Form which is received in respect of Existing Ordinary Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Holders of Existing Ordinary Shares in uncertificated form who wish to tender any Existing Ordinary Shares should note that they must first arrange for their holdings (or such portion of their holdings that they wish to tender) to be rematerialised into their own name and request from Computershare an Application Form which should be completed and returned with the valid share certificate along as set out in paragraph 4 above.

8. Closing Date and right to extend

- 8.1 The Tender Offer will close at 11.00 am on the Closing Date and no tenders that are received after that time will be accepted unless the Company and Singer, in their sole and absolute discretion, shall have extended the period during which the Tender Offer is open, in which event the term “Closing Date” shall mean the latest time and date at which the Tender Offer, as so extended by the Company and Singer, shall close. Singer shall notify the Receiving Agent of any extension of the Closing Date by oral or written notice and shall notify the holders of Existing Ordinary Shares of such extension by public announcement not later than 8.30 am on the next Business Day following the original Closing Date.

9. Right to terminate or amend the Tender Offer

- 9.1 If at any time prior to the Closing Date there shall occur any change in the financial position or prospects and/or circumstances of the Company or there shall occur any change in national or international, financial, economic, political, fiscal, or market conditions, or any change in the rules governing VCT Relief or HMRC interpretation thereof which, in the opinion of the Company (acting in its absolute discretion), renders the Tender Offer and/or the Open Offer temporarily or permanently impracticable or inadvisable (taking into account the background to and reasons for the Tender Offer) the Company shall be entitled to determine that the Tender Offer is terminated and that no Existing Ordinary Shares tendered under the Tender Offer shall be acquired. If it is determined that the Tender Offer is terminated, it shall cease and determine absolutely and the Company shall, as soon as practicable thereafter, notify Qualifying Shareholders in writing.
- 9.2 The terms and conditions of the Tender Offer are as set out in this document and the Application Form only. No other terms apply.
- 9.3 The courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Tender Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Tender Offer, this document or the Application Form. By tendering Existing Ordinary Shares in accordance with the instructions set out in this document and, where applicable, the Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 9.4 All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Computershare Investor Services PLC, on the Shareholder Helpline on 0870 703 6388, call charges to this number may vary (or if calling from overseas +44 870 703 6388). Calls to the helpline from outside the UK will be charged at applicable international rates. Please note that the Receiving Agent cannot provide financial or legal advice on the merits of the Open Offer or the Tender Offer or as to whether applicants should tender Existing Ordinary Shares. Calls may be recorded and monitored for security and training purposes.

PART 3

TAXATION CONSIDERATIONS FOR INVESTORS

1. Introduction

- 1.1 The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Ordinary Shares by virtue of an office or employment, who may be subject to special rules. They apply only to shareholders resident and ordinarily resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.
- 1.2 **The information contained in this document relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and published practice currently in force and is subject to changes therein. All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.**

2. Tax reliefs

- 2.1 The following is only a summary of the law concerning the tax position of individual investors in VCTs. Investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT.
- 2.2 The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for New Ordinary Shares under the Open Offer. 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 consult their professional advisers.

3. Relief from income tax on investment

An investor subscribing for New Ordinary Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 in any tax year. To obtain relief an investor must subscribe on his own behalf although the New Ordinary Shares may subsequently be transferred to a nominee. The relief is given at the rate of 30 per cent. on the amount subscribed regardless of whether the investor is a higher rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

4. Dividend relief

- 4.1 An investor who acquires in any tax year VCT shares (including New Ordinary Shares) having a value of up to a maximum of £200,000 will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.
- 4.2 An individual purchaser of New Ordinary Shares in the market will be entitled to claim dividend relief (as described in paragraph 4.1 above) but not relief from income tax on investment (as described in paragraph 3 above).

5. Withdrawal of relief

Relief from income tax on a subscription for VCT Shares (including New Ordinary 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.

6. Relief from capital gains tax on the disposal of New Ordinary Shares

A disposal by an investor of New 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.

7. Purchasers in the market

7.1 An individual purchaser of New Ordinary Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 6 above)

7.2 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.

8. Withdrawal of relief

Relief from UK capital gains tax on the disposal of VCT Shares (including New Ordinary 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.

9. Obtaining tax reliefs

The Company will provide to each investor certificates 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.

10. Investors not resident in the UK

Investors not resident in the UK should seek their own 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.

11. Tax consequences of the Tender Offer

11.1 The Board has been advised that, under current UK legislation and HMRC practice, the taxation consequences of a purchase by the Company of its Existing Ordinary Shares from Shareholders are broadly as outlined below.

11.2 This summary is not exhaustive and, among other issues, it does not consider the position of any Shareholder not resident or ordinarily resident in the UK or overseas or who holds his shares otherwise than as an investment. This summary is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. Any Shareholder who is in any doubt as to his or her tax position should consult his or her professional adviser.

11.3 When the Company purchases Existing Ordinary Shares from Shareholders, it will be treated as repaying all the amount of capital that is treated as paid up on each Existing Ordinary Share for tax purposes. To the extent that the amount paid by the Company for the purchase of a share exceeds this amount, the Company will be treated as making a distribution for tax purposes of the amount of the excess.

11.4 Stamp duty at the rate of 0.5 per cent. of the purchase price will be payable by the Company in respect of the repurchase of Existing Ordinary Shares held in certificated form (rounded up to the nearest £5).

11.5 In the same way as the Company is treated as partly repaying capital and partly making a distribution, so an individual Shareholder will be treated as receiving partly a capital sum for the disposal of Existing Ordinary Shares equal to the amount treated as paid up on each Existing Ordinary Share and partly a distribution to the extent of any excess. The whole payment, including the distribution element, may be treated as a capital receipt where the Shareholder is a company.

- 11.6 A disposal by an individual Shareholder entitled to VCT Relief in respect of his or her Existing Ordinary Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax. This relief is limited to the disposal of Existing Ordinary Shares acquired with the benefit of VCT Relief. This is the case for those individual Shareholders who acquired their shares with the benefit of VCT Relief by subscription directly from the Company and also for those Shareholders who purchased their holdings of Existing Ordinary Shares in the market and who qualified for VCT Relief in respect of those holdings.
- 11.7 Ordinary Shareholders who subscribed their holdings of Existing Ordinary Shares before 6 April 2004 may have made a claim to defer a chargeable gain. The amount of the deferral relief would have been limited to aggregate subscriptions of £100,000 shares issued in any one tax year. The gain deferred is brought back into charge on a later disposal of the shares or if certain other events occur.
- 11.8 The sale of Existing Ordinary Shares under the Tender Offer will constitute a disposal which will bring deferred gains back into charge.
- 11.9 VCT deferral relief was abolished for shares issued after 5 April 2004 and therefore deferred gains brought back into charge cannot be further deferred by subscribing an equal number of New Ordinary Shares under the Open Offer. However, Shareholders in this position may wish to consider the possible merits of crystallising deferred gains at a time when the rates of CGT are 18 per cent. or 28 per cent. (the tax rate used depends on the total amount of an individual's taxable income) rather than at some future date when the CGT rate may be higher; particularly if any capital gains tax payable on crystallisation can be offset by the additional VCT income tax relief generated. Therefore all Shareholders who are considering selling Existing Ordinary Shares under the Tender Offer are advised to consult their professional advisers regarding their own tax position.
- 11.10 It may be difficult for Ordinary Shareholders and their advisers to distinguish between those Existing Ordinary Shares acquired more than five years ago which carry deferred gains and those which do not. This is because on multiple occasions the Company has issued Ordinary Shares since it was incorporated in 1997; it also began to issue C shares in 1999; and in January 2007 it undertook a reconstruction in which 14,791,348 ordinary shares were redesignated as 10,177,029 C ordinary shares to accord with a conversion ratio which mirrored the ratio of the unaudited net asset value of the class of ordinary shares to the unaudited net asset value of the class of C Shares in issue at that time. The balance of 4,614,319 ordinary shares also in issue as at 15 January 2007, and having a nominal value of £46,143 were redesignated as deferred shares and subsequently purchased by the Company for an aggregate amount of 1p. All of the resulting 45,153,120 C Shares were then redesignated as ordinary shares and the Articles were amended so that all of the assets and liabilities of the Company as at 16 January 2007 were merged into a single pool of assets and liabilities to which the holders of ordinary shares (as so redesignated) became exclusively entitled. In addition, some Ordinary Shareholders in each class, both before and after the reconstruction, will have bought second-hand Ordinary Shares in the market. This complicated history may mean that it may be difficult for Shareholders or their advisors, and indeed HMRC, to work out which shares carry deferred gains and which do not. Shareholders should seek professional advice. It may be possible for Qualifying Shareholders and their advisers to resolve complexities with HMRC by agreeing that, without disturbing their deferred gains, Qualifying Shareholders may sell in the Enhanced Buyback a percentage (by number) of their current holding of Existing Ordinary Shares which doesn't exceed the percentage which (i) the cash they have invested in subscribing or acquiring Ordinary Shares and on which no deferral relief has been or could have been claimed; bears to (ii) the total (a) cash invested in subscribing or acquiring all Ordinary Shares (including those on which deferral relief has been claimed), less (b) disposals of Ordinary Shares for cash. However, the Company is not able to provide any assurance that such a scheme will be accepted by HMRC.

PART 4

CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

The Company has to satisfy a number of tests to qualify as a VCT. A summary of these tests is set out below. The following information is based on current UK law and practice, is subject to changes therein, is given by way of general summary and does not constitute legal or tax advice.

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval, subject to paragraph 6 below it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on the Official List;
- (c) derive its income wholly or mainly from shares or securities;
- (d) from April 2011, have at least 70 per cent. by VCT Value of its investments in shares or securities in qualifying holdings, of which 70 per cent. by VCT Value must be in eligible shares which may be defined as carrying a preferential right to dividend, expressed as a fixed or variable rate of the amount invested, but which might not be entitled to a preferential return of, assets on a winding-up nor have rights to be redeemed;
- (e) have at least 10 per cent. by VCT Value of each qualifying holding in eligible shares;
- (f) not have more than 15 per cent. by VCT Value of its investments in a single company or group at the time of investment (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g) not retain more than 15 per cent. of its income derived from shares and securities in any accounting period.

2. Qualifying Holdings

A qualifying holding consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Parts 3 and 4 of Chapter 6 of the Tax Act and for which no more than £1 million was subscribed by any one VCT in any one tax year (nor more than £1 million in 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 not exceeding £8 million immediately after the investment, (or £15 million immediately before and £16 million immediately after the investment for funds raised before 6 April 2006), applies the money raised for the purposes of a qualifying trade within certain time periods and it is not controlled by another company. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding. In addition, to be qualifying holdings, VCT funds raised after 5 April 2007 must invest in companies which have no more than 50 full time (equivalent) employees and do not obtain more than £2 million of investment from VCTs, companies under the corporate venturing scheme and individuals claiming relief under the Enterprise Incentive Scheme in any rolling 12 month period.

3. Qualifying Company

A Qualifying Company must be unquoted (for VCT purposes this includes a company whose shares are traded on PLUS-traded or PLUS-quoted markets 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 qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter). From April 2011, a qualifying company must have a permanent establishment in the UK from which it must carry on activities which are more than a 'preparatory or auxiliary character'. 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, in most cases, be at least 51 per cent. owned.

4. 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, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such funds need to meet such tests.

Foresight has received HM Revenue & Customs approval as a VCT.

5. 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.

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

6. Proposed changes in VCT legislation

The VCT Rules received approval from the European Commission as State Aids on 29 April 2009. That approval was subject to a number of changes being made. Finance (No. 3) Act 2010 implements these changes. In particular, the new legislation which, in these respects, is expected to come into effect from April 2011: applies a new requirement that to qualify under VCT Rules, a company must not be in difficulty; replaces the requirement that to qualify under VCT rules a company must carry on its qualifying trade wholly or mainly in the UK, with one that the company must have a permanent establishment in the UK; removes the requirement that a VCT's shares must be included in the Official UK List, replacing it with one that VCT shares must be traded on an EU regulated market; and increases the proportion of a VCT's Qualifying Investments that must be held as Eligible Shares from 30 per cent. to 70 per cent. The new legislation also proposes an amendment to the definition of Eligible Shares so that shares are not prevented from being Eligible Shares if they carry a present or future preferential right to dividends provided (a) that the amount of any dividends payable pursuant to the right or the date or dates on which they are payable does not depend to any extent on a decision of the company, the holder of the shares or any other person; and (b) that the amount of any dividends that become payable at any time pursuant to the right does not include any amount that has become payable at any earlier time pursuant to the right but has not been paid (i.e. the preferential right cannot be cumulative).

PART 5

ADDITIONAL INFORMATION

1. The Open Offer

- 1.1 Upon completion of the Open Offer, and assuming the Open Offer is fully subscribed and that there are no participations under the Tender Offer, the New Ordinary Shares will represent approximately 50 per cent. of the Company's enlarged issued Ordinary Share Capital. The New Ordinary Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 1.2 Any Qualifying Shareholder who has sold or transferred all or part of their registered holding(s) of Ordinary Shares prior to the close of business on 10 March 2011 is advised to consult their stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for New Ordinary Shares under the Open Offer may be a benefit which may be claimed from them by the purchasers under the rules of the London Stock Exchange.
- 1.3 Application will be made to the UK Listing Authority for all of the New Ordinary Shares issued pursuant to the Open Offer to be listed on the Official List. Applications will also be made to the London Stock Exchange for admission to trading on the London Stock Exchange's market for listed securities.
- 1.4 The New Ordinary Shares will be issued on a fully paid basis in registered form. New Ordinary Shares will be allotted and issued in respect of valid applications under the Open Offer at any subsequent times as the Directors decide. Details of allotments will be announced through a Regulatory Information Service Provider by no later than the end of the Business Day following the respective allotments for the tax years 2010/2011 and 2011/2012 and dealings in such shares are expected to commence within three Business Days of allotment.
- 1.5 If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's register of members may withdraw from the Enhanced Buyback before the end of the period of two working days beginning with the first working day after the date on which the supplementary prospectus was published.

2. Share Capital

As at the date of this document the issued share capital of Foresight is:

	Number	Issued £
Ordinary Shares	29,941,281	299,412.81
Planned Exit Shares	6,179,833	61,798.33

The most recently published NAV per Ordinary Share was 100p.

3. Claiming income tax relief

- 3.1 The Company will dispatch your share certificates and a tax certificate by 20 April 2011. You then have two options on how to reclaim the tax relief: You can write to your HM Revenue & Customs office and ask them to change your tax coding under the PAYE system (this is the collection system that calculates how much tax you pay each month). You will then receive your income tax relief on a monthly basis through your pay cheques. Alternatively, and if applicable, you can wait until you fill in your tax return at the end of the tax year.
- 3.2 Holders of New Ordinary Shares will receive annual reports and other Company communications and will be entitled to dispose of their Shares. Holders of New Ordinary Shares will be entitled to vote at meetings of the Company in the same way as existing Shareholders. No change may be made to the rights attaching to New Ordinary Shares without the approval of the holders of New Ordinary Shares.

4. Shareholder Authorities

The Open Offer was approved by the Shareholders of Foresight pursuant to terms of Resolution 4 at a general meeting of the Company held on 18 February 2011.

Qualifying Shareholders can apply for excess New Ordinary Shares under the Open Offer subject to the total number of New Ordinary Shares to be issued subject to the Enhanced Buyback and the Additional New Ordinary Shares under the Open Offer. The Open Offer is not being underwritten, therefore it is not known what additional cash may be raised under the Open Offer for the benefit of the Company, however if no Qualifying Shareholders participated in the Tender Offer and the Open Offer were taken up in full then the Company would raise approximately £29.9 million, net of costs not exceeding £100,000, for investment in accordance with the Company's investment policy. Net proceeds in these circumstances would be approximately £29.8 million.

5. Investment policy

The Company targets UK unquoted Companies which it believes will achieve the objective of producing attractive returns for its Shareholders. The Company invests in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and fixed interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stocks, while AIM investments are primarily held in ordinary shares. Pending investment in qualifying unquoted and AIM-traded securities, cash will be held in an interest bearing money market open ended investment company (OEIC) as well as a range of non-qualifying investments. Investments are primarily made in companies which are based in the UK, although many will trade overseas. The company in which investments are made must have no more than £7 million of gross assets at the time of investment (or £15 million if the funds being invested were raised on or before 5 April 2006) to be classed as a VCT qualifying holding. The Company aims to be at least significantly invested in growth businesses subject always to the quality of investment opportunities and the timing of realisations. Any uninvested funds are held in cash, interest bearing securities and a range of non-qualifying investments. It is intended that the significant majority of any funds raised by the Company will be invested in VCT qualifying investments. Risk is spread by investing in a number of different businesses within different industry sectors using a mixture of securities. The maximum amount invested in any one company is limited to 15 per cent. of the portfolio at the time of investment. Investments are selected in the expectation that the application of private equity disciplines including an active management style for unquoted companies through the placement of an Investor Director on investee company board will enhance value.

6. Borrowing powers

The Company has a borrowing limit of an amount not exceeding an amount equal to the adjusted capital and reserves being the aggregate of the amount paid up on the issued share capital of the Company and the amount standing to the credit of the reserves. Whilst the Company does not currently borrow, its policy allows it to do so.

Non-Qualifying Investments may include holdings in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products and other assets where Foresight believes that the risk/return profile is consistent with the overall investment objectives of the portfolio.

7. Reporting

The Directors recognise the importance of maintaining regular communications with Shareholders. In addition to the announcement and publication of the annual report and accounts and the interim results for the Company as detailed below, the Company also publishes and circulates to its Shareholders quarterly statements of Net Asset Value. Foresight Group will also publish information on new investments and the progress of companies within the Company's portfolios from time to time.

8. Reporting dates

Year-end	31 December
Announcement and publication of annual report and accounts to Shareholders	April
Announcement and publication of interim results to 30 June	August

9. Significant Change

Save for the following, there has been no significant change in the financial or trading position of Foresight since 30 June 2010, the date of the latest unaudited interim statement of Foresight:

On 28 February 2011, Foresight acquired all the assets of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc in return for the issue of 6,463,504 Ordinary Shares to the shareholders of those venture capital trusts which are now in liquidation. Immediately after this acquisition the Company restructured its Ordinary Share capital by rateably redesignating a proportion of its Ordinary Share capital as nominally valued deferred shares and then purchasing those deferred shares in order to ensure that as nearly as practicable the Net Asset Value per Ordinary Share would be 100p. The number of Existing Ordinary Shares now in issue is 29,941,281 and the latest Net Asset Value of each Existing Ordinary Share as announced on 1 March 2011 was 100p. The acquisition of the net assets of Keydata increased the Net Asset Value of the Company by £3,583,483. These net assets comprised interests in portfolio companies of Keydata which, at the time of the acquisition by the Company had not yet commenced trading and thus their acquisition had no immediate impact on earnings. Further details of these transactions were contained in the letter from the chairman of the Company set out in Part III on pages 12 to 22 of the Circular which is incorporated in to this document by reference.

10. Risk management and borrowing

Foresight Group will implement the investment policy within guidelines set by the Board, who will at a strategic level control the overall risk of the Ordinary Shares Fund. In particular, the Board has directed Foresight Group to ensure that the Ordinary Shares Fund's investments are diversified. The Board has stipulated that without Board approval no more than 15 per cent. of the Net Assets of the Company (valued at the time of investment) be invested in any one company.

11. Share buyback policy

The Board's policy is to buyback Ordinary Shares in the market at a price which is at a discount of approximately 10 per cent. to their Net Asset Value. Operation of this policy is restricted by the Listing Rules which restrict the price that a VCT can pay for its own shares (to 5 per cent. above the average market value of the Ordinary Shares for the five Business Days prior to the day a purchase is made) and prohibit purchase of own Shares during any Close Period or any period when there exists any matter which constitutes inside information in relation to the Company. The operation of the policy is also subject to the Company having sufficient liquidity. As investors must hold their Ordinary Shares for at least five years in order to avoid a claw back of income tax relief received in respect of their investment by HMRC, the Directors expect that the number of Shares offered for the Company to buy back during this five year holding period will be small.

12. Dividend policy

The Company's dividend policy is to aim to distribute a steady flow of dividends from income and realised capital gains.

13. Investment Manager

The Company has delegated investment decisions to Foresight Group. Foresight Group has been managing VCTs for over 10 years and is one of the larger VCT managers (measured by VCT funds under management). Its team of over 30 staff now manage more than £300 million including over £200 million in the six Foresight VCTs. During the last four years, Foresight Group has developed expertise and dealflow in renewable energy and other infrastructure investing, and was recognised in 2009 as Renewable Energy Investor of the Year. Foresight Group was also named as the Venture Capital House of the Year 2009 at the November 2009 unquote British Private Equity Awards. Foresight Group's investment committee for the management of the Ordinary Shares Fund comprises six partners of Foresight Group and this is the final approval authority for all investment decisions within Foresight in relation to the Ordinary Shares Fund.

14. The Board

The Board comprises four directors, the majority of whom is independent. The Board has substantial experience of unquoted businesses and VCT management and has overall responsibility for the Company's affairs.

John Gregory (Chairman of the Company)

Currently non executive Chairman of I S Pharma plc an AIM listed specialist pharmaceutical company, John is also a non-executive director or chairman of a number of private companies and was, prior to these appointments, an executive director of Noble Fund Managers. John's earlier career was in the City and included posts as an executive director of Singer & Friedlander Holdings and managing director of Henry Ansbacher.

Peter Frederick Dicks (director)

As co-founder and a director of Abingworth plc, Peter Dicks was an early investor in venture capital, particularly in the US market and was involved in investments in many successful companies such as Apple Computer, Silicon Graphics and 3COM. He is currently a director of a number of quoted and unquoted companies, including Private Equity Investor plc where he is chairman, Polar Capital Technology Trust plc, Graphite Enterprise Trust plc, Sportingbet plc and Standard Microsystems Inc, a US-NASDAQ quoted company. He is a Director of and was formerly chairman of Foresight, Foresight 2 VCT plc, Foresight 3 VCT plc, Foresight 4 VCT plc and is Chairman of Unicorn AIM VCT PLC. He is also a director of Committed Capital VCT plc and Foresight Clearwater VCT plc.

Dr Antony Richard Diment (director)

Antony Diment has many years' experience at senior levels within the unquoted investment sector. At 3i Ventures he was responsible for investment in the information technology sector, and as an executive director of Gresham Trust plc he was responsible for a portfolio of 15 unquoted companies. He was managing director of Cambridge Research & Innovation Ltd ("CRIL") which having become fully invested made arrangements for the tax efficient distribution of assets to shareholders in February 2004. He is a non-executive director of Cascade Fund Management Ltd and Mercia Technology Seed Fund.

Dr Diment is retiring from the board at the AGM in 2011. Following his retirement a majority of the Board will continue to be independent and Mr Humphries will take his place as chairman of the audit and remuneration committees of the Board. It is not proposed to appoint an additional director to the Board.

Gordon James Humphries (director)

Gordon Humphries qualified as a chartered accountant with PricewaterhouseCoopers before moving into financial services, where he has over 20 years experience. He is currently head of investment companies at Standard Life Investments and before that he was deputy head of investment trusts at F & C Asset Management plc. Gordon is a non-executive director of Bluehone AIM VCT2 plc.

15. Fees and expenses

Annual fees and expenses

An annual management fee of 2 per cent. of the Net Asset Value is payable to Foresight Group in respect of the Ordinary Shares Fund. The Ordinary Shares Fund will not bear any part of the annual management fee relating to other share classes of the Company. The administration costs of a VCT generally include the cost of the board, audit, secretarial and professional fees and the cost of communicating with investors. No additional costs will be incurred in connection with the New Ordinary Shares for the Board or for secretarial fees. The net assets attributable to the Ordinary Shares Fund will bear their proportion of the Company's total administration costs (which for this purpose exclude all management fees, promoter's fees and trail commission) based on the Net Asset Value of the Ordinary Shares Fund as a proportion of total net asset value. Foresight Group may retain for its own benefit and without liability to account to the Company (subject to full disclosure having been made to the relevant board) any arrangement fees up to a maximum of 3 per cent. of the amount invested and directors' or monitoring fees which it receives in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.

Performance incentive

Foresight Group is entitled to a performance incentive equal in value to 15 per cent. of all distributions made to Ordinary Shareholders in excess of a Total Return of £1 per Ordinary Share. For these purposes the Total Return is calculated as the aggregate amount of: (i) the latest NAV per Ordinary Share, plus (ii) an amount of 10.75p being the dividends paid per C Share prior to the conversion of Ordinary and C Shares in January 2007; plus (iii) all distributions paid per Ordinary Share following the conversion (but for the avoidance of doubt excluding amounts returned to shareholders under the Tender Offer). The performance related incentive fee will be satisfied by either a cash payment or an issue of Ordinary Shares to Foresight Group (or a combination of both) at the Board's discretion. Any Ordinary Shares to be issued to Foresight Group would be calculated by dividing the amount to be satisfied by the issue of Ordinary Shares by the latest NAV of an Ordinary Share (as reduced by an amount equal to the relevant distribution to be made). The number of Ordinary Shares to which Foresight Group would be entitled would be subscribed for at their par value of 1p each.

16. Financial information

Working capital

The Company is of the opinion that it has sufficient working capital for its present requirements that is for at least 12 months from the date of this document.

Net assets

The Open Offer will have a positive impact on the net assets of the Company by increasing its net assets by the same amount as the net funds raised and is expected to have a positive impact on earnings by increasing the net funds available for investment. The latest unaudited net asset value per Ordinary Share as announced on 1 March 2011 was £1 per share.

Capitalisation and indebtedness

Capitalisation and indebtedness of Foresight

The following table shows the capitalisation of Foresight as at 30 June 2010, the most recent date in respect of which unaudited financial information of the Company has been published.

	£'000
Shareholders' equity	539
Legal reserve	17,715
Other reserves	27
Profit and loss reserve (or equivalent)	10,177

On 28 January 2010 Foresight published an offer for subscription to raise up to £10,000,000 by the issue of Planned Exit Shares. The offer closed on 30 June 2010 having raised £6,179,833. On 28 February 2011 Foresight acquired all the assets of Keydata Income VCT 1 plc and Keydata Income VCT 2 plc in return for the issue of 6,463,504 Ordinary Shares to the shareholders of those venture capital trusts which are now in liquidation. Immediately after this acquisition the Company restructured its Ordinary Share capital by rateably redesignating a proportion of its Ordinary Share capital as nominally valued deferred shares and then purchasing those deferred shares in order to ensure that as nearly as practicable the Net Asset Value per Ordinary Share would be 100p. The number of Existing Ordinary Shares in issue is, as announced on 1 March 2011, 29,941,281 and the Net Asset Value of each Existing Ordinary Share was 100p. There has been no other material change to the capitalisation of Foresight since 30 June 2010.

The following table shows Foresight's unaudited gross indebtedness as at 31 December 2010 (extracted without material adjustment from internal accounting records).

	£'000
Total current debt	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0
Total non current debt	
Guaranteed	0
Secured	0
Unguaranteed/unsecured	0

As at 31 December 2010, the Company had unaudited net liquid assets (excluding its investment portfolio) of £4 million as summarised below (extracted without material adjustment from internal accounting records). The acquisition on 28 February 2011 of the net assets of Keydata increased the net asset value of the Company by £3,583,483. As at the date of this document, there have been no material changes to these figures.

	£'000
Cash	670
Cash equivalent	1,998
Trading securities	0
Liquidity	2,668
Current financial receivables	1,400
Current bank debt	0
Current portion of non current debt	0
Other current financial debt	0
Current financial debt	0
Net current assets	4,068
Non current bank loans	0
Bonds issued	0
Current financial payables	(77)
Other non current loans	0
Net current assets less non current financial indebtedness	3,991

As at 10 March 2011, the Company had no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptance or acceptance credits, mortgages, charges, convertible debt securities, debt securities with warrants attached or guarantees or other contingent liabilities.

17. CREST

New Ordinary Shares will be in registered form and will be eligible for electronic settlement. Each Company has its Shares admitted to the CREST system so that, should they wish to, investors will be able to hold their Shares in uncertificated form.

18. Share rights

The following provisions apply to the Company,

Class rights

The New Ordinary Shares are part of the class of Ordinary Shares and are completely separate from the Company's other existing Share classes.

All investments and cash attributable to the other existing Share classes will be kept separate from the Ordinary Shares Fund. Accordingly, investors in the New Ordinary Shares will not have any exposure to the investment gains or losses of other existing Share classes.

Along with the existing Ordinary Shareholders, the holders of New Ordinary Shares will have the exclusive right to Distributions from the assets within the Ordinary Shares Fund but not from assets attributable to other existing Shares. Equally, the holders of other existing Shares will continue to have the exclusive right to Distributions from assets attributable to the other existing Shares but not from assets attributable to New Ordinary Shares.

Holders of New Ordinary Shares will be entitled to vote at meetings of the Company in the same way as existing Shareholders.

No change may be made to the rights attaching to New Ordinary Shares without the approval of the holders of New Ordinary Shares.

Dividends and assets on a winding up

The Company may by ordinary resolution and, subject to the provisions of the CA 2006 and of the Articles, declare dividends to be paid to Shareholders according to their respective rights and interest in the profit of the respective class of Shares provided that no dividend shall exceed the amount recommended by the Directors.

The Directors may pay interim dividends if it appears to them that they are justified in so doing by the profits of the relevant class of Shares available for distribution.

Except as otherwise provided by the rights that attach to any class of Share, dividends shall be apportioned and paid pro rata according to the amounts paid up on the Shares on which the dividend is paid (except where those amounts are paid up in advance of calls).

If any dividend remains unclaimed after a period of twelve years from the date of the declaration of that dividend, it shall be forfeited and shall cease to remain owing by the respective class of Shares.

The Directors may with the prior authority of an ordinary resolution of the relevant Company, subject to the provisions of the Articles of that Company, offer to holders of any class of Shares the right to elect to receive shares credited as fully paid, instead of the whole (or some part, to be determined by the Directors) of any dividend specified by the ordinary resolution. Under current law, no tax will be withheld by the Company when they pay a dividend.

The capital and assets of the Company shall on a winding up or other return of capital be applied pro rata to the Company's Shareholders, save as otherwise provided for any class of Share in the Company.

Voting rights

Subject to any special rights which may apply to any class of Shares that may have been issued or may from time to time be held, every member who is present in person, including any corporation present by its duly authorised representative, or by proxy, at a general meeting of the Company shall, on a show of hands, have one vote. On a poll every member present in person or by proxy shall have one vote for each Share of which he is a holder.

Where Shares are held jointly, the vote of the senior who has tendered a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the holding.

A Shareholder will lose his right to vote at a general meeting or at any separate meeting of the holders of any class of Share, whether in person or by proxy, unless all calls presently payable by him in respect of those Shares, together with interest and expenses (if any) have been paid in full to the relevant Company, even where those Shares are jointly held. The right to vote, together with all other rights and benefits of membership, will also be lost where the member (or any other person claiming to have an interest in such Shares) has been issued with a notice which requires the member or such other person to declare his interest in the Shares and has failed to give the required information to the relevant Company within the prescribed period of fourteen days and has been served with a default notice.

Variation of class rights

Whenever the share capital of the Company is divided into different classes of Shares, the special rights attached to any class may, subject to the Companies Acts, be varied by the passing of an extraordinary resolution at a general meeting of such holders or the written consent of three quarters in nominal value of the issued Shares of the affected class. At such a meeting, the necessary quorum shall be at least two members of the class holding (or representing by proxy) not less than one third in nominal value of the capital paid up on the issued Shares of that class and at an adjourned meeting one person (whether present in person or by proxy) holding Shares of that class.

Issue of Shares

Subject to the provisions of the Companies Acts relating to authority, pre-emption rights and otherwise, and to any resolution of the relevant Company in general meeting passed pursuant thereto, all Shares shall be at the disposal of the Directors, and they may allot or otherwise dispose of them to such persons, at such times and on such terms as they think fit.

Transfer of Shares

A Shareholder may transfer any or all of his Shares by instrument of transfer in writing in any usual or common form or in any other form acceptable to the Directors. The instrument of transfer should be signed by or on behalf of the transferor and, where the Share is not fully paid, by or on behalf of the transferee. The transfer shall not become effective until the name of the transferee is entered into the register of members. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, either generally or in respect of any class of Shares provided that the register shall not be closed for more than thirty days in any year.

The Directors may in their absolute discretion and without assigning any reason therefor refuse to register any transfer of shares where the shares in question are not fully paid up in respect of which the relevant Company has a lien where such refusal does not restrict dealings on an open and proper basis. The Directors may refuse to recognise an instrument of transfer unless the instrument of transfer is (a) in respect of only one class of Share; (b) is in favour of not more than four transferees; and (c) is lodged at the transfer office accompanied by the relevant share certificates and any other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

No transfer will be registered if a member, or any other person appearing to be interested in the shares held by him, has been served with a notice under section 793 of the CA 2006 and, at the end of the prescribed period of fourteen days, is in default in supplying the information thereby required provided that those shares represent at least 0.25 per cent. (calculated exclusively of treasury shares) in nominal value of the issued shares of any class and subject to the exceptions specified in the Articles relating to the disclosure of interests. Restrictions on transfers do not apply to a sale to a bona fide, unconnected, third party.

19. Profile of a typical investor

A typical investor in the Company is a UK higher-rate income tax payer over 18 years of age with an investment range of between £3,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed in Part 6 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

11 March 2011

PART 6

DEFINITIONS

The following definitions are used throughout this document unless the context otherwise requires:

“Additional New Ordinary Shares”	the number of New Ordinary Shares subscribed for under the Open Offer by a Qualifying Shareholder (i) who does not sell any Existing Ordinary Shares under the Tender Offer; or (ii) which is more than 98 New Ordinary Shares for every 100 Existing Ordinary Shares sold under the Tender Offer; or (iii) which are subscribed under the Excess Application Facility.
“Admission”	the date on which New Ordinary Shares allotted pursuant to the Open Offer will be listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange’s main market for listed securities
“AIM”	the Alternative Investment Market
“Application Forms” and each an “Application Form”	the personalised application forms on which Qualifying Shareholders may apply under the Open Offer and Tender Offer which accompanies this document
“Articles”	the articles of association of the Company
“BDO”	BDO LLP
“Board”	the board of directors of the Company
“Business Days”	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
“CA 1985”	Companies Act 1985 (as amended)
“CA 2006”	Companies Act 2006 (as amended)
“certificated” or “in certificated form”	not in uncertificated form
“Circular”	the circular to Shareholders of the Company dated 27 January 2011
“Closing Date”	31 March 2011 or such later date as may be announced by the Company
“Close Period”	as defined in paragraph 1(a) of the Model Code
“Company” or “Foresight”	Foresight VCT plc
“Companies Acts”	CA 1985 and CA 2006
“CREST”	the relevant system as defined in the CREST Regulations in respect of which Euroclear is operator (as defined in the CREST Regulations) in accordance with which securities may be held in uncertificated form
“Directors”	the directors of the Company
“Distributions”	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of New Ordinary Shares, excluding any income tax relief on subscription
“Eligible Shares”	in relation to a company which is a Qualifying Company, means ordinary shares which carry no present or future preferential right to dividends or to the assets of the company on its winding up, and no present or future right to be redeemed

“Enterprise Value of the Derby Project”	as defined in a circular to Shareholders published by the Company on 27 January 2011*
“Equipment”	as defined in a circular to Shareholders published by the Company on 27 January 2011*
“Euroclear”	Euroclear UK & Ireland Limited, the operator of CREST
“Enhanced Buyback”	the Tender Offer and the Open Offer
“Excess Application Facility”	the arrangement described on page 21 under which Qualifying Shareholders may apply for New Ordinary Shares in excess of their Open Offer Entitlement and which may be subject to scaling back in accordance with the provisions of this document
“Excluded Territories” and each an “Excluded territory”	the United States of America, Canada, Australia, Japan, New Zealand and South Africa and any other jurisdiction where the extension or availability of the Open Offer would breach any applicable law
“Existing Ordinary Shares”	the Ordinary Shares in issue at the date of this document
“FSA”	the Financial Services Authority or successor regulator
“FSMA”	the Financial Services and Markets Act 2000
“Foresight Annual Reports”	the annual report and financial statements for the years ended 31 December 2007, 2008 and 2009
“Foresight Group”	Foresight Group LLP, the current investment manager for the Company, which is authorised and regulated by the FSA
“Foresight VCTs”	Foresight VCT plc, Foresight 2 VCT plc, Foresight 3 VCT plc, Foresight 4 VCT plc, Foresight Solar VCT plc and Foresight Clearwater VCT plc
“HMRC”	HM Revenue & Customs
“Incentive Shares”	the additional New Ordinary Shares to which Existing Shareholders will be entitled if they subscribe for Additional New Ordinary Shares of which further details are set out in paragraph 4.9 on page 18
“Inside Information”	as defined in section 118C of FSMA
“Investment Manager”	Foresight Group LLP
“Keydata 1”	Keydata Income VCT 1 plc in liquidation registered in England and Wales under number 05366736, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU
“Keydata 2”	Keydata Income VCT 2 plc in liquidation registered in England and Wales under number 05366735, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU
“Keydata”	both Keydata 1 and Keydata 2
“Keydata Portfolio Companies”	as defined in a circular to Shareholders dated 27 January 2011*
“Listing Rules”	(in accordance with section 73A of FSMA) rules relating to Admission to the Official List
“London Stock Exchange”	London Stock Exchange plc
“Memorandum”	the memorandum of association of the Company
“Model Code”	the Model Code set out in LR9 Annex 1 of the Listing Rules
“NAV” or “Net Asset Value”	the net asset value attributable to the Ordinary Shares calculated in accordance with the Company’s normal accounting policies in force at the date of calculation

“New Ordinary Shares”	new ordinary shares of 1p each in the capital of Foresight offered for subscription pursuant to the Open Offer
“Offer Price”	102.04082 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded up to the nearest £0.01 per Ordinary Share)
“Open Offer”	the offer to subscribe for New Ordinary Shares pro rata to rights on the terms set out in this document
“Official List”	the official list of the UK Listing Authority maintained in accordance with section 74(1) FSMA
“Open Offer Entitlements”	the pro rata entitlements to subscribe for New Ordinary Shares allocated to Qualifying Shareholders pursuant to the Open Offer
“Ordinary Shareholder”	a holder of Ordinary Shares in the Company
“Ordinary Shares”	ordinary shares of 1p each in the capital of Foresight (ISIN number GB00B68K3716)
“the Ordinary Shares Fund”	the net assets of the Company attributable to its Ordinary Shares in issue pursuant to the articles of association of the Company
“Overseas Shareholders”	Shareholders and/or prospective Shareholders (as the context may require) who are resident in, or who are citizens of, or who have registered addresses in, any of the Excluded Territories
“Planned Exit Shares”	Planned Exit Shares of 1p each in the capital of Foresight (ISIN number GB00B61K7Y37)
“PLUS”	PLUS Markets plc the new small and mid-cap recognised investment exchange in the UK and a market operator under the Markets in Financial Instruments Directive (“MiFID”), authorised to operate both secondary (trading) and primary (listing/quotation) markets
“Prohibited Period”	any Close Period or any period when there exists any matter which constitutes Inside Information in relation to the Company
“Prospectus”	together the Registration Document, the Securities Note and the Summary
“Prospectus Rules”	the prospectus rules of the UK Listing Authority
“Qualifying Company”	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
“Qualifying CREST Shareholders”	Qualifying Shareholders holding Ordinary Shares in uncertificated form in CREST
“Qualifying Shareholders”	holders of Ordinary Shares whose names are entered on the Register as at the Record Date with the exclusion of Overseas Shareholders
“Qualifying Investments”	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
“Register”	the register of members of the Company
“Registrar” and “Receiving Agent” and “Computershare”	Computershare Investor Services plc
“Registration Document”	the registration document published by the Company on 11 March
“Record Date”	the date on which Qualifying Shareholders’ entitlements to the Open Offer Entitlements and their entitlement to participate in the Tender Offer will be assessed against the Company’s Share register, being the close of business on 10 March 2011
“Regulatory Information Service” or “RIS”	a service authorised by the UK Listing Authority to release regulatory announcements to the London Stock Exchange

“Roll Over Value”	as defined in a circular to Shareholders published by the Company on 27 January 2011
“Scheme”	the merger of the Company with Keydata 1 and Keydata 2 by means of placing each of Keydata 1 and Keydata 2 into a members’ voluntary liquidation pursuant to Section 110 of IA 1986 and the acquisition by the Company of all of the assets and liabilities of Keydata 1 and Keydata 2 in consideration for the issue of Ordinary Shares and the payment of deferred consideration to be satisfied by the issue of additional Ordinary Shares to the shareholders of Keydata 1 and Keydata 2 on the basis set out in the circular to Shareholders published by the Company on 27 January 2011
“Shareholder”	a holder of Shares in the Company
“Shares”	Ordinary Shares and Planned Exit Shares, or either of them as the context permits or requires
“Singer”	Singer Capital Markets Limited
“Summary and Securities Note”	this document
“the Tax Act”	the Income Tax Act 2007 (as amended)
“Tender Offer”	the tender offer to buy back Existing Ordinary Shares on the terms set out in this document
“Tender Price”	100 per cent. of the Net Asset Value of an Existing Ordinary Share as at 31 March 2011 (rounded down to the nearest £0.01 per share)
“UK Listing Authority” or “UKLA”	the FSA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
“VCT Relief”	the reliefs from taxation described in the VCT Rules
“VCT Rules”	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
“VCT Value”	the value of an investment calculated in accordance with Section 278 of the Tax Act
“Venture Capital Trust” or “VCT”	a venture capital trust as defined in Section 259 of the Tax Act

* These definitions have been incorporated by reference from Part I on pages 5-9 of the Circular.

CORPORATE INFORMATION

Directors (Non-executive)

John Howard Gregory
(Chairman of the Company)
Peter Frederick Dicks
Antony Richard Diment
Gordon James Humphries

Company Secretary and Custodian

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Investment Manager and Promoter

Foresight Group LLP
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Solicitors and VCT Tax Advisers

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Sponsor

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Registrar

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