

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 Registration Document issued by Foresight VCT plc (“the Company”) dated 11 March 2011. The Company has also published additional information in a Summary and Securities Note which, with this Registration Document, together comprise a Prospectus (“the Prospectus”) prepared in accordance with the Prospectus Rules made under Section 84 of the Financial Services and Markets Act 2000 (“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 5) accept responsibility for the information contained in this document. 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 this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Registration Document

of

Foresight VCT plc

Registered in England and Wales under number 03421340

as at 11 March 2011

In connection with this document, 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 authorised and regulated in the United Kingdom by the FSA.

Copies of this Registration Document and the Summary and Securities Note 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, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU and 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.

Your attention is drawn to the Risk Factors on pages 3 to 4. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

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RISK FACTORS

Existing and prospective investors should 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 the Ordinary Shares will face. Additional risks not currently known to the Company or the Board, or that 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 doubt should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks.

- 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 the 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, 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.
- There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- 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 likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs and investors may find it difficult to realise their investments. The market price of the 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 support the Share Buyback Policy or the Zero Discount Buyback Policy and during Prohibited Periods when the Company is unable to purchase its own Shares the market price of the Ordinary Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value.
- 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. 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.
- All Ordinary Shareholders may participate in the Enhanced Buyback but Ordinary Shareholders should consult with their professional tax advisers as to whether it is appropriate for them to do so. Shareholders who own Existing Ordinary Shares purchased since 6 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.

- 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 is likely to 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 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 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 the Summary and Securities Note.
- If an investor who subscribes for Ordinary Shares disposes of those 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.
- Although the Company may receive conventional venture capital rights in connection with their investments, as a minority investor they may not be in a position fully to protect their interests against unforeseen risks which are misjudged or mismanaged by those in control.
- 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 a Company which may restrict that 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 invest 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 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 Investment Scheme in any rolling 12 month period. 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. 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 may not be regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- 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 time and at different prices, the opportunity to realise their investment (e.g. by supporting a sale of that Qualifying Company to a third party buyer), may not be equally attractive to all such funds if their expectations as to the timing of 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 Share in the Company, in doing so, shall have regard (amongst other matters) to the need to act fairly between different members of the Company.
- Although Foresight 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 Company may be different or less than might otherwise be the case.

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

Foresight Fund Managers Limited
ECA Court
South Park
Sevenoaks
Kent TN13 1DU

Investment Manager and Promoter

Foresight Group LLP
24-25 ECA Court
South Park
Sevenoaks
Kent TN13 1DU

Solicitors and VCT Tax Advisers

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

Registrars and Receiving Agent

Computershare Investor Services PLC
P.O. Box 859
The Pavilions
Bridgwater Road
Bristol BS99 1XZ

Registered Office

ECA Court
24-26 South Park
Sevenoaks
Kent TN13 1DU

Company Registration Number

03421340

Website

www.foresightgroup.eu

Telephone Number

01732 471 800

Sponsor

BDO LLP
125 Colmore Row
Birmingham B3 3SD

Broker

Singer Capital Markets Limited
One Hanover Street
London W15 1YZ

Auditors

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Barclays Bank plc
1 Churchill Place
London EC14 5HP

DEFINITIONS

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

| | |
|---|--|
| “Additional Consideration Shares” | the additional new Ordinary Shares to be issued to Keydata Shareholders pursuant to and in accordance with the Scheme |
| “Admission” | the date on which New Ordinary Shares allotted pursuant to the Open Offer are 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 |
| “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” or “the 2006 Act” | Companies Act 2006 (as amended) |
| “Circular” | the circular to Shareholders of the Company dated 27 January 2011 |
| “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 operated byEuroclear in accordance with which securities may be held in uncertificated form |
| “CREST Regulations” | the Uncertificated Securities Regulations 1995 |
| “Derby Project” | the proposed 3.0MW biomass-fuelled electricity generation station in Derby within the scope of the planning permission to be built in stages between 2011 and 2012 including the equipment and all other tangible and intangible assets, liabilities, revenues, profits and business directly attributable or derived therefrom |
| “Directors” | the directors of the Company from time to time, as the context permits |
| “Distributions” | amounts paid by way of dividends or other Distributions, 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 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 |
| “Enhanced Buyback” | the Tender Offer and the Open Offer |
| “Enterprise Value of the Derby Project” | the fair value of the ownership interests held by participators in the Derby Project on the basis of the 12 months ending 30 September 2013 estimated by Foresight Group in accordance with a methodology regarded as appropriate by the auditors of Foresight in the context of the International Private Equity and Venture Capital Valuation Guidelines |
| “Euroclear” | Euroclear UK & Ireland Limited, the operator (as defined in the CREST Regulations) of CREST |

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| “Existing Ordinary Shares” | the Ordinary Shares in issue prior to the Enhanced Buyback |
| “FSA” | the Financial Services Authority |
| “FSMA” | the Financial Services and Markets Act 2000 |
| “Annual Reports” | the annual report and financial statements for the years ended 31 December 2007, 2008 and 2009 of the Company |
| “Interim Report” | the interim report for the 6 month period ended 30 June 2010 of the Company |
| “Foresight 2” | Foresight 2 VCT plc |
| “Foresight Group” | Foresight Group LLP, the current investment manager for the Company, which is authorised and regulated by the FSA |
| “HMRC” | HM Revenue & Customs |
| “Inside Information” | as defined in section 118C of FSMA |
| “Keydata 1” | Keydata Income VCT 1 plc, registered in England and Wales under number 05366736, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (in members’ voluntary liquidation from 28 February 2011) |
| “Keydata 1 and 2” | both Keydata 1 and 2 |
| Keydata 2 | Keydata Income VCT 2 plc, registered in England and Wales under number 05366735, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (in members’ voluntary liquidation from 28 February 2011) |
| “Liquidators” | Ian Schofield and Charles Escott of PKF (UK) LLP being the liquidators for Keydata 1 and Keydata 2 |
| “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 |
| “Money Market Funds” | money market funds, government securities or other liquid assets |
| “New Ordinary Shares” | new Ordinary Shares of 1p each in the capital of the Company offered for subscription pursuant to the Open Offer (and each a “New Ordinary Share”) |
| “Offer Price” | approximately 102 per cent. of the most recently published net asset value of an Existing Ordinary Share prior to the closing date of 31 March 2011 (round up to the nearest 0.01 p per share) |
| “Official List” | the official list of the UK Listing Authority maintained in accordance with section 74(1) FSMA |
| “Old Ordinary Shares” | Ordinary shares of 1p each in the capital of the Company before the merger of the share capital of the Company on 16 January 2007 |
| “Old C Shares” | C shares of 1p each in the capital of the Company before the merger of the share capital of the Company on 16 January 2007 |
| “Open Offer” | the offer for subscription of New Ordinary Shares as described in the Summary and Securities Note |

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| “Ordinary Shares” | ordinary shares of 1p each in the capital of the Company (ISIN number GB00B68K3716) |
| “Ordinary Shares Fund” | the net assets of the Company attributable to the Ordinary Shares in issue pursuant to the Articles |
| “Ordinary Share Reconstruction” | the reconstruction, pursuant to resolution 2 passed at the Company’s general meeting on 18 February 2011, of the Ordinary Share capital which resulted in the net asset value per Ordinary Share being 100 pence as at 2 March 2011 and implemented by the redesignation of a certain number of Ordinary Shares as deferred shares and their repurchase by the Company for a nominal consideration of one pence in aggregate |
| “Planned Exit Shares” | Planned Exit Shares of 1p each in the capital of the Company (ISIN number GB00B61K7Y37) |
| “Planned Exit Share Offer” | the offer for the subscription of Planned Exit Shares published in January 2010 |
| “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, and the Summary and Securities Note |
| “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 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 |
| “Qualifying Loan” | a loan to a Qualifying Company, having an original term of not less than 5 years within which it cannot be required by the Company to be repaid, except on standard events of default, and which may be secured on the assets of the Qualifying Company |
| “Registrar” and “Receiving Agent” and “Computershare” | Computershare Investor Services plc |
| “Registration Document” | this document |
| “Roll-Over Value” | the value of each of the ordinary shares in Keydata 1 and Keydata 2 in issue as at 24 February 2011 (save for any such ordinary shares held by dissenting shareholders in Keydata 1 and Keydata 2) |
| “Scheme” | the merger of the Company with Keydata 1 and Keydata 2 by means of placing 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 Consideration Shares to the shareholders of Keydata 1 and Keydata 2 on the basis set out in the Circular |

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| “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 |
| “Share Buyback Policy” | the policy of the Company to purchase Ordinary Shares in the market at a price which is at a discount of approximately 10 per cent. to their net asset value subject to the restrictions of the Listing Rules and the Company having sufficient liquidity |
| “Summary and Securities Note” | the summary and securities note issued by the Company dated 11 March 2011 in connection with the Enhanced Buyback |
| “the Tax Act” | the Income Tax Act 2007 (as amended) |
| “Tender Offer” | the tender offer described in the Summary and Securities Note |
| “Tender Price” | approximately 100 per cent. of the most recently published net asset value of an Existing Ordinary Share prior to the Closing Date (rounded down to the nearest 0.01p per share) |
| “Transfer Agreement” | the agreement between the Company and Keydata 1 and Keydata 2 (acting through the Liquidators) for the transfer of all of the assets and liabilities of Keydata 1 and Keydata 2 by the Liquidators to the Company pursuant to the Scheme |
| “UK Listing Authority” | 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 states, territories and possessions (including the District of Columbia) |
| “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 Investments” | shares in, or securities of, a Qualifying Company held by a venture capital trust which meet the requirements described in Parts 3 and 4 of Chapter 6 to the Tax Act |
| “Venture Capital Trust” or “VCT” | a company satisfying the requirements of Chapter 3 of Part 6 of the Tax Act for venture capital trusts |
| “Zero Discount Buyback Policy” | the policy of the Company to purchase Planned Exit Shares at a zero discount to their Net Asset Value, less transaction costs payable to market makers and stockbrokers |

THE DIRECTORS AND FORESIGHT GROUP

(A) THE DIRECTORS

1. Directors of the Company

John Howard Gregory (62) (Chairman) (appointed 30 July 2010)

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 (68)

As co-founder and a director of Abingworth plc, Peter Dicks was a pioneer of the European venture capital industry and involved in investments in many successful companies such as Apple Computers, 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 also a director of Foresight Clearwater VCT plc and Committed Capital VCT plc. He is a Director of and was formerly chairman of the Company, Foresight 2 Foresight 3 VCT plc, Foresight 4 VCT plc and is chairman of Unicorn AIM VCT PLC.

Antony Richard Diment (66)

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.

Gordon James Humphries (49)

Gordon Humphries qualified as a chartered accountant with PriceWaterhouse Coopers 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.

2. Current and Past Directorships

The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships mentioned below:

| | Current | Past 5 Years |
|--------------|--|---|
| John Gregory | EPIC VCT plc IS Pharma plc Meaujo Tug Limited Meaujo Bell Limited The 1855 Club plc Tixal Limited Foresight VCT plc | The Centre for Accessible Environments Bluehone AIM VCT plc Enterprise VCT plc Foresight 3 VCT plc Local Allotments plc |
| Peter Dicks | Standard Microsystems Corporation Polar Capital Technology Trust Plc Committed Capital VCT plc Graphite Enterprise Trust Plc Mercia Fund 1 General Partner Limited Gartmore Fledgling Trust Plc | Vencap International Plc The East German Investment Trust Plc (members voluntary liquidation commenced 6.11.08) GEI Group Limited (voluntarily struck off and dissolved 9.11.10) United Industries Plc (in administration) |

| | | |
|---------------------|---|---|
| | Daniel Stewart Securities Plc SVM UK Emerging Fund Plc Unicorn AIM VCT Plc Private Equity Investor Plc Foresight VCT plc Foresight 2 VCT plc Foresight 3 VCT plc Foresight 4 VCT plc Foresight Clearwater VCT plc Mears Group Plc Sportingbet Plc Capital Accumulation Limited London Trust Productions Limited PCT Finance Limited GTF Dealing Limited | from 13.04.06 and dissolved 13.05.08) Waterline Group Plc CM Group Holdings Limited (in members voluntary liquidation prior to being dissolved 16.08.08) BoostCareer Limited (dissolved 12.08.09) ISEC Securities Limited Second London American Trust Plc (members voluntary liquidation commenced 30.08.06)) Enterprise Capital Trust plc (members voluntary liquidation commenced 21.09.04) |
| Antony Diment | Cascade Fund Management Limited Foresight VCT plc Mercia Fund Management Limited Paper & Glue Limited Venture Capital Techniques Limited | CDT Holdings Limited CDT Acquisitions Corp Cambridge Display Technologies Limited ICENI Advisory Limited Noble VCT plc The University of Manchester Venture Fund Management Limited Tera View Limited |
| Gordon Humphries | Foresight VCT plc Bluehone AIM VCT2 plc | Charlotte Securities Limited ISIS Asset Management Pension Fund Target Dealing Company Limited The Columbus Dealing Company Limited Ivory & Sime UK Discovery Limited |

(B) FORESIGHT GROUP

The legal and commercial name of Foresight Group is Foresight Group LLP. Foresight Group is a limited liability partnership and was incorporated and registered in England and Wales under number OC300878 pursuant to the Limited Liability Partnerships Act 2000 on 25 October 2001 (telephone number 01732 471800). Foresight Group is domiciled in England. Foresight Group is authorised and regulated by the Financial Services Authority to advise on investments, arrange deals in investments and to make arrangements with a view to transactions in investments.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's Memorandum was amended on 23 February 2010 to delete its object clause. Under the CA 2006 the Company's objects are unrestricted.

The material provisions of each of the Company's Articles are as detailed below. The CA 2006 as amended by The Companies (Shareholders' Rights) Regulations 2009 automatically amends certain provisions of the Company's Articles as noted within the text of the summary below.

1. Rights attaching to the Planned Exit Shares and Ordinary Shares

- (a) The following provisions apply in respect of the Planned Exit Shares and Ordinary Shares:

"Planned Exit Share Surplus" means the net assets of the Company attributable to the Planned Exit Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the holders of Planned Exit Shares;

"Manager" means Foresight Group LLP and/or any other investment adviser or manager appointed by Foresight;

"Ordinary Share Surplus" means the net assets of the Company attributable to the Ordinary Shares (including, for the avoidance of doubt, any income and/or revenue arising from or relating to such assets) less such proportion of the Company's liabilities including the fees and expenses of liquidation or return of capital (as the case may be) as the Directors or the liquidator (as the case may be) shall reasonably allocate to the assets of the Company attributable to the holders of Ordinary Shares; and

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

(b) **Undertakings**

The Company shall, without prejudice to its obligations under the Statutes (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the holders of Planned Exit Shares and Ordinary Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or if applicable, profit and loss account) balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Directors, be desirable to ensure compliance by the Company with the provisions of Part 6 of the Income Tax Act 2007 as amended, shall be created and maintained in the books of the Company for the assets attributable to the holders of Planned Exit Shares and Ordinary Shares, (ii) allocate to the assets attributable to the holders of Planned Exit Shares and Ordinary Shares such proportion of the expenses and liabilities of the Company incurred or accrued as the Directors fairly consider to be allocable to the Planned Exit Shares and Ordinary Shares and (iii) give appropriate instructions to the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company.

(c) **Voting rights**

The Planned Exit Shares and Ordinary Shares rank *pari passu* as to rights to attend and vote at any general meeting of Foresight.

(d) **Dividends**

The rights of the Company's members to receive dividends are as follows:

- (i) the holders of Ordinary Shares shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the Ordinary Shares; and
- (ii) the holders of Planned Exit Shares shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the Planned Exit Shares.

(e) Distribution of assets on liquidation

The capital and assets of the Company shall on a winding up or on a return of capital be applied as follows:

- (i) the Ordinary Share surplus shall be divided amongst the holders of the Ordinary Shares pro rata according to their holdings of Shares; and
- (ii) the Planned Exit Share surplus shall be divided amongst the holders of Planned Exit Shares pro rata according to their holdings of Planned Exit Shares.

(f) Class consents and variation of rights

The holders of Planned Exit Shares as a class and the holders of the Ordinary Shares as a class shall be required to approve (and, accordingly, without such approval, the special rights attached to the Planned Exit Shares and the Ordinary Shares shall be deemed to be varied, inter alia, by):

- (i) any alteration to the Memorandum or Articles of the Company; or
- (ii) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company; or
- (iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company other than pursuant to the exercise of subscription rights in accordance with the terms of the share options granted or to be granted to the Manager; or
- (iv) the selection of any accounting reference date other than 31 December.

2. General meetings

- (a) An annual general meeting and a general meeting at which it is proposed to pass a special resolution or (except as provided by the Act) a resolution of which special notice has been given to the Company, must be called by at least 21 days notice in writing. A general meeting (other than an annual general meeting or a general meeting so concerned with a special resolution of a resolution of which special notice has been given) may be called by only 14 days notice in writing provided that the Company complies with section 307A of the CA 2006, as amended by the Companies (Shareholders' Rights) Regulations 2009. The period of notice must in each case be exclusive of the day in which the notice is served or deemed to be served and of the day in which the meeting is to be held provided that a general meeting shall, notwithstanding that it may have been called by a shorter notice than that specified above, be deemed to have been duly called if it is so agreed: (a) in the case of an annual general meeting, by all the members entitled to attend and vote thereat; and (b) in the case of an extraordinary general meeting by a majority number of the members having a right to attend and vote thereat, being a majority together holding not less than 95% in nominal value of the shares giving that right; provided also that the accidental omission to give notice to, or the non-receipt of notice by, any person entitled thereto shall not invalidate the proceedings at any general meeting.

- (b) Every notice calling a general meeting shall specify the place and the day and hour of the meeting and the general nature of the business to be transacted. There shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a member. In the case of an annual general meeting, the notice shall also specify the meeting as such.
- (c) Each member is entitled to attend and vote and to appoint one or more proxies to attend and vote on a poll vote and also on a show of hands, instead of him. A proxy need not be a member.
- (d) The accidental omission to send a notice of any meeting, or (where forms of proxy are sent out with notices) to send a form of proxy with a notice to any person entitled to receive the same, or the non-receipt of a notice of meeting or form of proxy by such a person, shall not invalidate the proceedings at the meeting.
- (e) No business shall be transacted at any general meeting unless a quorum is present. Two members present in person (or by representative) or by proxy and entitled to vote shall be a quorum.
- (f) If a quorum is not present within half an hour or if during a meeting a quorum ceases to be present, the meeting, if convened on the requisition of members, shall be dissolved and in any other case shall stand adjourned to such day and to such time and place as may be determined by the chairman which must be not less than (in accordance with section 307A (7) of the CA 2006 as amended by The Companies (Shareholders' Rights) Regulations 2009) ten days and notice of the adjourned meeting shall be given in a like manner as the original meeting. At such adjourned meeting a quorum shall be two members present in person or by proxy and entitled to vote. If a quorum is not present within half an hour from the time fixed for holding the adjourned meeting or if during the adjourned meeting a quorum ceases to be present, the meeting shall be dissolved. The Company shall give at least ten clear days' notice in writing of any meeting adjourned.
- (g) The Directors shall on the requisition of members in accordance with the Statutes but subject as therein provided: (a) give to the members who would, if an annual general meeting were then to be held, be entitled to receive notice thereof notice of any resolution which may properly be moved and is intended to be moved at the meeting so requisitioned; and (b) circulate to such members any statement of not more than one thousand words with respect to the matter referred to in any proposed resolution for the business to be dealt with at that meeting.
- (h) Pursuant to section 303 of the CA 2006, the Directors must, on a members' requisition, forthwith proceed duly to convene a general meeting of the Company. A members requisition is a requisition of members of the Company holding at the date of the deposit of the requisition not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting at general meetings of the Company. For these purposes the Company's paid up capital held as treasury shares would be disregarded. The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the registered office of the Company and may consist of several documents in like form, each signed by one or more requisitionists. If the Directors do not within 21 days from the date of the deposit of the requisition proceed duly to convene a meeting, the requisitionists or any of them representing more than one half of the total voting rights of all of them may themselves convene a meeting but any meeting so convened must not be held after the expiration of 3 months from that date. A meeting convened under this section by requisitionists must be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.

3. Voting rights

- (a) 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 only in each Company. On a poll every member present in person or by proxy shall have one vote for each share of which he is a holder.

- (b) 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 of each company in respect of the holding.
- (c) A member 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 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 pursuant to section 793 of the CA 2006 (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 Company within the prescribed period of 14 days.

4. Pre-emption rights

- (a) In accordance with the CA 2006 in relation to authority, pre-emption rights and otherwise and of any resolution of the Company in general meeting passed pursuant thereto the Directors may allot (with or without conferring a right of renunciation) grant warrants and options over or otherwise dispose of shares in the Company to such persons at such times and on such terms as they think proper provided that no share shall be issued at a discount except in accordance with the CA 2006.
- (b) There are no pre-emption rights in relation to the transfer of shares.

5. Right to share in the Company's profits

Subject to the rights of any shares which may be issued with special rights or privileges, the holders of the Company's shares alone are entitled to participate in the income and capital profits of the Company which are available for distribution.

6. Rights to share in any surplus in the event of liquidation

On a winding up, any surplus assets will be divided between the members according to their respective holdings of shares, subject to the rights of any shares which may be issued with special rights or privileges.

7. 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 Act be varied by the passing of an extraordinary resolution at a general meeting of such holders. 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 in question.

8. Alteration of share capital

- (a) The Company may from time to time by ordinary resolution increase, consolidate or subdivide its share capital.
- (b) The Company may also by resolution or as required by law reduce share capital or any capital redemption reserve or share premium or other undistributable reserve in any manner which is in accordance with and subject to any method and/or consent authorised or required by law.

9. Issue of Shares

Subject to the provisions of the Act relating to authority, pre-emption rights and otherwise, and to any resolution of the Company in general meeting passed pursuant thereto, all unissued 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.

10. Transfer of Shares

- (a) A member 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 therefore refuse to register any transfer of Shares where the shares in question are not fully paid up 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
- (b) No transfer will be registered where a member, or any other person appearing to be interested in the shares held by him has been served with a notice under section 212 of the Act and, at the end of the prescribed period, is in default in supplying the information thereby required provided that those shares represent at least 0.25% (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.

11. Dividends

- (a) The Directors shall, so far as it is prudent to do so, distribute to members all the accumulated and realised revenue and capital profits of the Company as soon as practicable rather than reinvesting the profits in further venture capital investments.
- (b) The Company may by ordinary resolution and subject to the provisions of the Act and of its Articles declare dividends to be paid to members according to their respective rights and interest in the profit of the Company, provided that no dividend shall exceed the amount recommended by the Directors.
- (c) The Directors may pay interim dividends if it appears to them that they are justified in so doing by the profits of the Company available for distribution.
- (d) 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).
- (e) 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 Company.
- (f) The Directors may with the prior authority of an ordinary resolution of the Company, subject to such terms and conditions as the Directors may determine, offer to holders 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.

12. Borrowing power

- (a) The Directors may exercise all the powers of the Company to borrow money and to mortgage and charge its undertaking, property and assets (present and future) and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.
- (b) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries and subsidiary undertakings so as to secure (but as regards subsidiaries and subsidiary undertakings only insofar as by the exercise of such rights or powers of the Directors can control) that the aggregate principal amount for the time being outstanding of all monies borrowed or secured by the Company and/or any of its subsidiaries or subsidiary undertakings shall not without the previous sanction of the Company in general meeting exceed an amount equal to the Adjusted Capital and Reserves (as defined in 13(c) below) provided that prior to the publication of an audited balance sheet of the Company such aggregate principal amount shall be limited to 90% of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.
- (c) The expression “Adjusted Capital and Reserves” means, as shown by a consolidation of the then latest audited balance sheets of the Company and its subsidiaries and subsidiary undertakings but subject to deductions and adjustments set out in the Articles of the Company, a sum equal to the aggregate of (a) the amount paid up on the issued share capital of the Company; and (b) the amount standing to the credit of the reserves (including without limitation any share premium account, capital redemption reserve, tax equalisation account and credit balance on profit and loss account and any unappropriated balance of investment grants) of the Company and their subsidiaries and subsidiary undertakings.

13. Directors’ and other interests

- (a) A Director may be interested directly or indirectly in any contract or arrangement or in any proposed contract or arrangement with the Company or with any other company in which the Company may be interested provided that he declares the nature of his interest at a meeting of the Directors.
- (b) A Director shall not vote or be counted in the quorum in relation to any resolution concerning any contracts, arrangements, transactions or any other proposal whatsoever to which the Company is or are to be a party and in which he has an interest which is, to his knowledge, a material interest unless the resolution concerns any of the following matters:
 - (i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of their subsidiary undertakings;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
 - (iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or any underwriting or sub-writing of which he is to participate;

- (iv) any proposal concerning any other body corporate in which he together with the persons connected with him within the meaning of section 252 of the CA 2006 does not to his knowledge have an interest (as the term is used in sections 820-828 of the CA 2006) in one percent or more of the issued equity share capital of any class of such body corporate or of the voting rights available to members of such body corporate,
 - (v) any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; or
 - (vi) any proposal concerning insurance which the Company propose to maintain or purchase for the benefit of Directors or for the benefit of persons who include the Directors.
- (c) With effect on and from the coming into force of Section 175 of the CA 2006 the Boards of each Company may authorise, to the fullest extent permitted by law:
- (i) any matter which would or might otherwise result in a Director infringing his duty to avoid a situation in which he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company and which may reasonably be regarded as likely to give rise to a conflict of interest (including a conflict of interest and duty or a conflict of duties);
 - (ii) a Director to accept or continue in any office, employment or position in addition to his office as a Director of the Company and without prejudice to the generality may authorise the manner in which a conflict of interest arising out of such office, employment or position may be dealt with, either before or at the time that such a conflict of interest arises and such an authorisation may be given subject to such terms and conditions as the Board thinks fit to impose at the time of such authorisation or subsequently and the authorisation may be varied or terminated by the Board at any time. Such an authorisation is only effective if any requirement as to the quorum of the meeting is met without the Director in question and any other interested Director counting in the quorum at any meeting at which such matter, or such office, employment or position, is approved and the authorisation is agreed to without their voting or would have been agreed to if their votes had not been counted. If a matter or office, employment or position, has been so authorised by the Board then: the Director is not required to disclose any confidential information relating to such matter, or such office, employment or position, to the Company if to make such a disclosure would result in a breach of a duty or obligation of confidence owed by him in relation to or in connection with that matter, or that office, employment or position; the Director may (and shall if required by the Board) absent himself from meetings or discussions of the Board at which anything relating to that matter, or that office, employment or position, will or may be discussed; and the Director may (and shall if required by the Board) decline to review information provided by the Company which will or may relate to or be connected to that matter, or that office, employment or position;
 - (iii) a Director shall not, by reason of his office, be accountable to the Company for any benefit which he derives from any matter, or from any office, employment or position, which has been approved by the Board (subject in any such case to any terms or conditions to which such approval is for the time being subject).
- (d) Where proposals are under consideration for the appointment (including fixing or arranging the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, such proposals

may be divided and considered in relation to each Director separately and in such case each of the Directors are entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

- (e) There shall be no fewer than two and not more than seven Directors in the Company unless otherwise determined by ordinary resolution).
- (f) The Directors shall not be required to hold any shares in the Company by way of qualification. A Director who is not a member shall nevertheless be entitled to attend and speak at general meetings or at the meetings of the holders of any class of shares.
- (g) At each annual general meeting of the Company at least one third of the Directors or, if their number is not a multiple of three, then the nearest number to but not exceeding one third shall retire from office by rotation. Subject to the provisions of the Act the Directors to retire in each case shall be those who have been longest in office since their last election, provided that no Director holding office as an executive director as provided for in the articles of association of the Company will be subject to retirement by rotation or be taken into account in determining the number of Directors to retire. Where two or more people were last reappointed on the same day, those who retire shall, unless they otherwise agree among themselves, be determined by lot. Any Director appointed by the Directors shall hold office only until the next annual general meeting, when he shall be eligible for re-election, but shall not be taken into account in determining the Directors to retire by rotation at the meeting.
- (h) Any Director who attains the age of 70 will continue to be subject to the same provisions as the other Directors.
- (i) The Directors shall be entitled (other than alternative directors) to receive by way of fees for their services as Directors such sum as the Remuneration Committee appointed from time to time by the Directors, shall in its discretion determine. The Directors are entitled to be repaid all such reasonable expenses as they may incur in attending or returning from any meetings of the Directors or any committee of the Directors or general meetings of the Company or otherwise in connection with the discharge of their duties as Directors.
- (j) The Directors may purchase and maintain insurance for, or for the benefit of, any persons who are or were Directors, officers or employees of the Company or of any other company which is a subsidiary or subsidiary undertaking of the Company or in which the Company has an interest, whether direct or indirect including without limitation insurance in relation to duties, power or offices in relation to any pension fund or employees share scheme.
- (k) The Directors may from time to time appoint one or more of their number to be chief executive or chief executives or managing Director or managing Directors or to be manager or managers of any branch or department of the Company's business or to hold any other office or place of profit under the Company in conjunction with the office of Director. In addition, the appointment of an executive Director may be made for such period at such remuneration and upon such terms as to the duties to be performed and the powers to be exercised and all other matters as the Directors think fit and as the Company is from time to time empowered to provide. An executive Director shall receive such remuneration (whether by way of salary commission participation in profit or otherwise or by any or all of those methods) as the Directors may determine and either in addition to or in lieu of his fees as a Director of the Company.
- (l) The Directors may entrust to and confer upon any of the Directors any of the powers, authorities and discretions vested or exercisable by it upon such terms and conditions and with such restrictions as it thinks fit, but no person dealing in good faith shall be affected by it.

14. Untraced Shareholders

- (a) The Company shall be entitled to sell at the best price reasonably obtainable the shares of a member or the shares to which a person is entitled by virtue of transmission if and provided that:
 - (i) during a period of 12 years at least three dividends (whether interim or final) have been paid in relation to such shares and no such dividends have been claimed and no cheque, order or warrant in respect of such shares sent by the Company through the post in a pre-paid envelope addressed to the member or the person entitled by transmission to that share at his or her address on the register or other last known address given by the member or person to which cheques order or warrants in respect of such shares are to be sent has been cashed; and
 - (ii) the Company have on or before the expiry of the said period of 12 years inserted advertisements in a national newspaper and a local newspaper circulated in the area of the member or former member's last known address giving notice of its intention to sell the shares and has notified the London Stock Exchange of its intention to do so; and
 - (iii) during the same period of 12 years and the period of 3 months following the publication of such advertisements the Company have received indication neither of the whereabouts nor of the existence of such member or person.
- (b) The net proceeds of sale will belong to the Company which shall account to the former member or other person entitled to the proceeds for the amount received. However, no trust shall be created in respect of the debt, no interest is payable on the amount of the debt and the Company shall not be required to account for any money earned on the net proceeds.

15. Non-United Kingdom Shareholders

There are no limitations in the Articles on the rights of non-United Kingdom Members to hold or to exercise voting rights attached to the Company's shares, however, non-United Kingdom Members are not entitled to receive notices of general meetings unless they have given an address in the United Kingdom to which such notices may be sent.

16. Capitalisation of profits and reserves

The Directors may, before recommending any dividend, but having regard to the Company's status as a venture capital trust decide to reserve out of the profits of the Company such sums as they think fit and may apply such reserves at the discretion of the Directors for any proper purpose or invest such reserves in any investment the Directors may think fit. The reserves from unrealised profits are to be kept separate from reserves representing profits available for distribution. The Directors may also without placing the same to a reserve, carry forward any profits which they may think prudent not to distribute.

17. Distribution of realised profits

As long as the Company has given notice in the prescribed form to the Registrar of Companies of its intention to carry on business as an investment company ("a relevant period") the Company shall be prohibited from distributing any capital profits (within the meaning of section 833 of the CA 2006), otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with sections 687 to 708 of the CA 2006. The Directors will establish a reserve to be called the capital reserve and during a relevant period all surpluses arising from the realisation or revaluation of investments or deriving from the realisation or other dealing with any capital asset in excess of the book value of that asset shall be credited to the capital reserves. Subject to the Act, the Directors may determine whether any amount received by the Company is to be dealt with as income or capital, or partly one way and partly the other. During a relevant period, any loss realised on the realisation or other dealing with any investment or other capital

asset and subject to the Act any expenses, liability, loss or provision therefor which the Directors consider to relate to a capital item or which they otherwise consider appropriate to be debited to the capital reserve shall be carried to the debit of the capital reserve. During a relevant period, any sum standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except that no part of the capital reserve shall be transferred to the profits of the Company available for distribution (as defined by section 829 of the CA 2006) or be applied in paying dividends on any shares of the Company. In any other period other than a relevant period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined in section 829 of the CA 2006) or be applied in paying dividends of any shares of the Company.

18. Winding-up

The liquidator may, with the sanction of an extraordinary resolution and any other sanctions required by the Act, divide amongst the members in specie the whole or any part of the assets of the Company in such manner as he may determine.

In order for the future of the relevant Company to be considered by the members, the Directors of that Company shall, at the annual general meeting of the Company falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company and thereafter at five yearly intervals, invite the members to consider and debate the future of the relevant Company (including without limitation, whether the relevant Company should be wound up, sold or unitised) and following that meeting shall as soon as practicable thereafter convene an extraordinary general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

19. Notifiable interests

Obligations of Members to disclose to the Company notifiable interests in its shares are stated in Part 22 of the CA 2006, sections 89A to 89L of FSMA and the Disclosure & Transparency Rules. In accordance with the Articles, failure by any Member to provide the Company with the information as requested by any notice served in accordance with section 793 of the CA 2006 may result in the Member being restricted in respect of his shareholdings (as detailed in paragraph 3(c) and 11(b) above) and, *inter alia*, the withholding of any dividends payable to him.

PART I - FORESIGHT

(A) GENERAL INFORMATION

1 Incorporation and registered office

- 1.1 The legal and commercial name of the Company is Foresight VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 19 August 1997 with registered number 03421340 under the name Foresight Technology VCT plc. The Company changed its name to Foresight VCT plc on 16 January 2007. The Company was issued with a trading certificate under section 117 of the CA 1985 on 23 September 1997.
- 1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder..
- 1.4 The Company's registered office and principal place of business is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU. The Company is domiciled in England. The Company does not have nor has it had since incorporation, any subsidiaries or employees.
- 1.5 HMRC has approved the Company as a VCT under section 259 of the Tax Act. The business of the Company has been, and it is intended will be, carried on so as to continue to comply with that section to maintain full approval.
- 1.6 At the annual general meeting of the Company falling after the fifth anniversary of the last allotment (from time to time) of Shares in the Company and thereafter at five yearly intervals the Directors will invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene extraordinary general meetings of the Company to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.
- 1.7 The Company revoked its status as an investment company under section 266 of the Act in March 2000 for the purposes of a payment of a capital dividend. The Company does not intend to re-apply for investment company status. The Company is not authorised and/or regulated by the FSA or an equivalent overseas regulator.
- 1.8 The Ordinary Shares and the Planned Exit Shares are admitted to the official list of the UK Listing Authority.
- 1.9 The Company is not otherwise regulated.

2. Share capital

- 2.1 The authorised share capital of the Company on incorporation was £350,000, divided into 30,000,000 Old Ordinary Shares and 5,000,000 redeemable non voting shares of one penny each ("Redeemable Shares"). On incorporation, twenty Old Ordinary Shares were issued nil paid by the Company to the subscribers to its Memorandum. These shares have subsequently been paid up in full in cash.
- 2.2 On 15 January 2007, the Company passed a resolution (as subsequently confirmed by the holders of Old Ordinary Shares and of Old C Shares on 16 January 2007) to merge the funds attributable to the Old Ordinary Shares and the Old C Shares by:
 - (i) converting the Old Ordinary Shares into 10,177,029 Old C Shares and 4,614,319 deferred shares of 1p each in the capital of the Company ("Deferred Old Shares") (such Deferred Old Shares then being repurchased by the Company for an aggregate amount of 1p and redesignated as Old C Shares); and
 - (ii) the unissued and issued Old C Shares were then redesignated as Ordinary Shares.

- 2.3 On 16 January 2007, 14,791,348 Old Ordinary Shares held at 15 January 2007 were redesignated as 10,177,029 Old C Shares in accordance with a conversion ratio such that the total number of shares so redesignated is in proportion to the ratio which the unaudited net asset value of the Old Ordinary Shares Fund portfolio bore to the unaudited net asset value of the Old C Shares fund portfolio as at 15 January 2007. The balance of 4,614,319 Old Ordinary Shares in each Shareholder's holding of Ordinary Shares, having a nominal value of £46,143 was redesignated as Deferred Old Shares and was purchased by the Company for an aggregate amount of 1p. All of the resulting Old 45,153,120 C Shares were then redesignated as Ordinary Shares and the articles of association of the Company 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 the Ordinary Shares are exclusively entitled.
- 2.4 As at 30 June 2010 the issued share capital of Foresight was £53,921,218 (47,741,385 Ordinary Shares and 6,179,833 Planned Exit Shares). Foresight has issued and bought back the following share capital in the period commencing 1 January 2007 and ending 31 December 2009 (in the case of old ordinary and "C" shares) or 30 June 2010 (in the case of Ordinary Shares and Planned Exit Shares):

| Old Foresight Ordinary Shares | Year to 31 December 2007 | Year to 31 December 2008 | Year to 31 December 2009 |
|---|---------------------------------|---------------------------------|---------------------------------|
| Number of Old Foresight Ordinary Shares in issue at the beginning of the period | 14,791,348 | N/A | N/A |
| Issue of Old Foresight Ordinary Shares | N/A | N/A | N/A |
| Repurchases of Old Foresight Ordinary Shares redesignated as deferred shares | (4,614,319) | N/A | N/A |
| Conversion of Old Foresight Ordinary Shares into Foresight Ordinary Shares | (10,177,029) | N/A | N/A |
| Number of Old Foresight Ordinary Shares in issue at the end of the period | 0 | N/A | N/A |

| Old Foresight "C" Shares | Year to 31 December 2007 | Year to 31 December 2008 | Year to 31 December 2009 |
|--|---------------------------------|---------------------------------|---------------------------------|
| Number of Old Foresight "C" Shares in issue at the beginning of the period | 34,976,091 | N/A | N/A |
| Issue of Old Foresight "C" Shares | N/A | N/A | N/A |
| Repurchases of Old Foresight "C" Shares | N/A | N/A | N/A |
| Conversion of Old Foresight "C" Shares into Foresight Ordinary Shares | (34,976,091) | N/A | N/A |
| Number of Old Foresight "C" Shares in issue at the end of the period | 0 | N/A | N/A |

| Foresight Ordinary Shares | Year to 31 December 2007 | Year to 31 December 2008 | Year to 31 December 2009 | Six months to 30 June 2010 |
|---|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Number of Foresight Ordinary Shares in issue at the beginning of the period | 0 | 44,023,031 | 46,375,790 | 48,137,369 |
| Conversion of Old Foresight Ordinary Shares and Old Foresight "C" Shares into Foresight Ordinary Shares | 45,153,120 | N/A | N/A | N/A |
| Issue of Foresight Ordinary Shares | 2,019,911 | 3,749,220 | 2,707,165 | 0 |
| Repurchases of Foresight Ordinary Shares | (3,150,000) | (1,396,461) | (945,586) | (395,984) |
| Number of Foresight Ordinary Shares in issue at the end of the period | 44,023,031 | 46,375,790 | 48,137,369 | 47,741,385 |

| Foresight Planned Exit Shares | Year to 31 December 2007 | Year to 31 December 2008 | Year to 31 December 2009 | Six months to 30 June 2010 |
|---|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Number of Foresight Planned Exit Shares in issue at the beginning of the period | N/A | N/A | N/A | 0 |
| Issue of Foresight Planned Exit Shares | N/A | N/A | N/A | 6,179,833 |
| Repurchases of Foresight Planned Exit Shares | N/A | N/A | N/A | 0 |
| Number of Foresight Planned Exit Shares in issue at the end of the period | N/A | N/A | N/A | 6,179,833 |

2.5 The following special resolutions were passed at a general meeting of the Company held on 23 February 2010:

“THAT

- (a) the Directors be, and hereby are generally and unconditionally authorised to allot pursuant to section 551 of the 2006 Act Ordinary Shares of one pence each in the capital of the Company (“Ordinary Shares”) up to an aggregate nominal amount of £481,374 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the first anniversary of the date of the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require Ordinary Shares to be allotted and the Directors may allot Ordinary Shares in

pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired;

- (b) the Directors be and hereby are given the general power to allot Ordinary Shares of one pence each in the capital of the Company for cash pursuant to the authority conferred by paragraph 7 (a) as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to an offer or issue by way of rights, open for acceptance for a period fixed by the Directors, to holders of Ordinary Shares (other than the Company) on the register on any record date fixed by the Directors in proportion (as nearly as may be) to the respective number of ordinary shares deemed to be held by them, subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, legal or practical problems arising in any overseas territory the requirements of any regulatory body or stock exchange or any other matter whatsoever at a price per Ordinary Share equal to the net asset value of an existing ordinary share as at close of business two days prior to the date of allotment divided by 0.98 (rounded up to the nearest 0.01p per Ordinary Share);
- (c) the Company be generally and unconditionally authorised pursuant to section 701 of the 2006 Act to make market purchases (within the meaning of section 693(4) of the 2006 Act of Ordinary Shares by means of a tender offer to all holders of Ordinary Shares to purchase up to 48,137,369 Ordinary Shares (representing the number of Ordinary Share in issue as at 28 January 2010 at a fixed price equal to the latest net asset value per Ordinary Share as at close of business two days prior to the date of purchase and rounded down to the nearest 0.01p per Share (which fixed price shall, for the purposes of section 701 (3) (b) of the 2006 Act constitute both the maximum and the minimum price that may be paid for the Ordinary Shares purchased); and

the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2011 unless such authority is renewed prior to such time.

- 2.6 At the same meeting referred to in paragraph 2.5 above the following resolutions were also proposed:

“THAT

- (a) conditionally upon the passing of Resolutions described in paragraphs (b) and (d) below, the Directors be generally and unconditionally authorised pursuant to section 551 of the 2006 Act to allot ordinary shares of a nominal value of one pence each entitled as “Planned Exit Shares” and having the rights and being subject to the restrictions set out in articles of association of the Company as proposed to be amended pursuant to Resolution number 2.11(d) below (“Planned Exit Shares”) and to grant rights to subscribe for or to convert any security into Planned Exit Shares in the Company up to an aggregate nominal amount of £150,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require Planned Exit Shares to be allotted or rights to subscribe for or convert securities into Planned Exit Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or convert securities into Planned Exit Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

This resolution is additional to and does not revoke or replace existing and unexercised authorities previously granted to the Directors to allot Shares or grant rights to subscribe for or convert securities into Shares.

- (b) subject to the passing of resolution referred to in paragraph (a) above granting authority to allot Planned Exit Shares, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to:

- (i) the allotment of equity securities with an aggregate nominal value not exceeding £100,000 pursuant to an Offer for Subscription of Planned Exit Shares published in January 2010 (“the Offer”)
- (i) the allotment, of equity securities with an aggregate nominal value of up to £20,000 (through the issue of Planned Exit Shares in connection with performance incentive arrangements to Foresight Group LLP in connection with its appointment as the investment manager in respect of the capital to be raised by the issue of Planned Exit Shares
- (ii) the allotment of Planned Exit Shares with an aggregate nominal value not exceeding £10,000 pursuant to any dividend investment scheme operated from time to time by the Company;
- (iii) the allotment of Planned Exit Shares with an aggregate nominal value of up to 10% of the issued Planned Exit Share capital of the Company immediately following the close of the Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company’s Planned Exit Shares in the market; and
- (v) the allotment of equity securities from time to time with an aggregate nominal value of up to 5% of the issued Planned Exit Share capital of the Company immediately following close of the Offer.

The power granted by this resolution will expire on the date falling fifteen months after the date of the passing of this resolution save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution is additional to and does not revoke or replace existing and unexercised powers previously granted to the Directors to allot equity securities as if either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

- (c) the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the 2006 Act) of Planned Exit Shares of one pence each provided that:
 - (i) the aggregate nominal amount of the Planned Exit Shares to be purchased shall not exceed the lesser of 1,499,000 and 14.99% of the issued Planned Exit Share capital following the close of the Offer;
 - (ii) The minimum price (excluding expenses) which may be paid for each Planned Exit share is one pence;
 - (iii) The maximum price (excluding expenses) which may be paid for each Planned Exit Share is the higher of:
 - a) 105% of the average of the middle market quotation for Planned Exit Shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Planned Exit Shares are purchased; and
 - b) the value of a Planned Exit Share calculated on the basis of the higher of the price quoted for: (i) the last independent trade of, and (ii) the highest current independent bid for, any number of the Company’s Planned Exit Shares on the trading venue where the purchase is carried out

- (iv) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2011 unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase Planned Exit Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Planned Exit Shares pursuant to such contract.
- (d) the articles of association of the Company be amended as set out in Parts 1 and 2 of section 3 of the circular accompanying the notice convening the general meeting.
- (e) the proposed appointment of Foresight Group LLP as the investment manager in relation to the capital to be raised by the Offer on the terms described in the circular accompanying the notice convening the general meeting be approved.
- (f) the change in the Company's investment policy arising from the investment capital raised by the proposed issue of Planned Exit Shares on the terms set out in the Prospectus be approved."

2.7 The following special resolutions of the Company were passed at an extraordinary general meeting of the Company held on 18 May 2010:

"That

- a. subject to the approval of the resolutions to be proposed at the separate meetings of the holders of Ordinary Shares of 1 p each and Planned Exit Shares of 1 p each in each case to be held on 18 May 2010, the Directors be and are hereby authorised in accordance with section 551 of the Companies Act 2006 to exercise all of the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any security in to shares in the Company ("Rights") up to an aggregate nominal value of £250,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution save that the Company shall be entitled make offers or agreements before the expiry of such authority and the Directors shall be entitled to allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired; and this authority shall be in addition to and shall not revoke the authority granted to the Directors pursuant to resolution 1 passed at the general meeting of the Company held on 23 February 2010 but all other unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked
- b. That subject to the approval of the resolutions to be proposed at the separate class meetings, the Directors be and are hereby empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities within the meaning of section 560 of that Act for cash pursuant to the authority conferred by paragraph a above or by way of a sale of treasury shares as if section 561(1) of that Act did not apply to any such allotment provided that the power shall be limited to:
 - i. the allotment of ordinary shares with an aggregate nominal value of up to but not exceeding 10% of the issued ordinary share capital on the date this resolution is passed where the proceeds of the allotment are to be used in whole or in part to purchase the Company's Ordinary Shares in the market; and
 - ii. the allotment otherwise than pursuant to sub-paragraph I of this resolution to any person or persons of ordinary shares up to an aggregate nominal value of up to but not exceeding 5% of the issued Ordinary Share capital of the Company on the date this resolution is passed

- c. and shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2011 save that the Company shall be entitled to make offers save that the Company shall be entitled make offers or agreements before the expiry of such authority and the Directors shall be entitled to allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired; and this authority shall be in addition to and shall not revoke the authority granted to the Directors pursuant to resolution 2 passed at the general meeting of the Company held on 23 February 2010 but all other unexercised authorities previously granted to the Directors to allot shares and grant Rights be and are hereby revoked
- d. subject to the approval of the resolutions to be proposed at the separate class meetings, the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own Ordinary Shares (either for cancellation or for retention as treasury shares for future re-issue or transfer) provided that:
 - i. the aggregate nominal amount of the ordinary shares to be purchased shall not exceed 7,215,791 Ordinary Shares;
 - ii. the minimum price which may be paid for Ordinary Shares is 1p per share;
 - iii. the maximum price which may be paid for Ordinary Shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for Ordinary Shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the Ordinary Shares are purchased; and (2) the amount stipulated by Article 5(1) of the Buyback and Stabilisation Regulation 2003
 - iv. the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in the year 2011 unless such authority is renewed prior to such time; and
 - v. the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to such contract.

and such authority granted by this resolution shall be (i) in addition to and shall not revoke the authorities granted to the Company pursuant to resolutions 3 and 7 passed at the general meeting of the Company held on 23 February 2010 to facilitate purchases of Planned Exit Shares and an enhanced share buyback of ordinary shares which shall, continue in full force and effect (“the enhanced buyback authorities”) ; and (ii) may be exercised before or after the exercise of the enhanced buyback authorities ; but all other unexercised authorities previously granted to the Company to allot equity securities be and hereby are revoked.

- 2.8 Pursuant to the resolutions referred to in paragraphs 2.6 and 2.7 above, the Company is authorised to purchase in the market and cancel up to approximately 14.99% of its issued Planned Exit Share capital following the Planned Exit Shares Offer. A possible aim of such purchases would be to reduce the discount to net assets value at which Planned Exit Shares trade in the market. Shares which are purchased will be cancelled. Purchases of Planned Exit Shares may be financed wholly or partly by the proceeds of a new issue of Planned Exit Shares. The Company is authorised pursuant to the resolutions referred to in paragraph 2.7 to allot further Foresight Planned Shares with a nominal value of up to 10% of the Planned Exit Shares in issue following the Planned Exit Shares Offer. The Directors intend that any such new Planned Exit Shares will be issued, subject to their listing on the Official List, at a premium to the then prevailing net asset value of the Planned Exit Shares to ensure that existing holders of Planned Exit Shares are not disadvantaged.

2.9 The following special resolutions of the Company were passed at a general meeting held on 18 February 2011:

(a) That subject to the Scheme (as defined in and provided for in the circular to shareholders dated 27 January 2011 (“Circular”)) becoming unconditional:

(i) the acquisition of the assets and liabilities of Keydata 1 and Keydata 2 on the terms set out in the Circular be and hereby is approved; and

(ii) the directors be and hereby are generally and unconditionally authorised in accordance with section 551 of the CA 2006 (“the Act”) to exercise all of the powers of the Company to allot Ordinary Shares and Additional Consideration Shares up to an aggregate nominal value of £150,000 in connection with the Scheme, provided that the authority conferred by this paragraph 1.2 shall expire on the fifth anniversary of the date of the passing of this resolution unless renewed, varied or revoked by the Company in general meeting.”

(b). That

(i) subject to the passing of resolution (a) above, if the merger value per Ordinary Share as at the calculation date is less than 100 pence per Ordinary Share, then immediately following the allotment of Ordinary Shares in connection with the Scheme a number of Ordinary Shares in issue as is represented by “DS” in the following formula (fractional entitlements being rounded down) shall be redesignated as deferred shares of 1 pence each (“Deferred Shares”), such shares having the rights and restrictions set out in paragraph (iii) below:

$$DS = N - X$$

where:

N = the number of Ordinary Shares in issue immediately following the allotment of Ordinary Shares in connection with the Scheme

$$X = \frac{N}{Y}$$

$$Y = \frac{100}{Z}$$

Z = the merger value in pence per Ordinary Share

and such Deferred Shares so created shall then be immediately repurchased by the Company as set out in paragraph 2.4 below.

(ii) the Deferred Shares shall:

(aa) carry the right to receive a fixed cumulative preferential dividend from the revenue profits of the Company which are available for distribution and which the Directors determine to distribute by way of dividend in priority to any dividend payable in respect of Ordinary Shares at the rate of 1p per annum in aggregate to be paid amongst the holders of Deferred Shares as a class but confer no other right to a dividend;

(bb) not confer any right to receive notice of, or to attend or vote at general meetings;

(cc) on a winding up confer a preferential right to be paid out of the assets of the Company available for distribution an amount equal to 1p for all Deferred Shares held prior to the surplus being distributed to the holders of Ordinary Share capital, but do not confer any right to participate in any surplus assets of the Company; and

(dd) be capable of being purchased by the Company at any time for an aggregate consideration of 1p (and for such purposes the Directors may authorise any person to execute on behalf of and as attorney for the holders of Deferred Shares an appropriate contract and may deliver it or them on their behalf);

(iii) following the passing of this resolution (c) the Articles be and are hereby amended so as to:

(aa) incorporate in Article 1 of the Articles a definition of the Deferred Shares to read as follows:

“Deferred Ordinary Shares” deferred ordinary shares of 1 pence each in the capital of the Company,”

(bb) renumber Article 2.1 as Article 2.1 (A); and

(cc) incorporate paragraph (ii) above as Article 2.1 (B);

(iv) the Company, acting by its Directors, be and hereby is authorised to enter into a contract to purchase all the issued Deferred Shares for an aggregate amount of 1p in accordance with the Articles as amended pursuant to paragraph (c) above (in the form of the contract tabled at the meeting and initialled by the Chairman for the purposes of identification and which as at the date of the meeting will have been on display at the Company’s registered office and available for inspection by members for not less than 15 days);

(v) following the purchase of all issued Deferred Shares in accordance with paragraph (d) above the Articles be automatically amended to delete any references to such Deferred Shares; and

(vi) the Company shall not be obliged to issue share certificates in respect of the Deferred Shares; give any prior notice to the holders of Deferred Shares that such shares are to be purchased in accordance with Article 2.1 (B); or account to any holder of Deferred Shares for the purchase monies in respect of such shares.

(c). That, subject to the passing of resolution (a) and resolution (b) above

(i) in addition to existing authorities, the Directors be and hereby are generally and unconditionally authorised in accordance with section 551 of the Act to exercise all the powers of the Company to allot Ordinary Shares in the Company and to grant rights to subscribe for or to convert any securities into Ordinary Shares in the Company up to an aggregate nominal value representing 10 per cent. of the issued Share capital following completion of the Scheme and the Ordinary Share Reconstruction (as defined in the Circular), where the proceeds may in whole or part be used to purchase Ordinary Shares provided that the power provided by this paragraph (i) shall expire on the conclusion of the annual general meeting of the Company to be held in 2012;

(ii) in addition to existing authorities, the Directors be and hereby are empowered pursuant to sections 570 and 573 of the Act to allot or make offers or agreements to allot equity securities (which expression shall have the meaning ascribed to it in section 560(1) of the Act) for cash pursuant to the authority given pursuant to paragraph 3.1 of this resolution as if section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to the allotment and issue of Shares up to an aggregate nominal value representing 10 per cent of the issued share capital of the Company from time to time, where the proceeds may in whole or in part be used to purchase Ordinary Shares.

(iii) in addition to existing authorities, the Company be and hereby is empowered to make one or more market purchases within the meaning of Section 693(4) of the 2006 Act of its own Ordinary Shares (either for cancellation or for the retention as treasury shares for future re-issue or transfer) provided that:

(aa) the aggregate nominal amount of the Ordinary Shares to be purchased shall not exceed £26,408;

(bb) the minimum price (excluding expenses) which may be paid for each Ordinary Share is one pence;

(cc) the maximum price (excluding expenses) which may be paid for each Ordinary Share is the higher of:

(A) 105 per cent of the average of the middle market quotation for Ordinary Shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which Ordinary Shares are purchased; and

(B) the value of an Ordinary Share calculated on the basis of the higher of the price quoted for: the last independent trade of, and the highest current independent bid for, any number of the Company's Ordinary Shares on the trading venue where the purchase is carried out.

(dd) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2012 unless such authority is renewed prior to such time; and

(ee) the Company may make a contract to purchase Ordinary Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to such contract.

(d). That

(i) in addition to existing authorities, the Directors be, and hereby are generally and unconditionally authorised pursuant to section 551 of the CA 2006 to allot Ordinary Shares of one pence each in the capital of the Company ("Ordinary Shares") up to an aggregate nominal amount of £300,000; representing 114 per cent of the anticipated issued Ordinary Share capital of the Company following completion of the Scheme and the Ordinary Share Reconstruction (or, if resolutions numbered (a) and (b) above are not passed) an aggregate nominal amount of £477,415;

(ii) In addition to existing authorities, the Directors be and hereby are given the general power to allot Ordinary Shares of one pence each in the capital of the Company for cash pursuant to the authority conferred by paragraph (a) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to: (i) the allotment of Ordinary Shares in substitution for shares of the same class already admitted to trading on the same regulated market where the issue of Ordinary Shares does not involve any increase in the issued Ordinary Share capital of the Company and where the proceeds of the issue may be used in whole or in part to finance the purchase of Ordinary Shares pursuant to paragraph (iii) below; and (ii) the allotment of Ordinary Shares to Ordinary Shareholders in proportion (as nearly as may be practicable) to their existing holdings in each case at a price per Ordinary Share equal to the net asset value of an existing Ordinary Share as at close of business two days prior to the date of allotment divided by 0.98 (rounded up to the nearest £0.01 per Ordinary Share); and

(iii) In addition to existing authorities, the Company be generally and unconditionally authorised pursuant to section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of Ordinary Shares by means of a tender offer to all holders of Ordinary Shares to purchase up to 30,000,000 Ordinary Shares (representing approximately 114 per cent. of the anticipated number of Ordinary Shares which will be in issue following the completion of the Scheme and the Ordinary Share Reconstruction) (or, if Resolutions numbered 1 and 2 above are not passed) a tender offer to all holders of Ordinary Shares to purchase up to 47,741,385 Ordinary Shares at a fixed price equal to the latest net asset value per Ordinary Share as at close of business two days prior to the date of purchase and rounded down to the nearest £0.01 per Share (which fixed price shall, for the purposes of section 701

(3) (b) of the Act constitute both the maximum and the minimum price that may be paid for the Ordinary Shares purchased; and

(iv) the authority conferred by this resolution (“the Enhanced Buy Back Authority”) shall expire on the first anniversary of the date of the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require Ordinary Shares to be allotted and purchased and the Directors may allot and purchase Ordinary Shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.”

- 2.10 On 28 February 2011, 6,463,504 Ordinary Shares were issued pursuant to the Scheme.
- 2.11 On 1 March 2011, 24,063,608 Ordinary Shares were redesignated as deferred shares and the Company purchased all of the issued deferred shares for an aggregate amount of 1p in accordance with the Articles as amended pursuant to the Ordinary Shares Reconstruction. Following the purchase of all the issued deferred shares, the Articles were automatically amended to delete any references to such deferred shares.
- 2.12 As at 10 March 2011 issued share capital of the Company was 36,121,114 (29,941,281 Ordinary Shares and 6,179,833 Planned Exit Shares). Other than as disclosed in this document, there have been no changes in the share capital of the Company since incorporation.
- 2.13 In accordance with the Scheme, the Company remains liable to pay additional consideration (by way of the issue of Additional Consideration Shares) to former shareholders of Keydata 1 and Keydata 2 as soon as practicable following 30 September 2013 if the Shareholder Percentage of the Enterprise Value of the Derby Project expressed on a per Share basis exceeds the Roll Over Value of shares in Keydata 1 and Keydata 2 at the rate of one pence for every one pence by which that excess is greater than the Roll Over Value. The number of Additional Consideration Shares shall be calculated by dividing that excess by the future value of Ordinary Shares (calculated by dividing the unaudited net asset value of the Ordinary Share Fund as at close of business on 30 September 2013, calculated in accordance with the Company’s normal accounting policies, by the number of Ordinary Shares in issue following the close of business on 30 September 2013) and multiplying the result by the number of ordinary shares of Keydata 1 and Keydata 2 in issue as at close of business on 24 February 2011 (save for any such ordinary shares held by dissenting shareholders of Keydata 1 and Keydata 2).
- 2.14 The maximum consideration (comprising the Ordinary Shares initially issued pursuant to the Scheme and the Additional Consideration Shares) which may be paid by the Company for the acquisition of the assets of Keydata 1 and Keydata 2 will not exceed £6.4 million. Therefore the maximum additional consideration will be the difference between the aggregate Roll-Over Value of the ordinary shares of Keydata 1 and Keydata 2 (excluding any such ordinary shares held by dissenting shareholders of Keydata 1 and Keydata 2) on 24 February 2011 and £6.4 million.
- 2.15 The Shareholder Percentage of the Enterprise Value of the Derby Project (“SEV”) will be calculated by multiplying the Enterprise Value of the Derby Project by the same percentage of the Derby Project to which the Company would be entitled, if the portfolio companies of Keydata 1 and Keydata 2 were to be liquidated following the close of business on 30 September 2013 and the Derby Project distributed in specie to all participants in accordance with their rights, pursuant to the rights which the Company enjoys as the holder of the investments in the portfolio companies of Keydata 1 and Keydata 2 which it acquired pursuant to the merger with Keydata 1 and Keydata 2 subject to the SEV Adjustment (as defined below).
- 2.16 The Shareholder Percentage of the Enterprise Value of the Derby Project expressed on a per Share basis (“SEVps”) will be calculated by the Company as follows:

(SEV

F)

where

“SEV” = as above, the Enterprise Value of the Derby Project multiplied by the same percentage of the Derby Project to which Foresight VCT would be entitled if the portfolio companies of Keydata 1 and Keydata 2 were to be liquidated following the close of business on 30 September 2013 and the Derby Project distributed in specie to all participators in accordance with their rights, pursuant to the rights which Foresight enjoys as the holder of the investments in the portfolio companies of Keydata 1 and Keydata 2 which it acquired pursuant to the merger with Keydata 1 and Keydata 2, subject to the SEV Adjustment;

“F” = as above, the number of Keydata 1 Shares and Keydata 2 Shares in issue as at close of business on 24 February 2011 (save for any Keydata 1 and Keydata 2 Shares held by dissenting Keydata Shareholders).

- 2.17 “SEV Adjustment” is the deduction from the amount of the SEV of the amount of any actual or contingent liability of Keydata 1 and/or Keydata 2 after 24 February 2011.
- 2.18 The Additional Consideration Shares to be issued pursuant to the Scheme will be issued directly shareholders in Keydata 1 and Keydata 2 (save for any dissenting shareholders) pro rata to their former holdings on instruction of the Liquidators. Entitlements will be rounded down to the nearest whole number and any fractional entitlements (which will not exceed £5) will be sold in the market and the proceeds retained for the benefit of the Company.
- 2.19 Pursuant to the renewal of the Company’s authority to issue and repurchase shares approved at the Company’s general meeting on 18 February 2011, the Company is authorised to purchase in the market and cancel up to approximately 10 per cent of its issued Ordinary Share capital following the Open Offer. A possible aim of such purchases would be to reduce the discount to net asset value at which Ordinary Shares trade in the market. Shares which are purchased will be cancelled. Purchases of Ordinary Shares may be financed wholly or partly by the proceeds of a new issue of Ordinary Shares. The Company is also authorised to allot further Ordinary Shares with a nominal value of up to 10 per cent of the Ordinary Shares in issue following the Open Offer. The Directors intend that any such new Ordinary Shares will be issued, subject to their listing on the Official List, at a premium to the then prevailing net asset value of the Ordinary Shares to ensure that existing holders of Ordinary Shares are not disadvantaged.
- 2.20 The Open Offer provides Shareholders with the opportunity to take part in the Enhanced Buyback. Full details of the Enhanced Buyback are included in the Summary and Securities Note.
- 2.21 Save in connection with the Open Offer or as set out in the paragraphs above, no material issue of New Ordinary Shares (other than pro rata to existing holdings) will be made within one year from the date of this document without the approval of the Ordinary Shareholders in general meeting.
- 2.22 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.
- 2.23 The New Ordinary Shares are/will be in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system and those Shareholders who wish to hold their New Ordinary Shares in electronic form may do so. The New Ordinary Shares will be freely transferable.
- 2.24 The Board’s Share Buyback Policy is to buyback New 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 New 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 New 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 HM Revenue & Customs, the Directors expect that the number of Shares offered for the Company to buy back during this five year holding period will be small.

- 2.25 Save as mentioned in paragraphs 2.6, 2.7 and 2.9 above, the provisions of section 561 of the CA 2006 (which, to the extent not disapplied, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be paid in cash) apply to the issue of shares in the capital of the Company.
- 2.26 Except as disclosed in this document, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital and no share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- 2.27 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash.
- 2.28 The Directors are not aware of any person who directly or indirectly is interested in 3 per cent or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
- 2.29 Other than that referred to in paragraphs 2.13 above, the Company has no contingent liabilities.
- 2.30 Other than as disclosed in this document, there have been no changes in the share capital of the Company since incorporation.

3. Directors' and other interests

- 3.1 The Board comprises four non-executive directors, the majority of whom are independent of Foresight Group notwithstanding Dr Diment's proposal to retire as a director at the AGM in 2011. The Board has substantial experience of venture capital and technology-based businesses and has overall responsibility for the Company's affairs, including its investment policy.
- 3.2 The Directors' interests in the Company's Share capital as at the date of this document was as follows:

| | Ordinary Shares | | Planned Exit Shares | |
|------------------|-----------------|-----------------------------|---------------------|---------------------------------|
| | number | % of Ordinary Share Capital | number | % of Planned Exit Share Capital |
| John Gregory | nil | nil | nil | nil |
| Peter Dicks | 50,608 | 0.17 | nil | nil |
| Antony Diment | 30,009 | 0.10 | nil | nil |
| Gordon Humphries | 3,439 | 0.01 | nil | nil |

- 3.3 Biographical details for each of the Directors are set out on page 10 of this document.
- 3.4 Peter English, Roger Blears and David Royds resigned as directors of the Company on 16 January 2007. Nigel William Horne resigned as a director of the Company on 9 January 2008. Bernard Fairman resigned as a director of the Company on 18 June 2010.
- 3.5 Save as set out above, no Director nor any member of their respective immediate families has an interest in the capital of the Company which is or would, immediately following the Open Offer, be required to be notified pursuant to section 324 or section 328 of the 1985 Act or which is or would be required to be entered in the register maintained under section 325 of the 1985 Act nor does any person connected with any Director within the meaning of section 346 of the 1985 Act) have any such interest which would, if the connected person were a Director, be required to be disclosed and the existence of which is known to or could with reasonable diligence be ascertained by such Director.
- 3.6 Peter Dicks and Antony Diment were appointed on 22 August 1997 as directors of the Company. Gordon Humphries was appointed as a director of the Company on 9 March 2007. John Gregory was appointed as a director and chairman of the Company on 30 July 2010. None of the Directors has a service contract and may resign at any time by giving 12 month's notice in writing to the Board or by mutual consent. All Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period nor any right to compensation if they cease to be directors. Antony Diment is retiring from the board at the AGM in 2011. The total annual remuneration receivable by John Gregory as chairman of the Company is £25,000. The total annual remuneration receivable by Antony Diment, Gordon Humphries and Peter Dicks is £19,500 (pro rata), £18,500 and £18,500 respectively. The office of non-executive director of the Company is not pensionable. Aggregate Directors' emoluments in respect of qualifying services for the period ended 31 December 2010 amounted to £70,563 (plus applicable VAT). The Directors estimate that the total amount payable to them by the Company for the year ending 31 December 2011 will be £69,800 (plus applicable VAT).
- 3.7 Save as referred to in paragraph 7, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.
- 3.8 Except as stated in paragraph 7, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.
- 3.9 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
- 3.10 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis.
- 3.11 The Directors are currently or have been within the last 5 years, members of the administrative, management or supervisory bodies or partners of the companies and partnerships as set out on pages 10 and 11.
- 3.12 No Director has any convictions in relation to fraudulent offences during the previous 5 years.
- 3.13.1 Gordon Humphries was a director of The Columbus Dealing Company Limited and Ivory & Sime UK Discovery Limited when they were placed into Members' Voluntary Liquidation on 11 August 2005; both were solvent liquidations and both companies have since been dissolved. He resigned as a Director of both companies on 25 May 2006. Peter Dicks was a director of United Industries plc which was placed into administration in April 2006. Under the administration of the company all secured creditors were paid in full. Total non-preferential unsecured creditors as detailed on the directors' statement of affairs as at 5 April 2006 amounted to £33,611,202. There were insufficient funds to enable a distribution to non-preferential unsecured creditors leaving an estimated final deficiency as regards non-preferential unsecured creditors of £33,611,202. There were no known preferential creditor

laims. Other than those stated above or as disclosed under “Current and Past Directorships” on pages 10 and 11, no Director has been (i) a member of the administrative, management or supervisory body, (ii) a partner with unlimited liability, in the case of a limited partnership with a share capital, (iii) a founder where the company had been established for fewer than five years nor (iv) a senior manager, during the previous 5 years acting in that capacity has been associated with any bankruptcies, receiverships or liquidations in the 5 years prior to the publication of this document.

- 3.14 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous 5 years.

4. Management and administration

- 4.1 The Directors are responsible for the determination of the investment policy and have overall responsibility for its affairs. The Directors also retain responsibility for approving both the valuations of the portfolio and the net asset value of the Company. Foresight Group has been appointed as investment adviser to the Company on the terms set out at paragraphs 5.1, 5.3, 5.5 and 5.6 below.
- 4.2 As is customary in the private equity industry, 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 Directors, arrangement fees which it receives in connection with any unquoted investment made by the Company. It may also receive all monitoring fees or directors’ fees charged to investee companies. Costs incurred on abortive investment proposals will be the responsibility of Foresight Group.
- 4.3 All unquoted investments will be valued in accordance with IPEVC Guidelines under which investments are not normally re-valued above cost within twelve months of acquisition and thereafter at fair value. Any AIM or other quoted investment will be valued at the bid price of its shares as derived from the Daily Official List of the London Stock Exchange, in accordance with general accepted accounting practice. The Company’s net asset value will be calculated quarterly and published on an appropriate regulatory information service.
- 4.4 The Company has appointed Foresight Fund Managers Limited (“Foresight Fund Managers”) to provide company secretarial and custodian services. The services to be provided will include all necessary secretarial and custodian services required in connection with the business and operation of the Company. The appointment may be terminated by not less than one year’s notice in writing. The appointment may also be terminated in circumstances of material breach by either party. Foresight Fund Managers will receive an annual fee from the Company of £100,000 plus VAT payable quarterly in advance. The legal and commercial name of Foresight Fund Managers is Foresight Fund Managers Limited. Foresight Fund Managers is a limited liability company and was incorporated and registered in England and Wales under number 03135882 pursuant to the Companies Act 1985 on 8 December 1995 (telephone number 01732 471800). Foresight Fund Managers is domiciled in England.
- 4.5 RW Blears LLP receives usual hourly rates or fees as agreed with the Directors in connection with VCT tax and legal advice and assistance.
- 4.6 Martineau receives an annual fee of £10,000 plus VAT for providing legal advice and assistance in relation to the maintenance of the VCT status of the Company and will receive usual hourly rates or fees as agreed with the Directors in connection with other VCT tax and legal advice and assistance. If requested by the Company, Martineau will also review prospective investments to ensure that they are qualifying venture capital investments and carry out reviews of the investment portfolio of the Company to ensure continuing compliance.

- 4.7 The Company has and will continue to have custody of its own assets:
- the Company's monetary assets will be held in bank accounts and/or money market accounts in the Company's own name; and
 - the Company's investments in both quoted and unquoted investments and the corresponding share certificates will also be held in the Company's own name.
- 4.8 A maximum of 75% of the Company's management expenses will be charged against capital with the balance to be met from income.
- 4.9 The members of the audit committee of the Company are Antony Diment (chairman), John Gregory and Gordon Humphries. Following the retirement of Dr Diment the chairman will be Gordon Humphries. The audit committee members are considered to have sufficient recent and relevant financial experience to discharge the role, and will meet at least twice a year, amongst other things to, consider the following:
- monitoring the integrity of the financial statements of the Company;
 - reviewing the Company's internal control & risk management systems;
 - making recommendations to the Directors in relation to the appointment of the external auditor;
 - reviewing and monitoring the external auditor's independence; and
 - implementing and reviewing the Company's policies on the engagement of the external auditor to supply non-audit services.
- 4.10 The members of the remuneration committee of the Company are Antony Diment (chairman), John Gregory and Gordon Humphries. Following the retirement of Dr Diment the chairman will be Gordon Humphries. The remuneration committee members (who have responsibility for reviewing the remuneration of the Directors) will meet at least annually to consider the levels of remuneration of the directors, specifically reflecting the time commitment and responsibilities of the role. Each committee will also undertake comparisons and reviews to ensure that the levels of remuneration paid are broadly in-line with industry standards.
- 4.11 As at the date of this document the Company complies with the UK Corporate Governance Code ("the Code") with the exception of the following:
- In view of its non-executive nature and the requirements of the Articles of Association that all Directors retire by rotation at the Annual General Meeting, the Board considers that it is not appropriate for the Directors to be appointed for a specific term as recommended by the Code. However, the Board has agreed that each Director will retire and, if appropriate, may seek re-election after three years' service and annually after serving on the Board for more than nine years.
 - The Board undertakes a formal annual evaluation of its own performance and that of its committees. There is no formal annual evaluation of individual Directors as recommended by the Code. Initially, the evaluation takes the form of a questionnaire for the Board (and its committees). The Chairman then discusses the results with the Board (and its committees) and following completion of this stage of the evaluation the Chairman will take appropriate action to address any issues arising from the process. The independent Directors evaluate the Chairman's performance following similar procedures.
 - In the light of the responsibilities retained by the Board and its committees and of the responsibilities delegated to Foresight Group, Foresight Fund Managers Limited and Martineau, the Company has not appointed a chief executive officer or a senior independent non-executive director as recommended by the Code. There is no deputy chairman. The provisions of the Code which relate to the division of responsibilities between a chairman and a chief executive officer are, accordingly, not applicable to the Company.

5 Material Contracts

Set out below is a summary of all contracts (not being contracts entered into in the ordinary course of business) entered into by the Company in the last two years that are material and all other contracts (not being contracts entered into in the ordinary course of business) that contain any provision under which the Company has an obligation or entitlement which is material to the Company as at the date of the document.

- 5.1 An investment adviser's agreement dated 11 October 1999 between the Company (1) and VCF Partners (novated to Foresight Group pursuant to a novation agreement dated 1 April 2002) (2) (as amended by supplemental agreements dated 17 October 2003 and 28 January 2010) pursuant to which Foresight Group agreed to act as investment adviser to the Company. In respect of the Ordinary Shares Fund the appointment is terminable on not less than one year's notice in writing. In respect of the Planned Exit Fund the appointment is terminable on not less than one year's notice in writing at any time after the second anniversary of the closing date of the Planned Exit Share Offer. In respect of both the Ordinary Shares Fund and the Planned Exit Fund this appointment may also be terminated in circumstances of material breach by either party and, in any event, the Company may appoint other parties in substitution of Foresight Group as investment adviser or manager in respect of the whole or part of the Company's investment portfolio if it believes that this is necessary to preserve the status of the Company as a VCT.

In respect of the Ordinary Shares Fund Foresight Group receives an annual management fee of 2.0 per cent of the net assets of the Ordinary Shares Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon. In respect of the Planned Exit Fund Foresight Group receives an annual management fee of 1.0 per cent of the net assets of the Planned Exit Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon.

- 5.2 An oral agreement dated 7 March 2005 between the Company (1) and Foresight Fund Managers Limited (2) pursuant to which Foresight Fund Managers Limited agreed to act as secretary to the Company as more particularly detailed at paragraph 4.4 above.

- 5.3 A carried interest agreement dated 16 January 2007 between the Company (1) and Foresight Group (2). Pursuant to this agreement the Company has granted to Foresight Group the entitlement to subscribe at par for such number of Ordinary Shares as represents 15 per cent (at the then prevailing net asset value per Ordinary Share adjusted to take into account the relevant dividend to be paid) of the aggregate of each (revenue or capital) distribution paid to the holders of Ordinary Shares. Ordinary Shares will only be issued if the Total Return per Ordinary Share amounts to at least 100p per Ordinary Share immediately before the relevant dividend is paid and after the issue of such Ordinary Shares. For these purposes "Total Return" shall mean the aggregate of (i) the then NAV of Ordinary Shares and (ii) an amount equal to 10.75p (these being the distributions as at 16 January 2007 per Old C Share) and (iii) all distributions following that date per Ordinary Share. Any such performance fee would be calculated each time a distribution is declared and any Ordinary Shares to be allotted would be issued on the date the distribution is made to Shareholders (or as soon as practicable thereafter). Foresight Group's entitlement shall cease or be reduced on a sliding scale depending on the nature of a termination or resignation of Foresight Group's appointment.

- 5.4.1 A carried interest agreement dated 28 January 2010 between the Company (1) and Foresight Group (2). Pursuant to this agreement if investors have first received capital and income Distributions equal to 110p per Planned Exit Share ("the Hurdle") Foresight Group is entitled to receive a performance incentive the value of which is, as calculated below ("Value") by the Manager subscribing at par for Planned Exit Shares, or at the discretion of the Directors, to receive Value wholly in cash or partly in cash and partly by subscribing at par for Planned Exit Shares. Value is calculated as follows: if the Hurdle is not satisfied then Value is nil; or if the Hurdle is satisfied and the Net Return Per Share is equal to or less than 15p, then Value is the Net Return Per Share multiplied by the number of shares issued under the Planned Exit

Shares Offer and remaining in issue at the date of calculation; or if the Hurdle is satisfied and the Net Return Per Share is greater than 15p then Value is the sum of 15p plus 20% of the remaining Net Return Per Share after deduction of 15p, both multiplied by the number of shares issued under the Planned Exit Share Offer and remaining in issue at the date of calculation. For these purposes the Net Return Per Shares is the greater of zero and the sum of the Gross Return Per Share minus the Hurdle; the Gross Return Per Share is the Gross Return divided by the number of shares issued under the Planned Exit Shares Offer and remaining in issue at the date of calculation, and the Gross Return is the sum of all Distributions made from the final closing date of the Planned Exit Share Offer to the date of calculation plus the NAV of the net assets attributable to the Planned Exit Shares at the time of calculation.

- 5.4.2 These arrangements described in 5.4.1 above continue to apply to the Company following the merger pursuant to the Scheme. Accordingly, Foresight Group receives an annual investment management fee of 2 per cent. on the enlarged asset base of the Company and is also eligible to receive an incentive fee on the basis described above on any future investments made by the Company following the merger pursuant to the Scheme.

- 5.5 A sponsor and promoter agreement dated 28 January 2010 between the Company (1) Foresight 2 (2), the Directors (3), the directors of Foresight 2 (4) Foresight Group (5) and BDO LLP (6) whereby BDO LLP agreed to act as sponsor in connection with the Planned Exit Share Offer. The agreement contains warranties (which are usual for an agreement of this type) given by the Company, the Directors and Foresight Group to BDO LLP. In addition the Company agreed to indemnify BDO LLP for any loss suffered in respect of its role as sponsor to the Planned Exit Share Offer. The Company's liability under this indemnity is unlimited.

Foresight Group agreed to act as promoter in connection with the Planned Exit Shares Offer. The agreement contains warranties given by the Company and the Directors to Foresight Group. The Company will pay to Foresight Group a commission of 5.5 per cent of the gross amount subscribed under the Planned Exit Shares Offer out of which will be paid all costs, charges and expenses of or incidental to the Planned Exit Shares Offer including the fees of BDO LLP and RW Blears LLP, save that the Company shall, pursuant to the terms of the Planned Exit Shares Offer pay to Foresight Group an annual trail fee of 0.5 per cent per annum of the NAV of the Subscription Shares until a maximum of 3 per cent of the amount subscribed for them has been paid out of which Foresight Group will pay annual trail commission to IFAs.

- 5.6 The following documents were entered into as part of the Scheme:

- 5.6.1 A Transfer Agreement dated 28 February 2011 between the Company and Keydata 1 and Keydata 2 (acting through the Liquidators) pursuant to which all of the assets and liabilities of Keydata 1 and Keydata 2 were transferred to the Company (subject only to the consent required to transfer such assets and liabilities) in accordance with the terms described in the Circular. The Liquidators agreed under this agreement that all sale proceeds and/or dividends received in respect of the underlying assets of Keydata 1 and Keydata 2 be transferred on receipt to the Company as part of the Scheme.
- 5.6.2 An indemnity dated 28 February 2011 from the Company to the Liquidators pursuant to which the Company has indemnified the Liquidators for expenses and costs incurred by them in connection with the Scheme. A liquidation fee has been agreed (including an amount representing contingency) and taken into account in the merger calculations.
- 5.6.3 A contract dated 1 March 2011 for the purchase of the deferred shares by the Company for a nominal consideration in connection with the Ordinary Share Reconstruction.

6.1 Investment policy

The investment policy of the Company is to target UK unquoted companies which the Company believes will achieve the objective of producing attractive returns for 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 interest bearing money market open ended investment companies (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 companies 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 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 the investee company boards will enhance value.

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 the Company believes that the risk/return profile is consistent with the overall investment objectives of the portfolio.

6.2 Company undertakings

- i. The Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HMRC.
- ii. The Company will not conduct a trading activity which is significant in the context of its group as a whole.
- iii. Not more than 10 per cent in aggregate of the value of the total assets of the Company at the time of Admission will be invested in other closed-ended investment funds.
- iv. It is the intention of the Directors that the Company will pay dividends or make distributions from revenue profits and profits realised from the sale of investments.
- v. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a Venture Capital Trust. Accordingly:
 - it will not control the companies in which it invests in such a way as render them subsidiary undertakings;
 - none of the investments will represent more than 15 per cent by VCT Value of the Company's investments; and
 - not more than 20 per cent of the Company's gross assets will at any time be invested in the securities of property companies.

- vi Foresight Group personnel has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type in which the Company proposes to make. The Directors will also ensure that the board of the Company and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- vii In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 6.1 above, Shareholders will be informed by means of the interim and/or the annual report or through a public announcement.
- viii The Directors act and will continue to act independently of Foresight Group. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to Foresight Group or any other company in the same group as Foresight Group.
- ix. The investment policy set out above, in the absence of unforeseen circumstances, will be adhered to by the Company for at least three years following the date of close of the Open Offer. Any material change to the Company's investment policy in any event will only be made with the approval of the Shareholders of the Company by ordinary resolution.

7 Conflicts of Interest and Related Party Disclosures

The following related party transactions have taken place since 1 January 2007 to date:

- 7.1 Foresight Group is regarded as a related party insofar as:
 - a) it receives fees in respect of the investment advisory arrangements as described in paragraph 5.1 above. Foresight Group receives an annual management fee of 2.0% of the net assets of the Ordinary Shares Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon. In respect of the Planned Exit Fund Foresight Group receives an annual management fee of 1.0% of the net assets of the Planned Exit Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon.
 - b) it is entitled to the performance incentive as set out at paragraphs 5.3 and 5.4 and received fees of £35,000 in relation to a top up offer for subscription of Ordinary Shares dated 17 October 2008, as promoter to that offer. Foresight Group received fees as promoter to the Planned Exit Shares Offer of an amount of 5.5% of the proceeds of the Planned Exit Shares Offer as set out in paragraph 5.5 and an annual trail fee of 0.5% of net asset value out of which all trail commissions to intermediaries were paid. Foresight Group received fees of £709,708, £547,373, £399,111 and £451,882 during the financial years ended 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010 respectively and £130,112 in the period from 1 January 2011 to 10 March 2011.
- 7.2 Foresight Fund Managers Limited is regarded as a related party insofar as it receives fees in respect of the company secretarial and custody arrangements as described in paragraph 5.2 above. These fees are £100,000 per annum. Foresight Fund Managers Limited, a subsidiary of Foresight Group, received £50,000, £74,864, £100,000 and £100,000 during the financial years to 31 December 2007, 31 December 2008, 31 December 2009 and 31 December 2010 respectively in respect of company secretarial fees and £17,260 in the period from 1 January 2011 to 10 March 2011.
- 7.3 Matrix-Securities Limited was regarded as a related party until the resignation by David Royds as a director of the Company, and received fees under its appointment as the accountant to the Company and as described in paragraph 3.7 above of £50,000 and £25,000 during the financial years to 31 December 2007 and 31 December 2008 and £nil in the financial year to 31 December 2009 and six month period to 30 June 2010.

- 7.4 The transactions referred to in paragraphs 7.1 to 7.3 are (or were) conducted on an arm's length basis. Save for these arrangements, the Directors are not aware of any other arrangements into which the Company has entered with a related party.
- 7.5 Save for the following, there are no conflicts of interest. The appointment of a fund manager on terms where their remuneration is based upon a valuation of investments represents a potential material conflict of interest between the duty of the fund manager to advise the Company as to the value of those investments and its own self interest in the fees which it receives. The terms of the agreements between Foresight Group and the Company described in paragraphs 7.1 and 7.2 above represent a potential material conflict of interest between Foresight Group and the Company and therefore the terms were negotiated between Foresight Group and the Directors so that, in particular, valuations of investments must be agreed by the Directors, thereby managing the potential conflicts of interest.

8 Overseas investors

- 8.1 No person receiving a copy of the Prospectus or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for or purchase Shares in the Company.
- 8.2 No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. All applicants under the Open Offer will be required to warrant that they are not a US person within the following definition:

"US person" means any person or entity defined as such in Rule 902(o) under the US Securities Act of 1933 and (without limiting the generality of the foregoing) includes a natural person resident in the US, a corporation or partnership organised or incorporated under the laws of the US (including any State thereof) and an estate or trust if any executor, administrator or trustee is a US person but shall not include a branch or agency of a US person located outside the US if such agency or branch operates for valid business reasons and is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

9 Taxation

The following paragraphs, which are intended as a general guide only and are based on current legislation and HMRC practice, summarise advice received by the Directors as to the position of the Company's Shareholders who hold Shares other than for trading purposes. Any person who is in any doubt as to his taxation position or is subject to taxation in any jurisdiction other than the United Kingdom should consult his professional advisers.

- 9.1 Taxation of dividends - under current law, no tax will be withheld by the Company when they pay a dividend.
- 9.2 Stamp duty and stamp duty reserve tax - the Company has been advised that no stamp duty or stamp duty reserve tax will be payable on the issue of Shares. The Company has been advised that the transfer of Shares will, subject to any applicable exemptions, be liable to ad valorem stamp duty at the rate of 0.5% of the consideration paid. An unconditional agreement to transfer such Shares if not completed by a duly stamped stock transfer will be subject to stamp duty reserve tax generally at the rate of 0.5% of the consideration paid.
- 9.3 Close company - the Directors believe that the Company is not and expect that following completion of the Enhanced Buyback will not be a close company within the meaning of the Tax Act. If the Company was a close company in any accounting period, approval as a Venture Capital Trust would be withdrawn.

10 Miscellaneous

- 10.1 The following is extracted from the unaudited interim statement of the Company 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.”

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

On 28 February 2011 the Company acquired all the assets of Keydata 1 and Keydata 2 in return for the issue of 6,463,504 Ordinary Shares to the shareholders of those venture capital trusts which are now in members’ voluntary 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 Shares 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 1 and Keydata 2 increased the net asset value of the Company by £3,583,483. These net assets comprised interests in portfolio companies of Keydata 1 and Keydata 2 which, at the time of 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.

- 10.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the period from the incorporation of the Company which may have or had in the recent past significant effects on the Company’s financial position or profitability.
- 10.4 Under the Enhanced Buyback, Ordinary Shareholders have the opportunity to sell Ordinary Shares back to the Company under the Tender Offer at the net asset value of an Existing Ordinary Share two days prior to their purchase by the Company provided that they purchase New Ordinary Shares under the Open Offer at 102 per cent. of that net asset value in the ratio of 98 New Ordinary Shares for every 100 Existing Ordinary Shares sold. The costs of the Enhanced Buyback have been limited to, and will be covered by, the approximate 2 per cent. price differential between the Offer Price and the Tender Price.
- 10.5 The issue premium for the New Ordinary Shares will be the difference between the Offer Price of the New Ordinary Shares under the Open Offer and their nominal value of 1p. The Open Offer is not underwritten.
- 10.6 The Company has paid dividends amounting to 169.4p per Ordinary Share (equivalent) since incorporation to date.
- 10.7 The Company’s capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in paragraph 6 above.
- 10.8 The Company does not have any major shareholders and no shareholders have different voting rights. To the best of the knowledge and belief of the Directors, the Company is not directly

controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.

- 10.9 The typical investor for whom investment in the Company is designed is a retail investor who is an individual higher rate tax payer aged 18 or over and who is resident in the United Kingdom.
- 10.10 Foresight Group is responsible for the determination and calculation of the Company's net assets value, which will be prepared quarterly for approval by the Directors.
- 10.11 Ernst & Young LLP act as auditors to the Company. Ernst & Young LLP is registered to carry on audit work and is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

(B) FINANCIAL INFORMATION

The Company has produced statutory accounts for the three financial the years ended 31 December 2007, 2008 and 2009 on which the auditors, Ernst & Young LLP, Registered Auditor, of 1 More London Place, London SE1 2AF have reported without qualification and without statements under section 498(2) or (3) of the CA 2006.

The audited financial statements for the three years ended 31 December 2009 and the unaudited interim statements to 30 June 2009 and 2010 were prepared in accordance with UK generally accepted accounting practice (GAAP) and the fair value rules of the Companies Acts.

The audited financial statements for the three years ended 31 December 2009 and the unaudited interim statements to 30 June 2009 and 2010 include, on the pages specified in the tables below (which are being incorporated into the document by reference) the information set out below.

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

| Description | 2007 Annual Report | 2008 Annual Report | 2009 Annual Report |
|---|---------------------------|---------------------------|---------------------------|
| Balance Sheet | Page 24 | Page 25 | Page 24 |
| Income Statement (or equivalent) | Page 23 | Page 23 | Page 22 |
| Statement showing all changes in equity (or equivalent) | Page 25 | Page 24 | Page 23 |
| Cash Flow Statement | Page 25 | Page 26 | Page 25 |
| Accounting Policies and Notes | Page 26-38 | Page 27-37 | Page 26 - 37 |
| Auditor's Report | Page 22 | Page 22 | Page 21 |

| Description | 2009 Unaudited Interim Report | 2010 Unaudited Interim Report |
|---|--------------------------------------|--------------------------------------|
| Interim Unaudited Balance Sheet | Page 8 | 11 |
| Interim Unaudited Income Statement (or equivalent) | Page 7 | 10 |
| Interim statement showing all changes in equity (or equivalent) | Page 9 | 11 |
| Cash Flow Statement | Page 9 | 12 |

This information has been prepared in a form consistent with that which will be adopted in the Company's next published annual financial statements having regard to accounting standards and policies and legislation applicable to those financial statements.

Such information also includes operating/financial reviews as follows:

| Description | 2007 Annual Report | 2008 Annual Report | 2009 Annual Report | 2009 Unaudited Interim Report | 2010 Unaudited Interim Report |
|----------------------|---------------------------|---------------------------|---------------------------|--------------------------------------|--------------------------------------|
| Financial Highlights | Page 1 | Page 1 | Page 1 | –Front cover | Front cover |
| Results & Dividend | Page 2-5 | Pages 2-4 | Page 2 | Page 1-2 | Pages 1-2 |
| Portfolio | Pages 2-5 | Pages 2-4 | Pages 2-3 | Page 1-2 | Page 2 |
| Valuation | Page 4 | Page 4 | Page 4 | Page 2 | Page 2 |

| | | | | | |
|--------------------|-----------|-----------|--------|----------|-----------|
| Policy | | | | | |
| Outlook | Page 5 | Page 4 | Page 4 | Page 2 | Page 2 |
| Investment Summary | Page 6-11 | Pages 5-9 | Page 5 | Page 3-5 | Pages 3-6 |

Certain financial information on the Company is also set out below:

| | Year ended 31 December 2007 | Year ended 31 December 2008 | Year ended 31 December 2009 | Six months to 30 June 2009 (unaudited) | Six months to 30 June 2010 (unaudi ted) |
|---------------------------------------|--|--|--|---|--|
| Investment income | £526,695 | £490,000 | £441,000 | £181,000 | £303,000 |
| Profit before taxation | £(9,010,355) | £(6,490,000) | £(717,000) | £(994,000) | £3,561,000 |
| Revenue return per Ordinary Share | (0.14)p | 0.4p | 0.0p | (0.1)p | 0.1p |
| Capital return per Ordinary Share | (19.78)p | (14.5)p | (1.5)p | (2.0)p | 7.3p |
| Dividends per Ordinary Share | 5.0p (paid in 2008) | 1.0p (paid in 2009) | 0.0p | (2.1)p | 0.0p |
| Revenue return per Planned Exit Share | N/A | N/A | N/A | N/A | 0.7p |
| Capital return per Planned Exit Share | N/A | N/A | N/A | N/A | (0.1p) |
| Dividends per Planned Exit Share | N/A | N/A | N/A | N/A | 0.0p |
| Total assets | £26,638,456 | £19,570,000 | £19,180,000 | £19,107,000 | £28,458,000 |
| NAV per Ordinary Share | 60.51p | 42.2p | 39.8p | 39.2p | 47.3p |
| NAV per Planned Exit Share | N/A | N/A | N/A | N/A | 95.0p |

Effect of the Enhanced Buyback

As at 30 June 2010, the date to which the most recent unaudited financial statements on Foresight have been drawn up, Foresight had net assets of £28.458 million (comprising £22.585 million attributable to Ordinary Shares and £5.873 million attributable to Planned Exit Shares).

The Open Offer is not being underwritten, therefore it is not known what additional cash may be raised under the Enhanced Buyback for the benefit of the Company.

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

- (i) the net assets of the Company will not be increased by the amount subscribed under the Open Offer as that amount will be applied in acquiring Existing Ordinary Shares under the Tender Offer; and

(ii) the NAV per Ordinary Share will not reduce because the number of Ordinary Shares in issue will decrease by 2% pursuant to the Tender Offer, and this 2% will be used to meet the costs associated with the Enhanced Buyback.

If the costs of the Enhanced Buyback amount to less than the 2% set aside to cover them, there will be a net increase in the NAV per Ordinary Share of the amount left over divided by the number of Ordinary Shares in issue.

The 2% costs of the Enhanced Buyback are borne by those Shareholders who participate in the Enhanced Buyback because those Shareholders who subscribe for Additional New Ordinary Shares, without participating in the Tender Offer, receive 2% extra free Ordinary Shares, which means they receive their Open Offer Shares and free Ordinary Shares at an effective cost of £1 each (assuming no change in the published NAV) and, therefore, will not bear any of the cost of the Enhanced Buyback.

If Additional New Ordinary Shares are subscribed under the Open Offer then the net assets of the Company as announced on 1 March 2011 would be increased by the net amount subscribed 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. The Company will not incur any liabilities as a result of the Enhanced Buyback.

(C) FORESIGHT PORTFOLIO

The following unaudited information represents the principal investments of the Company as at the date of this document which are shown at the valuation as at 30 June 2010 included in the respective unaudited accounting records of the Company at the latest practicable date. Following the completion of the merger with Keydata 1 and Keydata 2 on 28 February 2011, the Keydata Portfolio Companies, namely Boyle Electrical Generation Limited, Burley Energy Limited, Cooke Generation Limited, Nevin Energy Resources Limited, Clarke Power Services Limited, Spencer Energy Services Limited, Hughes Power Limited and Docherty heat and Energy Distributor Limited, together, are considered a principal investment of Foresight. At 28 February 2011, the unaudited value of the Keydata Portfolio Companies was £3,583,483. Save for this investment there has been no material changes in the figures set out in this section (C) since 30 June 2010.

| Foresight VCT | Value £ | % of Net Assets |
|---------------------------------------|----------------|------------------------|
| Keydata Portfolio Companies | 3,583,482 | 11.2 |
| Camwood Limited | 2,242,150 | 7.0 |
| DCG Group Limited | 1,975,428 | 6.2 |
| Aquasium Technology Limited | 1,936,488 | 6.0 |
| Alaric Systems Limited | 1,903,476 | 5.9 |
| smartFOCUS Group plc | 1,903,464 | 5.9 |
| Diagnos Holdings Limited | 1,902,749 | 5.9 |
| Closed Loop Recycling Limited | 1,856,250 | 5.8 |
| Actimax plc | 1,725,286 | 5.4 |
| Trilogy Communications Limited | 1,140,250 | 3.6 |
| Foresight Luxembourg Solar 2 S.a.r.l. | 953,019 | 3.0 |

Set out below are investments with a value of greater than 5 per cent of Foresight's gross assets and an aggregate value greater than 50 per cent of the Foresight portfolio, including at least the ten largest investments. This unaudited investment portfolio is that carried by Foresight as at the date of this document, and was last revalued as at 30 June 2010.

Camwood Limited

Camwood Limited is the UK's leading application migration and change specialist. The company provides software, consultancy and implementation services to support Microsoft Windows application migration, as well as providing ongoing application management. Camwood's AppDNA software division, the market-leader in automated application compatibility for virtualisation, desktop and server operating system projects, is enjoying a period of rapid sales growth and improved profitability.

Date of first investment: September 2003

Form of investment: Equity shares and debt

DCG Group Limited

DCG Group Limited is a provider of data storage and back-up solutions to corporates either remotely as a managed service or at customers' premises. The demand for Datapoint's services is driven by greater compliance requirements for retention and retrieval of data and the ever growing volume of electronic data produced by organisations. The company continues to build its managed service

customer base and its recurring revenues. A new mid-range service has been launched for re-sale by channel partners.

Date of first investment: March 2004

Form of investment: Equity shares and debt

Aquasium Technology Limited

Aquasium Technology Limited is principally engaged in the design, manufacture, sales and servicing of electron beam welding and vacuum furnace equipment. The group also provides component manufacturing and processing services utilising electron beam welding, laser machining, heat treating, abrasive water jet cutting, conventional welding and machining.

Date of first investment: October 2001

Form of investment: Equity shares and debt

Alaric Systems Limited

Alaric Systems Limited develops payment system software, principally credit card authorisation (“Authentic”) and card fraud detection (“Fractals”) software, which is sold to major financial institutions, card processors and, increasingly, major retailers Worldwide. Alaric is enjoying strong growth and is continuing to win major new contracts. During the year to 31 March 2010, orders were won from 15 new customers, resulting in total sales for that year of some £4 million. Capacity to satisfy these orders is being met principally through expanding the office in Kuala Lumpur. Alaric is developing a growing sales pipeline and profile in the Far East, Mexico and the USA. An important relationship has been established with Oracle to serve the card authorisation switch market Worldwide. An Oracle/Sun benchmark test of the Authentic system demonstrated the capability of 10,500 transactions per second. This performance substantially exceeds the capability of competing systems and is an important element in the Oracle sales teams’ marketing. The budget for the current year shows substantial growth on sales achieved in 2010 and current trading is currently well ahead of this budget.

Date of first investment: February 2002

Form of investment: Equity shares and debt

smartFOCUS Group plc (AIM listed)

smartFOCUS Group plc has 124 staff in offices in Bristol, Paris, Boston, Amsterdam and Singapore and over 800 customers. The company provides multichannel marketing software and services that enable direct marketers to improve efficiency and productivity (including planning, targeting, executing and subsequent analysis) of direct marketing campaigns. The company provides an integrated suite of products at a lower cost than comparable alternative offerings, without sacrificing effective performance speeds or analysis functionality. The business model has successfully changed from unpredictable, lumpy perpetual licence sales to a software as a service (“SaaS”) model which generates recurring revenues and improves the quality and visibility of revenues. This broadens the market by lowering investment hurdles and reducing operational costs while mitigating the long sales cycles and seasonality associated with large perpetual licence contracts. Outside the UK, the company operates through a worldwide network of partners, such as marketing services businesses, systems integrators and agencies. Having rapidly transitioned to the SaaS model, the annual results for the year to 31 December 2009 showed a profit of £490,000 on sales up 15~per cent. to £11.9 million (compared to a loss of £1.7 million on sales of £10.4 million for the previous year) with cash at that date of £2.4 million. Recurring revenues increased to 66 per cent. of total revenues, up from 50~per cent. with a renewal rate of over 90 per cent. Over 80 new customer and partner contracts were won in 2009, including Rank, Carnival Group, Liverpool Victoria and Hachette. The Board of smartFOCUS expects results of the first half of the current year to be ahead of its expectations reflecting positive trading.

Date of first investment: December 2001

Form of investment: Equity shares

Diagnos Holdings Limited

Autologic Diagnostics was founded in 1999 and develops and sells sophisticated automotive diagnostic software and hardware that enables independent mechanics, dealerships and garages to service and repair vehicles. As cars have become increasingly sophisticated and more reliant on electronic systems, mechanics need to be able to communicate to the in-car computer running the process or system, which in turn requires a diagnostic tool. Diagnos supplies its 'Autologic' product for use with well-known car brands including Land Rover, BMW, Mercedes, Jaguar, VAG (VW, Audi, Skoda) and Porsche.

Date of first investment: February 2009

Form of investment: Equity shares and debt

Closed Loop Recycling Limited

Closed Loop Recycling Limited is the first plant in the UK to recycle waste PET and HDPE plastic bottles into food grade packaging material. Following a series of private and public funding issues, the 35,000 tonne capacity plant in Dagenham (East London) is now fully operational. The company is enjoying strong market demand and has now announced its second UK plant in North Wales. The company is processing 100 tonnes per day and supplying product to a range of customers including Nampak, Alpla, M&S and Britvic for the manufacture of food packaging, drinks bottles and milk bottles.

Date of first investment: August 2008

Form of investment: Equity shares and debt

Actimax plc

Actimax plc sells, installs and maintains converged voice and data solutions to small and medium sized businesses. Its revenues have grown strongly over the past three years particularly as a result of specialising in multisite companies that require functions such as remote working, unified messaging and call centre technology. Now over 70 per cent. of the revenues are from ongoing contracts with the balance from new system sales and as a result profits for the six months to June 2010 were 40 per cent. Up compared to a year ago. Actimax have recently supplied Wimbledon All England Lawn Tennis and Croquet club with a large converged solution for 1,000 users. Other Actimax customers include the Restaurant Group with 320 nationwide sites linked on a wide area network and The Historic Royal Palaces including Hampton Court and the Tower of London.

Date of first investment: November 1998

Form of investment: Equity shares

Trilogy Communications Limited

Trilogy Communications Limited is a world class supplier of audio communications systems to the defence, emergency management, industrial and broadcast sectors. Trilogy counts some of the world's best known names in broadcast and defence among its customer base including the BBC, Sony, Radio France, Raytheon, Northrop Grumman and BAE. Trilogy's Mercury IP system continues to make good progress in the US defence market. During 2009, Trilogy won the Queen's Award for Enterprise in International Trade.

Date of first investment: September 2005

Form of investment: Equity shares and debt

Foresight Luxembourg Solar 2 S.a.r.l.

Foresight Luxembourg Solar 2 S.a.r.l. is the holding vehicle for an operating Spanish solar photovoltaic plant. Foresight funds, together with the Italian family office GWM, are co-owners of the plant which has been operating since September 2008 and producing electricity that is supplied to the electricity grid. It benefits from an attractive feed-in tariff which is no longer available to new projects and generates reliable and consistent distributable cash flows. Foresight arranged a project finance facility alongside the equity to finance the acquisition of the plant in March 2010.

Date of first investment: March 2010

Form of investment: Equity shares

Keydata Portfolio Companies

The Keydata Portfolio Companies are described in detail in Part III on pages 14 to 16 of the Circular which is incorporated in to this document by reference.

The Keydata Portfolio Companies have not yet commenced trading but they are now making good progress towards doing so. Electricity is expected to be produced in the first half of 2011 and each of the operating Keydata Portfolio Companies expect to be revenue generating within the same timescale.

The Keydata Portfolio Companies were acquired following the completion of the merger with Keydata on 28 February 2011.

PART II DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during usual business hours on weekdays (Saturdays and public holidays excepted), at the offices of Foresight Group, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU whilst the Enhanced Buyback is open:

- the Memorandum and Articles of the Company;
- the material contracts referred to in paragraphs 5 of Parts I of this document;
- the Annual Reports and the Interim Report;
- the circular sent to shareholders of the Company on 27 January 2011;
- this Registration Document; and
- the Summary and Securities Note.

11 March 2011