

**This document is important and requires your immediate attention. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant, or other independent adviser authorised under the Financial Services and Markets Act 2000 ("FSMA").**

If you have sold or otherwise transferred all of your Shares, please pass this document together with the accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass this document to the person who now owns the Shares.

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## **CIRCULAR TO SHAREHOLDERS of**

# **FORESIGHT VCT PLC**

*Registered in England and Wales under number 3421340*

## **NOTICE OF GENERAL MEETING**

to be held at the offices of Foresight Group LLP,  
The Shard, 32 London Bridge Street, London, SE1 9SG  
on 2 December 2014

### **IN CONNECTION WITH PROPOSALS SEEKING SHAREHOLDERS' APPROVAL FOR**

an Offer for Subscription to raise up to £20,000,000 by issues of Ordinary Shares  
(the **"Offer Shares"**)

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Applications will be made to the UK Listing Authority for the Ordinary Shares offered for subscription pursuant to the Prospectus to be admitted to the premium segment of the Official List of the UK Listing Authority. Application will also be made to the London Stock Exchange for such Ordinary Shares to be admitted to trading on its main market for listed securities. It is expected that admission will become effective and that trading in the Offer Shares will commence three Business Days following allotment. Share certificates will be dispatched within ten Business Days following allotment. The Company's existing issued Shares are traded on the London Stock Exchange's main market for listed securities.

Whether or not you plan to attend the general meeting, please complete and submit the enclosed proxy form in accordance with the instructions printed on the form. The proxy form must be received by 12 noon on 28 November 2014.

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Form of proxy enclosed

## SECTION 1

### LETTER FROM THE CHAIRMAN OF FORESIGHT VCT PLC

#### *Directors*

John Gregory (Chairman)  
Peter Dicks  
Gordon Humphries

#### *Registered Office*

The Shard  
32 London Bridge Street  
London SE1 9SG

31 October 2014

Dear Shareholder

The Board of Foresight VCT plc proposes to offer for subscription, to existing Shareholders and members of the public, up to £20,000,000 worth of additional Ordinary Shares ("**Offer Shares**"). This means that, subject to Shareholders' approval, potential Investors will be invited to subscribe for Offer Shares in the Company pursuant to the Prospectus which will be published today. A copy of the Securities Note, which forms part of the Prospectus, is enclosed with this Circular.

In order that the Offer may be launched, you are being asked to vote at a general meeting of the Company. Your authority is required in accordance with the Companies Act 2006, the Listing Rules and the Articles. The Meeting has been convened to be held on 2 December 2014. The Resolutions required to implement these Proposals, and which accordingly will be put to Shareholders at this Meeting, are set out below.

If passed, the Resolutions to be proposed at this Meeting would:

- authorise the Directors to proceed with the Offer and allot (i) Offer Shares and (ii) New Ordinary Shares pursuant to the Dividend Investment Scheme (described below);
- disapply pre-emption rights so that Offer Shares can be allotted on a monthly basis and in due course, New Ordinary Shares pursuant to the Dividend Investment Scheme, without the need to make pre-emptive offers to existing Shareholders; and
- authorise the Company to reduce the share premium account arising on the issue of Offer Shares under the Offer, subject to confirmation by an order of the court and such authority not being exercised until the expiry of three years from the end of the accounting period in which the Offer closes.

#### **Explanation of Resolutions**

##### **Resolution 1: Grant of authority to allot Ordinary Shares**

If passed, this resolution authorises the Directors to allot Ordinary Shares and to grant rights to subscribe for the Offer Shares in accordance with section 551 of the Act up to a maximum nominal amount of £250,000 of Ordinary Shares in respect of the Offer and £25,000 of Ordinary Shares in respect of the Dividend Investment Scheme. The authority granted by this resolution will expire on the fifth anniversary of the date of the passing of this resolution. The Directors intend to exercise this authority in order to allot Offer Shares pursuant to the Offer and New Ordinary Shares pursuant to the Dividend Investment Scheme. This resolution is additional to and does not revoke the authority granted in relation to the Ordinary Shares of the Company at the Company's last annual general meeting. This resolution is conditional on the passing of Resolution 2.

##### **Resolution 2: Disapplication of pre-emption rights**

If passed, this resolution will give the Directors power, pursuant to the authority granted by Resolution 1, to allot equity securities (as defined by section 560 of the Act) without first offering them to Ordinary Shareholders in proportion to their existing holdings, up to a maximum nominal amount of £250,000 of Ordinary Shares in respect of the Offer and £25,000 in respect of the Dividend investment Scheme. The Directors intend to exercise this power in order to allot Ordinary Shares pursuant to the Offer and Dividend Investment Scheme.

The power granted by this resolution will expire on the fifth anniversary 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 section 561(1) of the Act did not apply, but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities. This resolution is conditional on the passing of Resolution 1.

### **Resolution 3: Reduction of the Company's share premium account**

If passed this resolution will then allow, subject to court approval, the Company's share premium account to be reduced in respect of the Offer Shares issued under the Offer. If the share premium account is reduced then, unless the court orders otherwise, the reserve created by the cancellation will be treated as a realised profit. Shareholders' approval for a reduction of share capital of the Company, including its share premium, is necessitated by section 641 of the Act. Shareholders should note that the Company will not exercise this authority until three years has elapsed from the end of the accounting period in which the Offer Shares are issued.

Resolution 1 concerning the authority of the Directors to issue the Offer Shares is conditional on the approval of Resolution 2, concerning the disapplication of pre-emption rights.

Resolutions 2 and 3 are conditional on the approval of Resolution 1.

If the Resolutions are not approved, the proposed Offer will not proceed.

### **Reasons for the Offer**

The Board believes there is currently an attractive opportunity, as the economy continues to improve, to make further private equity type investments in order to enhance returns for Ordinary Shareholders. The ability to continue this programme of investment is particularly important to maintain returns in the future and the Offer is being launched to take advantage of a continuing flow of attractive investment opportunities being received by the Company's investment adviser.

### **Investment opportunity**

Foresight continues to experience strong deal flow for Ordinary Share fund investment. Entry valuations are attractive and since the beginning of June last year, the Company has concluded three new investments amounting to £3.8 million into media services company Procam TV, engineering services business Aerospace Tooling Corporation and air conditioning and sprinkler installation business Fire and Air Services.

All of these businesses are generating profits and are considered by the Directors and the investment adviser as having significant growth opportunities ahead of them. Further similarly attractive new investments are at an advanced stage of negotiation.

Together with the rest of the Board, I believe this Offer represents a compelling investment opportunity and one in which I and my fellow Directors will be participating. It is the Board's expectation that the Offer will be attractive to a wide range of investors, including existing Shareholders, experienced investors and those who are coming to VCTs for the first time.

Funds raised under the Offer will also increase the Company's net assets overall and allow the Company's administrative costs to be spread across a wider asset base, so that the administrative costs of the Company per Share can be reduced.

Full details of the Offer will be set out in the Registration Document, Summary and Securities Note which together comprise a Prospectus in accordance with the Prospectus Rules made under Section 84 of FSMA, and which is published as at today's date.

A copy of the Securities Note is enclosed with this Circular. All documents comprising the Prospectus will also be available from the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG and the following website: <http://www.foresightgroup.eu>.

### **Financial effects of the Offer on the assets, liabilities and earnings of the Company**

As at 30 June 2014 the Company had net assets of approximately £57.78 million, with £37.74 million attributable to the Ordinary Share Fund. If no Offer Shares are subscribed for under the Offer then the Offer will have no material impact on the net assets of the Company.

To the extent that Offer Shares are subscribed for under the Offer then the net assets of the Company would be increased by the net amount subscribed, after costs, for those Shares. The impact of the Offer on the Company's earnings should be accretive to net assets.

In relation to the Offer, and through the mechanism of a Pricing Formula, each Investor shall bear the cost of:

- (a) a Promoter's Fee payable to Foresight amounting to:
  - a. 2.5% of the amount subscribed by Investors who subscribe through authorised intermediaries; or
  - b. 5.5% of the amount subscribed by Investors who subscribe directly,
- (b) commission to authorised intermediaries of:
  - a. 3% of the amount subscribed by Professional Client Investors and Execution-Only Investors; or
  - b. such initial amount as may be agreed between Retail Client Investors and their advisers and communicated to the Company on an application for Offer Shares, subject to the allotment of the Offer Shares, and

the Company shall pay:

- (c) annual trail commission to authorised intermediaries of Execution-Only Investors and Professional Client Investors at the rate of 0.5% of the net asset base value of the Offer Shares subscribed for as at the end of each financial year of the Company subject to a cumulative maximum of 3%.

Because adviser charges are set at whatever level is agreed between adviser and client, there could be a wide range of different fees that need to be facilitated. The Company can neatly achieve this by applying a pricing formula which gives each applicant a "bespoke" share price - dividing the amount subscribed (say £10,000) by this price gives the number of shares that will be issued to that investor. This also means that, apart from trail commission, the Offer is cost-neutral to the Company.

Investors are invited to subscribe an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares issued to a successful applicant will be determined by reference to the pricing formula set out below:

$$\text{Price} = \text{NAV} / X$$

where NAV is the latest Net Asset Value per Ordinary Share at the time of each allotment; and

$$X = 1 - \text{Total Net Fees}^1 (\%)$$

The number of Offer Shares to be allotted will be determined by dividing the amount subscribed by that applicant by the bespoke issue price given by the formula rounded down to the nearest whole Share. Fractions of Shares will not be allotted.

In all cases, the Company shall pay the relevant Promoter's Fee and settle either Adviser Charges or commission (as relevant) to Investors' financial intermediaries. Where the Company settles an Adviser Charge on behalf of an Investor, this will be paid from the Company's share premium account attributable to Shares issued prior to 5 April 2014.

Therefore, if an Investor (to whose application a Promoter's Fee of 2.5% is applicable and who has agreed an Adviser Charge of 3% and who is entitled to 1% early bird discount and 0.5% loyalty discount) were to subscribe £10,000, with the Company's Net Asset Value standing at 95.4p, he would pay 99.4p per Share and receive a total of 10,060 Offer Shares.

A new Investor, who invested too late for an early bird discount but who had agreed a smaller Adviser Charge of 2% with their financial intermediary would pay 99.9p per Share and receive 10,010 Offer Shares for his £10,000 subscription.

Trail commission of 0.5% per annum (subject to a maximum cumulative payment of 3%) is payable to the advisers of Execution-Only Investors and Professional Client Investors but this is a cost borne by the Company. The Directors feel that the benefits of attracting greater investment (including economies of scale and the spreading of costs over a larger assets base) mean that this is a cost worth bearing and one that will benefit the Shareholders generally.

<sup>1</sup>"Total Net Fees" is the aggregate of the relevant Promoter's Fee, Commission or Adviser Charge less any applicable early bird or loyalty discounts applicable to each Investor, expressed as a percentage of funds subscribed. The Total Net Fees figure will in each case be calculated as a percentage of 1 (e.g. 0.055 would equate to 5.5%).

### **Early bird and loyalty discounts**

Investors whose applications forms are received by 19 December 2014 will enjoy a 2% discounted subscription price through the application of the Pricing Formula. From 20 December 2014 this will reduce to 1% until 27 February 2015, after which it will reduce to nil.

In addition existing investors in VCTs managed by Foresight who invest before 27 February 2015 will receive a loyalty discount of 0.5% through application of the Pricing Formula.

The Company will be reimbursed by Foresight, the investment adviser, for the costs of the early bird and loyalty bonus incentives.

### **Risk factors**

Subject to an individual's own circumstances, the potential tax reliefs available to investors in VCTs are generous. Potential Investors in Offer Shares should however note the following risks that exist in relation to VCT investments.

Participants should be aware that any Shares subscribed for under the Offer must be held for five years in order to qualify for Venture Capital Trust ("VCT") Relief.

Funds raised by the issue of Offer Shares will need to be invested in accordance with the VCT Rules within three years. Failure to do so might result in the Company losing its qualifying status as a VCT resulting in adverse tax consequences for Investors. The Board believes that the net funds raised, if any, under the Offer can be successfully invested both in the support of existing portfolio companies and in the pipeline of new opportunities which the Board and Foresight have been seeing in recent months so this risk is regarded as minimal.

Whilst it is the intention of the Directors that the Company will be managed so as to continue to qualify as a VCT, there can be no guarantee that such status will be maintained.

The net asset value of the Offer Shares will reflect the performance of the underlying investments and the value of the underlying assets in the Ordinary Share Fund portfolio. The value of investments and income derived from them can rise and fall. The level of returns to holders of Offer Shares may be less than expected if there is a delay in the investment programme such that all or part of any net proceeds of the Offer are held in cash or near cash investments for longer than expected or if the interest rates obtained on loans, or overall returns on equity investments made from the monies raised pursuant to the Offer, is less than planned.

HMRC have not fully settled their position as to the tax treatment of adviser charges facilitated by VCTs pursuant to the Retail Distribution Review.

### **The Offer Shares**

The Offer Shares will rank pari passu with the existing Ordinary Shares.

Although the Offer Shares are intended to be issued in certificated form, Shareholders can transfer their holding into uncertificated form following allotment should they so wish.

### **General meeting**

This Circular has been sent to all Shareholders as, in accordance with the Act, the constituent parts of the Offer require Shareholder approval at a general meeting. A Meeting has therefore been convened to be held on 2 December 2014 at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG. The Resolutions required to implement the Offer will accordingly be put to the Shareholders of the Company at the Meeting and are set out in detail in the notice of meeting which appears in Section 3 of this Circular.

### **No change in investment policy**

The Offer will not involve a change in the investment policy of the Company which remains as stated in the Company's annual report and accounts to the year ended 31 December 2013.

### **Expenses cap**

The Company currently does not have an expenses cap. Following the Offer however, Foresight Group has agreed, that, for the duration of the existence of the Ordinary Shares and Infrastructure Shares (together), the annual expenses cap will be implemented at 3.0% per annum and, thereafter, at 3.3% per annum.

Annual expenses falling within the cap include expenses incurred in the ordinary course of the Company's business and include management and administration fees, Directors' remuneration, fees payable to the registrar, stockbroker, auditors, solicitors and VCT status advisers. Annual expenses do not include exceptional items, performance incentive fees, annual trail commission and irrecoverable VAT.

### **Dividend Investment Scheme**

The Board has resolved to operate a Dividend Investment Scheme for Ordinary Shareholders wishing to elect to receive new Ordinary Shares as an alternative to receiving cash dividends. Any new Ordinary Shares issued under the Dividend Investment Scheme will be allotted at the last published Net Asset Value per Ordinary Share of the Company (adjusted to take into account the dividend to be paid). Dividend investment schemes enable shareholders to increase their total shareholding in a company without incurring dealing costs, issue costs or stamp duty. Any new Shares issued should qualify for VCT tax reliefs available at the time of subscription, provided that they are then held for the necessary qualifying period. New Shares issued will rank pari passu with the existing Ordinary Shares and will be issued either in certificated form or uncertificated form, depending on the Shareholder's wishes. Fractions of Shares will not be issued, but carried forward and included in calculating a Shareholders next dividend entitlement.

New Ordinary Shares allotted under the Dividend Investment Scheme will form part of each Shareholder's annual limit for investing in VCTs. Investors wishing to participate in the Dividend Investment Scheme should tick the relevant box on the Application Form. Shareholders who do not wish to invest under the Offer but wish to participate in the Dividend Investment Scheme in respect of their existing holding should contact the scheme administrator whose details are included, along with the terms and conditions of the scheme, in Part 5 of the Securities Note that forms part of the Company's prospectus dated 31 October 2014 (a copy of which is enclosed herewith) no later than 10 days before the scheduled payment date of a dividend in respect of which they wish to participate. 10 days notice is also required to withdraw from the scheme and receive a cash dividend. On or as soon practicable after a day on which any dividend is due to be paid to a Shareholder, a Shareholder's funds shall be applied on behalf of that Shareholder to subscribe for the maximum number of whole new Ordinary Shares which he can be allotted with those funds based on the latest published NAV of an Ordinary Share. The number of Ordinary Shares to be allotted to a Shareholder under the Dividend Investment Scheme shall be calculated by dividing the Shareholder's funds by the appropriate NAV. Shareholders may only elect to participate in respect of their entire holding but may contact the scheme administrator in respect of individual dividends which they wish to receive as part-cash part-shares. The election for Shares will continue unless the Scheme administrator is notified as set out in the terms and conditions. As soon as practicable after allotment of the Ordinary Shares, Shareholders will be sent a statement detailing the information of their allotment.

The Company may, in their absolute discretion and at any time, suspend or terminate the scheme.

### **Recommendations**

The Board considers that the Proposals to effect the Offer and Resolutions to be considered at the Meeting are in the best interests of the Company and its Shareholders as a whole.

Accordingly the Board unanimously recommends that Shareholders vote in favour of all the Resolutions at the Meeting as they intend to do in respect of their own beneficial shareholdings of 60,727 Ordinary Shares which in aggregate represent approximately 0.1% of the entire issued share capital of the Company. The Directors do not hold any Planned Exit Shares or Infrastructure Shares.

### **Action to be taken**

Enclosed with this document is a form of proxy for use at the Meeting. Shareholders are asked to complete and return the form of proxy to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received as soon as possible, and in any event to arrive no later than 12 noon on 28 November 2014. Completion and return of a form of proxy will not affect a Shareholder's right to attend and vote at the Meeting should he or she wish to do so.

I look forward to welcoming you at the Meeting and to your support for the Resolutions to be proposed at them.

Yours sincerely

**John Gregory**

Chairman of Foresight VCT plc

Registered Office: The Shard, 32 London Bridge Street, London SE1 9SG

## **Appendix to the letter from the Chairman of Foresight VCT plc**

### *Additional Information*

#### **1. Share capital**

As at 30 October 2014 (this being the latest practicable date prior to the publication of this document), the issued share capital of the Company was as follows:

	<b>Number of shares</b>	<b>Nominal value (£)</b>
Ordinary Shares	40,285,677	402,856.77
Planned Exit Shares	6,082,676	60,826.76
Infrastructure Shares	16,590,058	165,900.58
<b>TOTAL</b>	<b>62,958,411</b>	<b>629,584.11</b>

#### **2. Directors and their interests**

As at 30 October 2014 (this being the latest practicable date prior to the publication of this document), the interests of the directors were as follows:

	<b>Director's Fees (£)</b>	<b>Ordinary Shares held</b>	<b>Planned Exit Shares held</b>	<b>Infrastructure Shares held</b>	<b>% of entire issued Share capital</b>
John Gregory	28,250	4,966	-	-	0.04
Peter Dicks	21,000	49,579	-	-	0.03
Gordon Humphries	23,000	6,182	-	-	0.04
<b>Total</b>	<b>72,250</b>	<b>60,727</b>	<b>-</b>	<b>-</b>	<b>0.11</b>

**31 October 2014**

## SECTION 2

### DEFINITIONS

In this Circular and the notice of Meeting attached the following expressions have the following meanings:

<b>the Act</b>	the Companies Act 2006 (as amended)
<b>Articles</b>	the current articles of association of the Company
<b>Board or Directors</b>	the board of directors of the Company
<b>Business Days</b>	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
<b>Circular</b>	this document
<b>Company or Foresight VCT</b>	Foresight VCT plc
<b>Dividend Investment Scheme</b>	the scheme pursuant to which Shareholders can elect to reinvest their cash dividends received from the Company for additional Ordinary Shares, the terms and conditions of which can be found in Part 5 of the Securities Note
<b>Execution-Only (Investor)</b>	a transaction which is executed by an FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation (and 'Execution-Only Investor' shall mean an Investor who subscribes for Offer Shares in such a manner)
<b>FCA</b>	the Financial Conduct Authority
<b>Foresight or Foresight Group</b>	Foresight Group LLP, the promoter of the Offer, which is authorised and regulated by the FCA, or Foresight Group CI Limited, the Company's investment adviser, which is licensed by the Guernsey Financial Services commission, as the context dictates
<b>FSMA</b>	the Financial Services and Markets Act 2000 (as amended)
<b>Infrastructure Shares</b>	infrastructure shares of 1p each in the capital of the Company
<b>Investor</b>	an individual who subscribes for Offer Shares pursuant to the Offer
<b>Listing Rules</b>	the listing rules of the UKLA
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Meeting</b>	the general meeting of the Company to be held on 2 December 2014 to be convened in accordance with notice set out in this document
<b>Net Asset Value or NAV</b>	the net asset value attributable to the Shares calculated in accordance with the Company's normal accounting policies in force at the date of circulation
<b>Offer</b>	the offer for subscription to raise in aggregate up to £20,000,000 by issues of Ordinary Shares by the Company pursuant to the Prospectus which, is expected to be published shortly and will be prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FCA in accordance with FSMA
<b>Offer Shares</b>	those Ordinary Shares proposed to be issued pursuant to the Prospectus
<b>Ordinary Shares</b>	ordinary shares of 1p each in the capital of the Company
<b>Ordinary Share Fund</b>	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company and all income and assets derived therefrom and all expenses and liabilities attributable thereto
<b>Planned Exit Shares</b>	planned exit shares of 1p each in the capital of the Company
<b>Professional Client Investor</b>	an Investor who applies for Offer Shares through their IFA where the IFA has classified the Investor as an elective professional client for the purposes of the FCA Rules and their IFA is an Article 3 MiFID exempt firm
<b>Promoter</b>	Foresight Group LLP, the promoter of the Offer

<b>Proposals</b>	the proposals to effect the Offer and pass the Resolutions to be proposed at the Meeting
<b>Prospectus</b>	together the Registration Document, Securities Note and Summary to be issued by the Company in connection with the Offer
<b>Qualifying Company</b>	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
<b>Qualifying Investments</b>	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
<b>Registration Document</b>	the registration document dated 31 October 2014 in connection with the Company
<b>Resolutions</b>	the resolutions to be proposed at the Meeting (and each a "Resolution")
<b>Retail Client Investor</b>	an Investor who applies for Offer Shares through their IFA where the IFA has classified the Investor as a retail client for the purposes of the FCA rules
<b>Securities Note</b>	the securities note dated 31 October 2014 in connection with the Offer Shares
<b>Shares</b>	Ordinary Shares and/or Planned Exit Shares and/or Infrastructure Shares as the context requires
<b>Shareholders</b>	the holders of Shares
<b>Summary</b>	the summary issued by the Company dated 31 October 2014 in connection with the Offer
<b>UKLA or UK Listing Authority</b>	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>Tax Act</b>	the Income Tax Act 2007 (as amended)
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>VCT or Venture Capital Trust</b>	a venture capital trust as defined in section 259 of the Tax Act

**SECTION 3**  
**FORESIGHT VCT PLC**  
**NOTICE OF GENERAL MEETING**

**Notice is hereby given that a general meeting of Foresight VCT plc will be held at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, SE1 9SG on 2 December 2014 at 12 noon for the purposes of considering and, if thought fit, passing the following resolutions.**

Resolution 1 will be proposed as an ordinary resolution, that is to say, a resolution to be passed by a simple majority.

Resolutions 2 and 3 will be proposed as special resolutions, that is to say, as resolutions to be passed by a majority of not less than 75%.

**1. Authority to allot Ordinary Shares**

THAT, conditionally upon the passing of Resolution 2 below, the Directors be generally and unconditionally authorised pursuant to section 551 of the Company Act 2006 ("the 2006 Act") to allot Ordinary Shares having the rights and being subject to the restrictions set out in the articles of association of the Company and to grant rights to subscribe for or to convert any security into Ordinary Shares in the Company pursuant to:

- (i) an offer for subscription set out in the prospectus of even date herewith (the "Offer") and subject to a maximum aggregate nominal amount of £250,000; and
- (ii) a dividend investment scheme implemented by the directors and subject to a maximum aggregate nominal amount of £25,000;

and 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 Ordinary Shares to be allotted or rights to subscribe for or to convert securities into Ordinary Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or to convert securities into Ordinary 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.

**2. Disapplication of pre-emption rights**

THAT, conditionally upon the passing of Resolution 1, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the Act) for cash pursuant to the authority conferred by Resolution 1 as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities with an aggregate nominal value not exceeding £250,000 in connection with the offer for subscription described in the prospectus of even date herewith and an aggregate nominal value not exceeding £25,000 in connection with the dividend investment scheme implemented by the Directors.

The power granted by this resolution will expire on the fifth 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 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 section 561(1) of the Act did not apply.

**3. Reduction of share premium account**

THAT, conditionally upon the passing of Resolutions 1 and 2, in accordance with Section 641 of the Act the Company be generally authorised to reduce its share premium account (the amount standing to the credit of which will be increased on the issue of Ordinary Shares under the Offer) by up to 100% of

the amount standing to the credit thereof immediately following the close of the Offer provided that any reduction pursuant to this resolution is confirmed by order of the court.

The Company will not exercise this authority before the date falling three years from the end of the accounting period in which the Offer closes.

By order of the Board

**Foresight Fund Managers Limited**

Company Secretary

31 October 2014

The Shard  
32 London Bridge Street  
London  
SE1 9SG

## **NOTES TO THE NOTICE OF GENERAL MEETING OF FORESIGHT VCT PLC**

### **Entitlement to attend and vote**

1. Only those members registered on the Company's register of members at: 12 noon on 28 November 2014; or, if this Meeting is adjourned, at 12 noon on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the Meeting.

### **Foresight Group LLP website provides information regarding the Meeting**

2. Information regarding the meeting, including the information required by section 311A of the Act, is available from [www.foresightgroup.eu](http://www.foresightgroup.eu).

### **Attending in person**

3. If you wish to attend the meeting in person, please bring with you the attendance card provided.

### **Appointment of proxies**

4. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.
5. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in this "Appointment of proxies" section. Please read the section "Nominated persons" below.
6. A proxy does not need to be a member of the Company but must attend the meeting to represent you. Details of how to appoint the Chairman of the meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
7. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different Shares. You may not appoint more than one proxy to exercise rights attached to any one Share.
8. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If you either select the "Discretionary" option or if no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

### **Appointment of proxy using hard copy proxy form**

9. The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be: completed and signed; sent or delivered to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and be received by Computershare Investor Services PLC no later than 12 noon on 28 November 2014.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

### **Electronic Proxy Appointment**

10. You may appoint a proxy electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy). To appoint a proxy electronically, you will be asked to provide the Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically and all electronic proxy appointments must be received no later than 12 noon on 28 November 2014.

### **Appointment of proxy by joint members**

11. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

### **Changing proxy instructions**

12. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

### **Termination of proxy appointments**

13. In order to revoke a proxy instruction you will need to inform the Company by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 12 noon on 28 November 2014. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### **Corporate representatives**

14. A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

### **Issued shares and total voting rights**

15. As at on 30 October 2014, the Company's issued share capital comprised 40,285,677 Ordinary Shares of 1p each, 6,082,676 Planned Exit Shares of 1p each and 16,590,058 Infrastructure Shares of 1p each. Each Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at on 30 October 2014 is 62,958,411. The website referred to in note 2 will include information on the number of shares and voting rights.

### **Questions at the Meeting**

16. Under section 319A of the Act, the Company must answer any question asked by a Shareholder relating to the business being dealt with at the meeting unless: answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### **Communication**

17. Except as provided above, members who have general queries about the Meeting should call the Foresight shareholder helpline on 020 3667 8100.

**Nominated persons**

18. If you are a person who has been nominated under section 146 of the Act to enjoy information rights (Nominated Person), you may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

## SECTION 4

### EXPLANATION OF RESOLUTIONS

#### **Resolution 1: Grant of authority to allot Ordinary Shares**

If passed, this resolution authorises the Directors to allot Ordinary Shares and to grant rights to subscribe for Ordinary Shares in accordance with section 551 of the Act up to a maximum nominal amount of £250,000 in respect of the Offer and £25,000 in respect of the Dividend Reinvestment Scheme. The authority granted by this resolution will expire on the fifth anniversary of the date of the passing of this resolution. The Directors intend to exercise this authority in order to allot Ordinary Shares as set out in the Prospectus. The Company does not hold Shares in Treasury. This resolution is additional and does not revoke the authority granted at the Company's last annual general meeting.

#### **Resolution 2: Disapplication of pre-emption rights**

If passed, this resolution will give the Directors power, pursuant to the authority granted by Resolution 1, to allot equity securities (as defined by section 560 of the Act) without first offering them to existing Shareholders in proportion to their existing holdings, up to a maximum nominal amount of £250,000, pursuant to the Offer and £25,000, pursuant to the Dividend Investment Scheme.

The power granted by this resolution will expire on the fifth 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 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 section 561(1) of the Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities.

#### **Resolution 3: Reduction of share premium account**

This resolution authorises the Company to reduce the share premium account arising on the issue of Ordinary Shares under the Offer subject to confirmation by an order of the court. The authority will not be exercised for a minimum of three years following the end of the accounting period in which the relevant Ordinary Shares are issued.