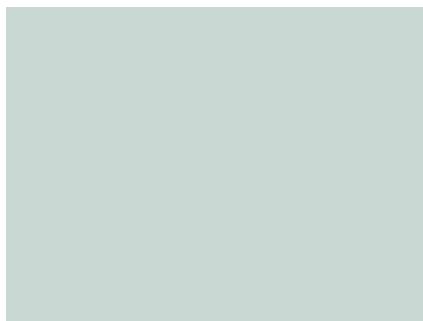




Triple Point



 **Hydro VCT2**

[Triple Point Income VCT plc](#)

OFFER FOR SUBSCRIPTION TO RAISE
UP TO £10,000,000 BY ISSUE OF
HYDRO 2 SHARES OF ONE PENCE EACH

**SECURITIES NOTE &
APPLICATION FORMS**

This document is important and requires your immediate attention

If you are in any doubt as to the action to be taken, you should immediately consult your bank manager, stockbroker, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 ("FSMA").

This document constitutes a securities note (the "Securities Note"). Additional information relating to the Company is contained in a registration document (the "Registration Document"). A brief summary conveying the essential characteristics of, and risks associated with, the Company and the new Hydro 2 Shares which are being offered for subscription (the "Offer") is contained in a summary note (the "Summary"). The Securities Note, the Registration Document and the Summary together constitute a prospectus dated 29 October 2014 (the "Prospectus") which has been prepared in accordance with the Prospectus Rules made under Part VI of FSMA and has been approved for publication by the Financial Conduct Authority as a Prospectus under the Prospectus Rules on 29 October 2014.

The Company and the Directors, whose names appear on page 11 of this document, accept responsibility for

the information contained herein. To the best of the knowledge and belief 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.

Persons receiving this document should note that Howard Kennedy Corporate Services LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as sponsor for the Company and no-one else and will not, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, be responsible to any other person for providing the protections afforded to customers of Howard Kennedy Corporate Services LLP or providing advice in connection with any matters referred to herein.

Triple Point Income VCT plc

(registered number 6421083)

Offer for subscription to raise up to £10,000,000* by the issue of Hydro 2 Shares of 1 pence each in the capital of Triple Point Income VCT plc

Sponsor: Howard Kennedy

The Ordinary Shares, the A Ordinary Shares and the C Ordinary Shares in issue at the date of this document are listed on the premium segment of the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities.

An application has been made to the UK Listing Authority for all of the Hydro 2 Shares to be listed on the premium segment of the Official List and application will be made to the London Stock Exchange for the Hydro 2 Shares to be admitted to trading on its main market for listed securities. It is expected that such admission will become effective and that trading will commence, in respect of the Hydro 2 Shares, within ten Business Days of their allotment.

The attention of persons receiving this document who are resident in, or who are citizens of, territories outside the United Kingdom is drawn to the information under the heading "Investors not resident in the UK" in Section B of Part 1. In particular, the Hydro 2 Shares have not and will not be registered under the United States Securities Act 1933 (as amended) or the United States Investment Company Act 1940 (as amended). The attention of

persons receiving this document is also drawn to the risk factors on page 2 of this document.

The Offer is conditional upon the Minimum Net Proceeds being raised before 12 noon on 2 April 2015.

** If the Offer is over-subscribed, the Offer may be increased at the discretion of the Directors by up to a further £10,000,000.*

Copies of this document are available for inspection on the National Storage Mechanism's website <http://www.morningstar.co.uk/uk/NSM> following the date of publication and may be obtained free of charge for the duration of the Offer, by collection from:

Howard Kennedy
19 Cavendish Square
London
W1A 2AW

Triple Point
18 St. Swithin's Lane
London
EC4N 8AD

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Risk Factors

The Company and the Directors consider the following risks to be material to the Hydro 2 Shares. Material risks relating to the Company are set out in the Registration Document. Additional risks and uncertainties currently unknown to the Company and the Directors (such as changes in legal, regulatory or tax requirements), or which the Company and the Directors currently believe are immaterial to the Hydro 2 Shares, may also have a materially adverse effect on the trading price of Hydro 2 Shares.

General Risks

- The Company intends to manage its affairs in respect of each accounting period so as to obtain and thereafter maintain approval as a VCT. However, there can be no guarantee that the Company will be able to maintain VCT status. A failure of the Company to meet and maintain the qualifying requirements for a VCT may cause HMRC to withdraw the Company's status as a VCT, which could result in:
 - investors being required to repay the 30% income tax relief received on subscription for Hydro 2 Shares;
 - loss of income tax relief on dividends paid (or subsequently payable) by the Company;
 - loss of tax relief previously obtained in relation to corporation tax on capital gains made by the Company; and
 - a liability to capital gains tax on the disposal of Hydro 2 Shares.
- Prospective investors whose decision to invest is based on the levels and bases of relief from taxation as set out in this document should be aware that these may change and such changes may be retrospective. The tax reliefs referred to in this document are those currently available for the 2014-2015 tax year and their values depend on the individual circumstances of investors.
- Although it is intended that the Hydro 2 Shares will be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange, shares in VCTs are inherently illiquid and there may be a limited market in the Hydro 2 Shares primarily because the initial tax relief is only available to those subscribing for newly-issued Hydro 2 Shares and investors may, therefore, have difficulty in selling them.
- The value of Hydro 2 Shares depends on the performance of the Company's underlying assets. However, the market price of the Hydro 2 Shares may not fully reflect their underlying NAV and will be determined, among other things, by the interaction of supply and demand for Hydro 2 Shares in the market, as well as the NAV per Hydro 2 Share. There is no guarantee that the Company will buy back its Shares in the future. The price at which the Hydro 2 Shares are traded may not reflect the NAV of the Company as shares in VCTs often trade at below their NAV due, in part, to low share trading volumes and wide bid-offer spreads.
- Investments in the Company should be regarded as long-term in nature, as any sale of Hydro 2 Shares within five years of subscription will result in the 30% income tax relief available upon investment becoming repayable.

- Prospective investors should be aware that the value of the Hydro 2 Shares can fluctuate and an investor may not receive back the full amount originally invested. There is no certainty as to any level of dividends.
- It may not be possible for all or any of the Hydro 2 Share Fund to be invested in hydro-electric power projects. If terms cannot be agreed in respect of identified hydro-electric power projects or Triple Point determines that a recommendation in respect of such projects should not be made to the Board, then Triple Point will pursue investments in a range of other sectors that satisfy the Investment Policy and which offer a comparable risk/return profile.
- Income tax relief will not be available to an investor in Hydro 2 Shares if, within six months of subscription, the investor has disposed of Shares.
- The Finance Act 2014 amends the VCT Rules in respect of VCT shares issued on or after 6 April 2014. VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from capital within three years of the end of the accounting period in which shares were issued to investors. This may reduce the amount of distributable reserves available to the Company to fund dividends and share buy backs.

Specific risks associated with hydro-electric power

- The Company will be subject to risks associated with hydro-electric power projects, which may adversely affect expected returns. Such risks include, but are not limited to, lower or more variable precipitation, increasing severity of weather and/or climate change, blocking of the intake structure that controls water flow or of the enclosed pipe that delivers water to hydraulic turbines by foreign or other matter, turbine or other mechanical/electrical malfunctions, lower than projected generator efficiency, higher than projected generator downtime, increased operational costs, lack of availability of power purchase agreements, and counterparty risk with grid connection providers. These risks may adversely affect expected returns. The development and operation of hydro-electric power projects is a specialist field and the Manager, in advising on investments, will engage with, and may rely on advice given and input provided by, technical and other third party specialist advisers and contractors.
- A referendum on Scotland's independence held in September 2014 resulted in a vote by 55% to 45% in favour of Scotland remaining as part of the UK. An agreement has been reached in principle between the main political parties in the UK to devolve more powers of taxation to the Scottish Parliament. Although the Scottish Government is currently supportive of renewable energy and current UK renewable energy policies, an independent Scottish Government or one with the relevant powers could reduce or remove the effective subsidy of hydro-electric power which would then reduce investment returns and could make it harder to agree terms for new investments.
- In the event of a vote for Scottish independence in any future referendum there can be no certainty over the currency that will be used by Scotland, and if it were not Sterling, the cash flows from investments in that domicile would be subject to,

and could be adversely affected by, currency translation volatility,

- The Company intends to mitigate the associated development and operation risks through a diversified portfolio in proven technology, long-term contracts, due diligence and historical data. Annual energy output may fluctuate and as such annual revenue may experience volatility. This may influence the availability of dividends that can be paid out to investors.
- A change of Government or a change in Government policy in respect of hydro-electric projects could have an adverse effect upon electricity prices and thus revenues generated.

- The hydro-electric power projects expect to generate revenue from Feed-in Tariffs (an index-linked payment from an electricity company for every kilowatt hour generated and an additional index-linked payment for every kilowatt hour exported to the wider energy market). A retrospective reduction in or abolition of the Feed-in Tariff would reduce investment returns.
- Changes in interest rates or changes in the terms offered by senior lenders in financing hydro-electric power projects may negatively impact expected returns.
- There is no guarantee that the Investment Management Team will source sufficient deal flow of operational or fully consented hydro-electric power projects.

Expected timetable in respect of the Offer

Offer opens	29 October 2014
Deadline for receipt of applications for final allotment in 2014/2015 tax year	12 noon on 2 April 2015
Deadline for receipt of applications for final allotment in 2015/2016 tax year	12 noon on 30 April 2015
First allotment	on or before 2 April 2015
Offer closes	30 April 2015
Admission and dealings expected to commence within ten Business Days of any allotment.	
The deadline for receipt of applications is subject to the Offer not being fully subscribed by an earlier date. The final closing date of the Offer, and the deadline for receipt of applications for the final allotment in the 2015/16 tax year, may be extended by the Directors at their absolute discretion to a date no later than 28 October 2015. The Directors reserve the right to allot and issue Hydro 2 Shares at any time whilst the Offer remains open. Definitive share and tax certificates will be despatched and CREST accounts credited as soon as practicable following allotment of Hydro 2 Shares. The Offer is not underwritten.	

Offer Statistics

Offer Price per Hydro 2 Shares	As determined by the Hydro 2 Share Price Calculation
Maximum costs of the Offer*	£1,100,000
Maximum Net Proceeds of the Offer*	£18,900,000
Minimum Net Proceeds of the Offer	£2,000,000
Maximum number of Hydro 2 Shares in issue following the Offer**	19,020,009
Minimum number of Hydro 2 Shares in issue following the Offer***	2,042,326
2014/2015 Bonus Shares (capped to the first £5,000,000 of subscription monies)	2% Share bonus for completed applications received and accepted by 16 January 2015 for allotment in the 2014/2015 tax year 1% Share bonus for completed applications received between 17 January 2015 and 27 February 2015 for allotment in the 2014/2015 tax year
2015/2016 Bonus Shares (capped to the first £1,000,000 of subscription monies)	2% Share bonus for completed applications received and accepted by 30 April 2015 for allotment in the 2015/2016 tax year
Commission available to authorised introducers	Up to 3% of the gross amount invested by their client payable on investment plus up to 0.5% of the NAV of the Hydro 2 Share Fund paid annually in arrear
* Assuming a full subscription of £10,000,000 and an increase in the size of the Offer at the discretion of the Directors of a further £10,000,000 and that the issue costs per Hydro 2 Share are 5.5%.	
** Assuming a full subscription of £10,000,000 and an increase in the size of the Offer at the discretion of the Directors of a further £10,000,000, a NAV per Hydro 2 Share of 100 pence for the purpose of the Hydro 2 Share Price Calculation, that all of the subscription monies are received by 16 January 2015, that £19,000,000 of the subscription monies are for allotment of Hydro 2 Shares in the 2014/2015 tax year, that £1,000,000 of the subscription monies are for allotment of Hydro 2 Shares in the 2015/2016 tax year and that the issue costs per Hydro 2 Share are 5.5%.	
*** Assuming that subscriptions of £2,116,403 are received by 16 January 2015 for allotment of Hydro 2 Shares in the 2014/2015 tax year, a NAV per Hydro 2 Share of 100 pence for the purpose of the Hydro 2 Share Price Calculation and that the issue costs per Hydro 2 Share are 5.5%.	
The Offer will not proceed unless valid subscriptions amount to not less than the Minimum Net Proceeds by 12 noon on 2 April 2015.	

Information Relating to the Company

Costs and Commissions Relating to the Offer	
Retail Clients	
Triple Point's fee*	2.5%
Adviser charges	As agreed between an intermediary and the investor. These payments can be facilitated by the company
Professional Clients and Execution-Only Clients	
Triple Point's fee*	2.5%
Initial commission payable to intermediaries*	Up to 3.0%
Trail commission payable to intermediaries**	Up to 0.5%
<p>* Of the aggregate value of accepted applications for Hydro 2 Shares</p> <p>** Of each relevant investor's holding in the Hydro 2 Share Fund and provided the intermediary continues to act for the investor and the investor continues to be the beneficial owner of the Hydro 2 Shares</p>	

Information relating to the Company	
Directors (all non-executive)	David Frank (Chairman) Michael Stanes Simon Acland
all of: Registered Office	18 St. Swithin's Lane London EC4N 8AD
Sponsor	Howard Kennedy Corporate Services LLP 19 Cavendish Square London W1A 2AW
Solicitors	HowardKennedyFsi LLP 19 Cavendish Square London W1A 2AW
Investment Manager, Administrator and Company Secretary	Triple Point Investment Management LLP 18 St. Swithin's Lane London EC4N 8AD
VCT Tax Adviser	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditors	Grant Thornton UK LLP 3140 Rowan Place John Smith Drive Oxford Business Park South Oxford OX4 2WB
Registrars	Neville Registrars Limited Neville House 18 Laurel Lane Halesowen West Midlands B63 3DA
Receiving Agent	Triple Point Administration LLP 18 St. Swithin's Lane London EC4N 8AD

Part 1 Share Offer by the Company : Chairman's Letter

29 October 2014

Triple Point Income VCT PLC
18 St. Swithin's Lane
London
EC4N 8AD
United Kingdom

Dear Investor

I am pleased to introduce our offer for Hydro 2 Shares in the Company, which is a generalist VCT established to give investors exposure to Qualifying Investments and other investments identified by the Company's investment manager, Triple Point Investment Management LLP ("Triple Point").

The Offer is for subscription for shares in a new class of shares to be issued by the Company, with the strategy of making VCT Qualifying Investments with the potential to provide stable and readily realisable returns. The Company's investment strategy is directed towards cash generative businesses which are operating in stable or mature fields with a high quality customer base. Targeted sectors identified include renewable energy, clean energy and other businesses which focus on infrastructure, as well as businesses with a secure customer base or high barriers to entry.

The reasons why the Company is proposing an offer of Hydro 2 Shares as opposed to a further offer of the existing Hydro Shares include the following:

- this will ensure that the cash proceeds of the Offers, and the deployment of that cash into Qualifying Investments, will not adversely affect the returns that are expected in respect of the Hydro Shares;
- the C Ordinary Share Fund is currently being deployed into companies that are in the developmental/build phase of constructing hydro-electric power installations during which it is difficult to provide an accurate valuation of the C Ordinary Share Fund in order to determine an accurate offer price for new investors; and
- the holders of Hydro Shares invested on the basis of a £15m to £20m fundraising and, potentially, the ability to sell those shares after five years following the date of investment – a new influx of funds into the C Ordinary Share Fund might impact upon these expectations.

On 31 March 2014, the Company, excluding the A Ordinary Share Fund and the C Ordinary Share Fund, was some 91% invested in Qualifying Investments. The A Ordinary Share Fund, which should be considered separately, stood at over 90% invested in Qualifying Investments. In an Offer of C Ordinary Shares which closed on 29 May 2014 the Company

raised £14 million, which is expected to be invested in a portfolio of hydro-electric generating projects.

It is intended that the Hydro 2 Share Fund, which is the subject of the Offer, will predominantly invest in a new portfolio of Qualifying Investments to be originated by Triple Point, the focus of which will be on a further pipeline of investment opportunities in the hydro-electric power sector.

In addition, having completed over £25 million of VCT and EIS investments in the calendar year 2013, Triple Point continues to have a strong pipeline of opportunities and believes that the current economic climate and continuing reduced availability of bank or other funding for smaller companies will enable the Company to make suitable investments with attractive returns.

New investors in the Company will also benefit from the ability to spread costs over a larger asset base, which should improve returns for the Hydro 2 Share Fund and for existing Shareholders.

The portion of the Hydro 2 Share Fund assets that are Non-Qualifying Investments will be invested in cash or money market funds or investments with a profile similar to that of the Qualifying Investments.

The past performance of Triple Point is not an indication of its future performance and the past performance of the Company is not relevant to investors under the Offer who will be investing in the new Hydro 2 Share Fund.

You can invest between £10,000 and £200,000 in the Company in either or each of the 2014/2015 and 2015/16 tax years and you will find the application forms on pages 29 and 33 of this document. I very much look forward to welcoming you as a Shareholder.

Yours sincerely



David Frank
Chairman Triple Point Income VCT plc

Section A : Information on the Company

Introduction to the Offer

The Offer provides investors with an opportunity to invest in the Hydro 2 Share Fund and is structured to enable those investors to take advantage of the substantial tax reliefs available to, and for investments in, VCTs, including 30% income tax relief on amounts invested.

The intention of the Offer is to raise capital in the Hydro 2 Share Fund to acquire (and subsequently maintain) a portfolio of Qualifying Investments where the focus will be on cash generative businesses which are operating in stable or mature fields with a high quality customer base. Triple Point has identified specific opportunities for the Company to take advantage of favourable conditions in the hydro-electric power sector whilst maintaining the same characteristics required to meet the investment criteria. Whilst it is possible that all investments will be in the hydro-electric power sector, the Company will have the ability to invest the Hydro 2 Share Fund in a variety of other sectors where the Investment Management Team is confident that investments can be structured to meet the investment criteria.

The Company is seeking to raise up to £10,000,000 under the Offer. If the Offer is over-subscribed, the Offer may be increased at the discretion of the Directors by up to a further £10,000,000 and in which event the Offer as set out in this Prospectus will be an offer for subscription of up to £20,000,000 by issue of Hydro 2 Shares. The proceeds of the Offer will be applied in accordance with the Company's investment policy as set out on page 7. The Offer is conditional upon the passing of Resolutions 1-5 to be proposed at the General Meeting. The Offer is also conditional upon the Minimum Net Proceeds being raised before 12 noon on 2 April 2015.

There are a number of benefits in launching an offer for Hydro 2 Shares as opposed to an offer by a new VCT, including:

- Cost savings: over the lifetime of the Company there will be a saving per Share in fixed operating costs, facilitating higher returns and, therefore, higher dividends.
- Qualifying Investments: it may be possible for the Hydro 2 Share Fund to acquire Ordinary Share Fund Qualifying Investments, A Share Fund Qualifying Investments and C Ordinary Share Fund Qualifying Investments, depending on when funds are raised under the Offer and the extent to which the Company has exceeded the 70% Qualifying Investment threshold. The acquisition by the Hydro 2 Share Fund of such investments would potentially provide cash which can be used to fund a future exit of holders of Ordinary Shares, A Ordinary Shares and C Ordinary Shares.

The Offer will remain open until a date no later than 30 April 2015 unless fully subscribed at an earlier date or unless previously extended by the Directors, to a date no later than 28 October 2015. An application will be made for all of the Hydro 2 Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

Principal Features of the Offer

Investment strategy targeting capital preservation and an attractive yield

The Company is a generalist VCT established to target stable and attractive yields from venture capital investments sourced by Triple Point. The Company's strategy is to focus on consistent returns and the opportunity to exit investments after a period which is compatible with investors' time horizons.

Like other Triple Point managed VCTs, the Company's present and expected Qualifying Investments are designed to appeal to investors seeking VCTs targeting capital stability, investments whose realisation should be independent of stock market factors, and steady returns. Typical indicators of businesses which the Company will find attractive are strong stable cash flows, asset-backing, or a niche market with high barriers to entry and a high quality, stable customer base.

Initially, the proceeds of the Offer will be invested in liquid assets – cash, money market funds, or investments with a similar profile to the Qualifying Investments but which meet the liquidity requirements of the Company and with not more than 15% of the aggregate value of all of the Company's investments in any one investment at the time any investment is made or added to. A proportion of the proceeds of the Offer may be used to acquire Ordinary Share Fund Qualifying Investments, A Ordinary Share Fund Qualifying Investments and C Ordinary Share Fund Qualifying Investments, this proportion being dependent on the Company's headroom over the requirement to be 70% invested in Qualifying Investments.

Whilst the Company has no present intention of utilising direct borrowing as a strategy for improving or enhancing returns, to assist in re-balancing its assets between Qualifying Investments and Non-Qualifying Investments, the Company may, if necessary, borrow within its permitted limit (30% of the Company's NAV).

A Tax Efficient Investment

The tax rules governing VCT investments make the Company tax efficient for those with UK income tax liabilities. Taxpayers should benefit from a reduction of up to £3,000 in their tax bill for every £10,000 invested, provided Shares are held for a period of at least five years and so long as the Company maintains its VCT-qualifying status. Dividend income from the Company will be tax free and there will be no capital gains tax on a disposal of Shares.

Maximum effect of initial tax relief: illustrative calculation

	No VCT Tax Relief	VCT Tax Relief
Initial investment	£200,000	£200,000
30% income tax relief	Nil	(£60,000)
Effective current cost of the investment	£200,000	£140,000
Investors are encouraged to seek their own independent tax advice. Further general information on the tax reliefs available for investing in a VCT is given in Section B of Part 1 of this Securities Note.		

Investment Policy of the Company

The Company's Investment Policy is set out below.

At least 70% of the Company's net assets will be invested in unquoted companies. The remaining assets will be exposed either to (i) cash or cash-based similar liquid investments or (ii) investments originated in line with the Company's VCT qualifying investment policy.

To comply with VCT Rules, the Company will seek to acquire (and subsequently maintain) a portfolio of VCT qualifying company investments equivalent to a minimum of 70% of the value of its investments over a period not exceeding three years. These VCT-qualifying investments will typically be in investments ranging between £500,000 and £5,000,000 and will encompass businesses with cash generative ability, arising from a niche position or the market in which they operate. No single investment by the Company will represent more than 15% of the aggregate value of all the investments of the Company at the time any investment is made or added to. It is possible that investments may be made in more than one company in the same sector.

In seeking to achieve its objectives, the Company will invest on the basis of the following conservative principles:

- (a) Triple Point will seek investments where robust due diligence has been undertaken;
- (b) Triple Point will favour investments where there is a high level of access to material financial and other information on an on-going basis (as a condition for investing in a company, the Company may nominate directors to the boards of investee companies);
- (c) Triple Point will seek to minimise the risk of losses when investing through careful analysis of the collateral available to investee companies;
- (d) Triple Point will target investments where there is a strong relationship with the key decision makers.

Qualifying Investments

The Company will pursue investments in a range of sectors that meet its investment criteria. The objective is to build a diversified portfolio of unquoted companies which are cash generative and, therefore, capable of producing predictable income for the Company prior to their realisation or exit.

Although investments will be sought in a range of diverse industries, the Company's portfolio will comprise companies with certain characteristics, for example clear commercial and financial objectives, strong contractual customer relationships and, where possible, tangible assets with value. The Company will focus on identifying businesses typically with predictable revenues from a high-quality customer base. Businesses with assets providing valuable security may also be considered. The objective is to reduce the risk of capital value volatility by selecting businesses with stable valuation characteristics and to provide investors with an attractive income stream.

The criteria against which investment targets would be assessed will include the following:

- (a) an attractive valuation at the time of the investment;
- (b) managed risk of capital losses;
- (c) predictability and reliability of the company's cash flows;
- (d) the quality of the business's counterparties, suppliers and market position;
- (e) the sector in which the business is active. The Company will focus on sectors where its capital can be used to create growth but not where returns are speculative. Key target sectors include energy, entertainment and social enterprise.
- (f) the quality of the company's assets;
- (g) the opportunity to structure an investment that can produce distributable income;
- (h) the prospect of achieving an exit after 5 years.

Non-Qualifying Investments

The Non-Qualifying Investments will consist of cash, cash-based similar liquid investments and investments of a similar profile to the Qualifying Investments with an expected realisation date which meets the liquidity requirements of the VCT.

Borrowing Powers

The Company has no present intention of utilising direct borrowing as a strategy for improving or enhancing returns. To the extent that borrowing is required, the Directors will restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) to ensure that the aggregate amount of money borrowed by the group, being the Company and any subsidiary undertakings for the time being, (excluding intra-group borrowings), shall not without the previous sanction of an ordinary resolution of the Company exceed 30% of its NAV at the time of any borrowing.

Subject to Resolution 3 being approved by Shareholders at the General Meeting, the Company's investment policy will be amended so that the criteria against which investment targets would be assessed referred to above that relates to the prospect of achieving an exit after 5 years shall be restricted to the Ordinary Share Fund and the A Ordinary Share Fund.

Investment Process

Triple Point has implemented a rigorous investment process to mitigate capital risk and maximise risk adjusted returns. In building a pipeline of investment opportunities for the Hydro 2 Share Fund the Investment Management Team has carried out research and draws upon Triple Point's experience gained in the stewardship of infrastructure projects as well as its knowledge of the renewable energy industry. Furthermore, Triple Point has extensive industry contacts and counterparties including developers and technical experts which aid the process.

Triple Point has identified a pipeline of Qualifying Investment opportunities in Scotland for the Hydro 2 Share Fund in companies pursuing hydro-electric power generation and which are in various stages of maturity, from early discussions to final negotiations and which share the same characteristics required to meet the Company's investment criteria. These companies are expected to operate and maintain hydro-electric power installations which will generate revenue from Feed-in Tariffs (an index-linked payment from an electricity company for every kilowatt hour generated and an additional index-linked payment for every kilowatt hour exported to the wider energy market). Revenues may also be generated by selling the electricity produced on site to third parties.

Before embarking upon detailed due diligence and negotiation, Triple Point compares hydro-electric power opportunities by evaluating risk and reward, undertaking technology research, market research, carrying out project screening, and determining the expected predictability and reliability of the project's cash flows.

In terms of the specific technology used, risk-adjusted returns for hydro-electric power projects can vary significantly due to performance (which is further impacted by the specified site), cost, and reliability. The Company aims to optimise the use of technology to maximise returns based on, for example, capital and maintenance costs, Feed-in Tariff rates, reliability of water flow, bankability of equipment and warranties, and insurance costs.

Where possible, Triple Point will aim to identify opportunities where expected revenues match the intended investment horizon of the Company and where risks can be effectively mitigated using warranties, insurance, and hedging where appropriate. However, in many cases it is not possible to fully mitigate the effects of market risk. Examples of this include the direction of the electricity prices over the medium and long term, the change in capital equipment costs, maintenance costs, and the cost of debt where applicable. To assist in this process, Triple Point draws on internal research capability as well as engaging third party expert advisers.

When screening projects, the risk-adjusted equity Internal Rate of Return is the primary factor considered when assessing the viability. Once a potential project has passed the initial screening, information gathering and modelling process, Triple Point will enter into due diligence and negotiation with the intention of securing the best transaction for the Company and its investors. This process will commence with a non-binding heads of terms, which in most cases will be conditional on a nil-cost exclusivity period of several weeks, depending on the project. During this time, Triple Point will carry out an extensive due diligence

and negotiation process which, if successful, will result in a recommendation being made to the Board. In the unlikely event that, following the screening and negotiation process, it becomes clear that terms cannot be agreed in respect of potential hydro-electric power projects or that Triple Point determines that a recommendation in respect of such projects should not be made to the Board, then Triple Point will pursue investments in a range of other sectors that satisfy the Investment Policy and which offer a comparable risk/return profile. Such investments would be made into a diversified portfolio of unquoted companies which are cash generative and, therefore, capable of producing predictable income for the Company. It may not be possible for all or any of the Hydro 2 Share Fund to be invested in hydro-electric power projects.

A referendum on Scotland's independence held in September 2014 resulted in a vote by 55% to 45% in favour of Scotland remaining as part of the UK. An agreement has been reached in principle between the main political parties in the UK to devolve more powers of taxation to the Scottish Parliament. Although the Scottish Government is currently supportive of renewable energy and current UK renewable energy policies, an independent Scottish Government or one with the relevant powers could reduce or remove the effective subsidy of hydro-electric power which would then reduce investment returns and could make it harder to agree terms for new investments.

The following assessment process is followed when screening projects:

Opportunities

Triple Point carefully screens all opportunities to ensure that they satisfy the Company's investment strategy.

Due Diligence

Opportunities are subject to a due diligence process including corporate and personal background checks, meetings, site visits, taking up references, as well as technical, financial and market due diligence.

Business Case

The business case and rationale are reviewed with prospective partners. This includes stress testing, checking assumptions, contracts and comprehensive analysis of proposals.

Negotiation

Triple Point aims to be firm but fair in negotiations. If terms that are attractive in the context of each opportunity cannot be agreed, the opportunity is rejected.

Approval

All opportunities must be approved by the Triple Point investment committee before a recommendation is made to the Board.

Completion

Subject to approval from the Board, transactions are concluded by execution of the final documents.

Post-Investment Management

As a condition for investing in a company, the Company may nominate directors to the boards of investee companies. Investee companies are expected to adhere to high standards of credit control and are monitored carefully for performance.

Investment objectives

The Company's key objectives include low capital volatility, regular dividend income, attractive risk-adjusted returns and an investment period in line with investor expectations.

The Company's strategy is designed to appeal to investors seeking the diversification benefits of 'alternative' venture capital asset classes, whilst also being sensitive to downside risk and the liquidity of underlying investments.

Investor profile and investment rationale

The Company is targeted at UK taxpayer investors with significant assets. The profile of a typical investor will be an ordinary retail, sophisticated, high net worth or professional individual with sufficient income and capital that his investment in the Company can be tied up for at least 5 years, who is attracted by the income tax relief available for a VCT investment but seeks a venture capital strategy focused on capital stability and early realisations.

Attractive returns are possible from the Company's investment strategy. For example, an investment of £100,000 should qualify for tax relief worth £30,000, making the initial effective net cost £70,000. As such the investor could have at the outset an unrealisable investment worth £94,500 (after in this example the deduction of initial charges of 5.5%) which, having cost a net £70,000, reflects an "uplift" of nearly 35% free of CGT provided the investor holds the Hydro 2 Shares for at least five years.

Investment capability

The Company's investment capability focuses on the specialist skills of Triple Point in the origination and execution of Qualifying Investments.

Triple Point's management team combines individuals with strong track records in managing or co-managing portfolios consisting of private equity or publicly listed equity and others with significant experience in securitisation, public sector financing, and business management.

Triple Point, the investment manager

Triple Point is the investment manager to the Company, responsible for the management of the Non-Qualifying Investments. Triple Point advises the Board on Qualifying Investments, with the Board taking decisions on such investments. Triple Point is a specialist investment manager and was established in 2004 to bring together complementary skills and experience in three core disciplines: investment, tax and structured finance. Triple Point is authorised and regulated by the FCA.

Triple Point specialises in finding and managing private company investments in which capital value volatility is reduced and the possibility of exit enhanced, typically by the cash generative characteristics of the underlying businesses. Triple Point seeks such investments for individuals or institutions, including private company investments which qualify under the VCT, EIS, and Business Property Relief rules.

Triple Point's origination of investments derives both from its own network and from a network of intermediaries introducing thoroughly researched and carefully sourced opportunities in Triple Point's target sectors. In the last three years Triple Point has originated over £80 million of such investments for the VCTs it manages and over £30 million of such investments for the EIS funds it manages either raised directly or through the Triple Point EIS service. Investments have been concluded in the energy, leisure, and environment sectors.

One of the criteria according to which Triple Point selects investment opportunities is liquidity. Triple Point has a strong record of returning funds to shareholders at the end of the minimum five and three year respective holding periods for VCT and EIS shareholders, the majority of such funds being returned within six to nine months after the end of those holding periods.

The Investment Management Team includes individuals with significant experience in private equity, stock market investment, infrastructure finance, public sector financing, and business management. A summary CV for each member of the Investment Management Team is set out below.

Valuation policy

All unquoted investments will be valued in accordance with BVCA or similar guidelines under which investments are not normally re-valued above cost within twelve months of acquisition unless third party funding has occurred. A brief summary of the BVCA guidelines is as follows:

- Investments should be reported at fair value where this can be reliably determined by the Board on the recommendation of Triple Point.
- In estimating fair value for an investment, the valuation methodology applied should be the most appropriate for a particular investment. Such methodologies, including the price of the recent investment, earnings multiples, net assets, discounted cash flows or earnings and industry valuation benchmarks, should be applied consistently.
- If fair value cannot be reliably measured, the carrying value at the previous reporting date will be used unless there is evidence of impairment, in which case the value will be reduced to reflect the estimated extent of the impairment.

Whilst the Company does not anticipate making any quoted investments, any such investments, if made, will be valued at prevailing bid prices.

Investment Management Team

A summary of the relevant experience for each of the senior members of the Investment Management Team, the majority of whom are Principals of Triple Point, is shown below:

Claire Ainsworth

- Managing Partner, Chief Investment Officer and Chairman of the Investment Committee
- Eight years' venture capital investment experience
- 30 years' industry experience, including 16 years in structured finance at Deutsche Bank where she was Managing Director and involved in transactions totalling £10 billion
- BA in Law from the University of Oxford

Mike Bayer

- Partner, Head of Compliance and member of the Investment Committee
- 23 years' experience in the financial and investment sectors focusing on the provision of debt and equity capital including private equity investment at 3i, acquisition finance debt at Dresdner Kleinwort, and corporate finance advice at Ernst & Young
- Chartered Accountant and ICAEW/CISI qualified Corporate Finance practitioner
- BSc in Physics and Business Studies from the University of Warwick

Ben Beaton

- Partner, Head of Investment and member of the Investment Committee
- Seven years' venture capital investment experience
- Three years' hydro-electric power investment experience and led the sourcing and negotiating of a broad spectrum of investments including £80m in the cinema digitisation sector
- BSc in Biological Sciences from the University of Edinburgh

James Cranmer

- Partner and Head of Leasing
- 20 years' experience in structured, asset and vendor finance
- Responsible for originations in excess of £750m into UK Local Authorities, NHS Hospital Trusts, FTSE 100 and small and medium sized companies
- Graduate from St Andrews University

Bryan Curel

- Partner and Legal Counsel
- 25 years' asset finance experience
- Nine years' experience as Founding Partner of CBY Solicitors
- Nine years' experience as the Head of the Technology Finance legal team and a Director at Kleinwort Benson (later Dresdner Kleinwort Wasserstein)

Peter Hargreaves

- Group Company Secretary
- Partner at Ernst & Young for 10 years
- Jersey Law Commissioner and a professional Director and Trustee
- Oxford University Graduate
- Chartered Accountant and Member of the Society of Trust and Estate Practitioners

Ian McLennan

- Partner and member of Investment Committee
- Seven years' venture capital investment experience
- 27 years' investment industry experience with global players such as UBS AG & Brevan Howard
- Led the sourcing and negotiating of over £75m in the renewable energy sector
- First class Accountancy degree from the University of Glasgow and CFA Charterholder since 1991

Jonathan Parr

- Investment Manager and Head of Product Development
- Four years' venture capital investment experience and four years' tax advisory experience
- Completed over £50m of investment in the solar PV sector
- BSc in Physics from the University of Manchester
- Chartered Tax Adviser

Oliver Scutt

- Legal Counsel
- Five years' combined experience as a solicitor in the venture capital and private equity sectors
- Private practice experience with Pinsent Masons LLP
- GDL and LPC in Law at BPP and English Literature graduate of the University of Durham

Alex Tucker

- Investment Manager
- Six years' venture capital investment experience
- Completed investments in hydro-electric power, landfill gas and anaerobic digestion
- MA in Business Studies from the University of Edinburgh and the University of British Columbia

The Board consists of three highly experienced Directors, all of whom are non-executive and the majority of whom are independent of the Manager. The Board is responsible for the overall control and management of the Company with responsibility for its affairs, including determining its investment policy. Primary responsibility for the execution of the Company's investment policy lies with Triple Point, with the Board overseeing its activities. The Board will meet at least four times a year. Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings.

Simon Hugh Verdon Acland

Simon Acland has over 20 years' experience in venture capital, primarily at Quester, where he became Managing Director. When Quester was sold in 2007 it had £200m under management and was one of the leading UK venture capital and VCT investment managers. Simon was a director of over 20 companies in Quester's portfolio, many of which achieved successful exits through flotation or trade sales. Simon is also a director of TP70 2010 VCT plc.

David Thomas Frank

David Frank was a partner in Slaughter and May for 22 years before retiring from the firm in 2008. As well as being the firm's first Practice Partner from 2001 to 2008, his practice involved acting for several venture capital houses, including 3i and Schroder Ventures. He was also involved in several flotations in the venture capital sector, including 3i, Baronsmead and SVG Capital. Since retiring from legal practice, he has established a portfolio of voluntary roles, ranging from a governorship of a hospital to the chairmanship of a community foundation. He has been a director and chairman of the Company since 11 November 2010.

Michael John Stanes

Michael Stanes joined Warburg Investment Management (which became Mercury Asset Management) where he ran equity portfolios in London and Tokyo. He then moved to the US where he founded a business on behalf of Merrill Lynch offering equity portfolio management to high net worth individuals. In 2002 he joined Goldman Sachs Asset Management in London running global equity portfolios for a range of institutional and individual clients and in 2010, following a brief period as CEO of a new fund management partnership, joined Heartwood Investment Management, a London-based firm providing investment management and wealth structuring services for high net worth individuals and charities, as Investment Director. Michael was appointed a Director of the Company on 21 November 2012.

Tax benefits for VCT investors

VCTs were established in 1995/1996 as tax efficient investment vehicles intended to invest in portfolios of smaller unlisted UK based companies. The income tax relief available to investors of new shares in a VCT is 30% and the personal annual investment limit is £200,000.

For the current tax year VCTs offer a combination of **tax free returns** and a **30% up front income tax relief** subject to a minimum five year holding period.

Depending upon the investor's personal circumstances, subscribers for Hydro 2 Shares under the Offer will be entitled to income tax relief of up to 30% provided that the Hydro 2 Shares are held for at least five years. This benefit is available on aggregate investments in VCTs of up to £200,000 in any one tax year but the tax relief is limited to the amount which reduces the investor's income tax liability to nil.

In addition, qualifying subscribers will be entitled to receive the following benefits:

- All dividends received will be tax free.
- Any gains on the disposal of the Hydro 2 Shares will be tax free.

Income tax relief may be claimed by the investor by obtaining, from HMRC, an adjustment to their tax coding under the PAYE system or through the investor's annual tax return. Investors who make income tax payments by instalments may reduce their instalment payments to take account of the relief due.

The above is only a summary of the law concerning the tax position of individual investors in the Company. Further information on the tax position of investors under the Offer is set out in Section B of Part 1.

Before investing in the Company, potential investors should seek advice from an appropriate professional adviser as to the consequences of so doing.

Policies

Dividend policy

Generally, a VCT must distribute by way of dividend such amount as to ensure that it retains not more than 15% of its income from shares and securities. The Directors aim to maximise tax free distributions to Shareholders of income or realised gains. It is envisaged that the Company will distribute most of its net income each year by way of dividend, subject to liquidity.

Investors who wish to have dividends paid directly into a bank account, rather than by cheque to their registered address, should complete the dividend mandate form which

it is expected will be sent to an investor within 30 days of an allotment. Further dividend mandate forms can be obtained upon request from the registered office of the Company.

Share Buy-Back Policy

The Company aims, but is not committed, to offer liquidity to Shareholders through on-going buy-backs, subject to the availability of distributable reserves, at a target discount of 10% to net asset value.

HM Revenue & Customs Approval

The Directors intend to manage the Company's affairs in order that it, and there are internal controls in place to ensure that the Company, complies with the legislation applicable to VCTs. In this regard PricewaterhouseCoopers have been appointed to advise on tax matters generally and, in particular, on the Company's VCT status. The Company must continue to satisfy the requirements to qualify as a VCT or lose such status.

Capital raising costs

The Company will pay to Triple Point a single fee equal to the aggregate of (i) 2.5% of the aggregate value of accepted applications for Hydro 2 Shares and (ii) the upfront commission paid to Execution Only Brokers and (iii) the upfront commission paid to those advising professional investors in respect of subscriptions under the Offer. The payment of upfront charges agreed between an intermediary and the investor can be facilitated by the Company. Triple Point has agreed to indemnify the Company against the costs of the Offer excluding VAT exceeding 5.5% of the funds it raises. The costs of the Offer will be borne solely by the Hydro 2 Share Fund. From this sum, Triple Point will discharge all external costs, and its own costs, in respect of the Offer. The payment of upfront charges agreed between an intermediary and the investor can be facilitated by the Company.

Annual fees and running costs

Triple Point has been appointed as the Company's investment manager and administrator and under an agreement dated 28 October 2014 (the "IMA Deed of Variation"), the IMA will, subject to the Offer becoming effective and subject to the approval of Shareholders at the General Meeting, be varied to provide for the following:

- in respect of the Hydro 2 Share Fund, Triple Point will receive investment management fees (exclusive of VAT) equal to 2.0% per annum of the Hydro 2 Share Fund's NAV, payable quarterly in arrear;
- Triple Point's appointment under the IMA will continue for at least 5 years following the Admission and thereafter will terminate on 12 months' notice by either party subject to earlier termination in certain circumstances;
- Triple Point will receive the Performance Incentive Fee described on page 14; and
- Triple Point will receive the capital raising fee set out above in the paragraph headed "Capital raising costs".

Under the IMA, Triple Point also receives:

- in respect of the fund representing the Ordinary Shares issued prior to the ESBB, 1% of any amounts returned to holders of Ordinary Shares issued prior to the ESBB;
- in respect of the fund representing the Ordinary Shares issued pursuant to the ESBB and upon the conversion of the B Ordinary Shares to Ordinary Shares, investment management fees (exclusive of VAT) equal to 1.5% per annum of that fund's NAV, payable quarterly in arrear up to 30 April 2018 and thereafter 1% of any amounts returned to holders of Ordinary Shares issued pursuant to the ESBB;
- in respect of the A Ordinary Share Fund, investment management fees (exclusive of VAT) equal to 1.5% per annum of the A Ordinary Share Fund's NAV, payable quarterly in arrear up to 30 April 2017 and thereafter 1% of any amounts returned to holders of A Ordinary Shares.

- in respect of the C Ordinary Share Fund, investment management fees (exclusive of VAT) equal to 2.0% per annum of the C Ordinary Share Fund's NAV, payable quarterly in arrear.
- in respect of the C Ordinary Share Fund, a performance incentive fee based upon returns to holders of C Ordinary Shares. The amount of the performance incentive fee payable is based on the payment of dividends to holders of C Ordinary Shares. To the extent that, on the payment of any dividend to holders of C Ordinary Shares, the total of all dividends per C Ordinary Share made to holders of C Ordinary Shares (including the current dividend being paid) exceeds the hurdle (being at the time of any payment of a dividend to holders of C Ordinary Shares the higher of (i) 100 pence per C Ordinary Share or (ii) the total of all dividends per C Ordinary Share made to holders of C Ordinary Shares prior to the dividend), Triple Point will be entitled to receive a sum equal to 20% of the excess over the hurdle.
- in respect of its provision of certain administrative services to the Company, an annual fee of 0.25% of the Company's NAV and in respect of its provision of company secretarial services, an annual fee of £7,500 plus VAT at the relevant rate, all such fees are payable quarterly in arrear.

Annual Directors' fees payable to the Board will not exceed £40,000 (excluding any VAT or national insurance contributions) except in the case where the NAV of the Company exceeds £25m when Directors' fees will increase to £47,500 for such time that the NAV of the Company exceeds £25m.

Assuming £20,000,000 is raised under the Offer and that the costs of the Offer are 5.5%, the Directors estimate that the Annual Running Costs will be approximately 2.5% of the Company's NAV (excluding VAT) as opposed to 2.6% of the Company's NAV (excluding VAT) prior to the Offer. Such running costs of the Company will include the management and administration fees described above as well as fees for Directors, the auditors, taxation advisers, registrar, other direct costs incurred in the management/running of the VCT and the costs of communicating with Shareholders. Triple Point has agreed to indemnify the Company in respect of any annual costs (but excluding any exceptional and extraordinary costs) in excess of 3.5% of the Company's NAV (excluding VAT).

Further details of these fees are set out in Part 1 of the Registration Document.

Triple Point may retain arrangement fees paid by investee companies of up to 3% of the sum invested which it receives in connection with investments made into unquoted companies. Whilst such charges are not payable by the Company, the effect may be to reduce the net assets of the companies in which the Company invests. The Triple Point Group may also benefit from the receipt of business administration fees charged against such companies, the level of which may in the case of a particular investee company be related to that company's performance.

The Company's Costs cont

Performance Incentive Fee on the Hydro 2 Shares

Triple Point will be entitled to receive a Performance Incentive Fee based upon returns to holders of Hydro 2 Shares. The amount of the Performance Incentive Fee payable is based on distributions made to holders of Hydro 2 Shares.

To the extent that, on any distribution made to holders of Hydro 2 Shares, the total of all distributions per Hydro 2 Share made to holders of Hydro 2 Shares (including the distribution in question being made) exceeds a hurdle, being at the time of any distribution to holders of Hydro 2 Shares the higher of (i) 100 pence per Hydro 2 Share and (ii) the

total of all distributions per Hydro 2 Share made to holders of Hydro 2 Shares prior to that distribution (the "Hurdle"), Triple Point will be entitled to receive a sum equal to 20% of the excess over the Hurdle.

The amount of Performance Incentive Fee payable per Hydro 2 Share in respect of indicative distributions for the first 15 years is set out in the table below (this is shown for the first 15 years for illustrative purposes only and the actual Performance Incentive Fee will apply indefinitely and will depend on the actual distributions made in respect of the Hydro 2 Shares, not including the 30% VCT income tax relief available to investors):

Date	Cumulative distributions per Hydro 2 Share paid to holders of Hydro 2 Shares	Hurdle	Excess over Hurdle	20% of the excess (payable to Triple Point)
Immediately following investment	0.0p	100.0p	0.0p	0.0p
Year 2	7.0p	100.0p	0.0p	0.0p
Year 3	14.5p	100.0p	0.0p	0.0p
Year 4	22.5p	100.0p	0.0p	0.0p
Year 5	31.0p	100.0p	0.0p	0.0p
Year 6	40.0p	100.0p	0.0p	0.0p
Year 7	49.5p	100.0p	0.0p	0.0p
Year 8	59.5p	100.0p	0.0p	0.0p
Year 9	70.0p	100.0p	0.0p	0.0p
Year 10	81.0p	100.0p	0.0p	0.0p
Year 11	92.5p	100.0p	0.0p	0.0p
Year 12	104.5p	100.0p	4.5p	0.9p
Year 13	117.0p	104.5p	12.5p	2.5p
Year 14	130.0p	117.0p	13.0p	2.6p
Year 15	143.5p	130.0p	13.5p	2.7p

Communicating with Shareholders

The Directors believe that communication with Shareholders is important. A copy of the Company's annual report and financial statements (expected to be published each June) and a copy of the Company's unaudited interim financial report (expected to be published each November) will be made available on the Company's website at www.triplepoint.co.uk and sent to those Shareholders who have requested a hard copy. The Company's annual report and financial statements, made up to 31 March in each year, and interim financial reports, made up to 30 September in each year, will each detail the NAV per Share. Information on the NAV per Share will also be included in interim management statements expected to be made up to 30 June and 31 December in each year and published on the above website.

The Directors do not anticipate any circumstances arising under which valuations may be suspended.

All qualifying Shareholders will be provided with certificates enabling them to claim income tax relief.

Corporate governance

The UK Corporate Governance Code published by the Financial Reporting Council in September 2012 (the "Code") applies to the Company. The Directors acknowledge the section headed "Comply or Explain" in the preamble to the Code which acknowledges that some provisions may have less relevance for investment companies and, in particular, consider some areas inappropriate to the size and nature of the business of the Company. Accordingly, the provisions of the Code are complied with save that (i) new Directors do not receive a full, formal and tailored induction on joining the Board (such matters are addressed on an individual basis as they arise), (ii) the Company does not have a senior independent Director, (iii) the Company does not conduct a formal review as to whether there is a need for an internal audit function as the Directors do not consider that an internal audit would be an appropriate control for a venture capital trust and (iv) as all the Directors are non-executive, it is not considered appropriate to appoint a nomination or remuneration committee.

Status of the Company and the Triple Point Group

The Company is registered with the FCA as a small registered UK AIFM. Triple Point Investment Management LLP (FRN: 456597) and Triple Point Administration LLP (FRN: 618187) are both authorised and regulated by the FCA.

Details of the Offer

Minimum and maximum investment

The Hydro 2 Shares are offered at a price to be determined in accordance with the Hydro 2 Share Price Calculation payable in full upon application. In order to encourage early investment, for the first £5,000,000 of subscription monies a 2% Share bonus will apply to completed applications received and accepted by 16 January 2015 for allotment in the 2014/2015 tax year and a 1% Share bonus to completed applications received and accepted between 17 January 2015 and 27 February 2015 for allotment in the 2014/2015 tax year, and for the first £1,000,000 of subscription monies a 2% Share bonus will apply to completed applications received and accepted by 30 April 2015 for allotment in the 2015/2016 tax year.

Up to £10,000,000 is being raised by the issue of Hydro 2 Shares under the Offer. If the Offer is over-subscribed, the Offer may be increased at the discretion of the Directors by up to a further £10,000,000 by issue of Hydro 2 Shares and in which event the Offer will be an offer for subscription of up to £20,000,000 by issue of Hydro 2 Shares. The Offer is conditional upon the Minimum Net Proceeds being raised prior to 12 noon on 2 April 2015 and if this is not raised the Offer will lapse and all application monies will be returned (without interest) by returning applicants' cheques or by crossed cheque in favour of applicants through the post at the risk of the person entitled thereto. In the event that applications are received in excess of the maximum subscription under the Offer, the Directors and the Sponsor reserve the right to use their absolute discretion in the allocation of successful applications. Such discretion will give priority to the earliest applicants. The results of the Offer will be announced to the London Stock Exchange through a Regulatory Information Service provider authorised by the FCA. Applicants are encouraged to submit their application forms early in order to be confident that their application will be successful.

The minimum investment level for any investor under the Offer will be £10,000. There is no maximum investment but the maximum investment on which tax reliefs are currently available is £200,000 in VCTs in any tax year. A husband and wife can each invest up to £200,000 in any one tax year. Further information with regard to taxation matters can be found in Section B of Part 1 of this document. Multiple applications are permitted. Please see the "Terms and Conditions of Application for Shares under the Offer and Guide to the Application Forms" in Part 4 of this document for further details.

The ISIN and SEDOL codes of the Hydro 2 Shares are GBOOBNCBFH30 and BNCBFH3 respectively.

Hydro 2 Share Price Calculation

The price per Hydro 2 Share will be determined by the Manager and agreed by the Board in accordance with the formula below, which is designed to maintain fairness for all investors under the Offer by ensuring that the value of each investor's holding of Hydro 2 Shares reflects any amount payable to the investor's intermediary and to Triple Point:

Price per Hydro 2 Share = (A) / [(A) + (B) - (C) - (D) - (E)]

Where: (A) is the NAV per Hydro 2 Share, which for the purpose of the first allotment under the Offer shall be deemed to be 100 pence per Hydro 2 Share

(B) in respect of the 2014/2015 Offer, is the percentage of 2014/2015 Bonus Shares to be allotted multiplied by NAV per Hydro 2 Share or, in respect of the 2015/2016 Offer, is the percentage of 2015/2016 Bonus Shares to be allotted multiplied by NAV per Hydro 2 Share

(C) is the upfront fee payable to Triple Point

(D) is the initial adviser charge (if any) agreed between the intermediary and the investor

(E) is the initial commission (if any) payable to the intermediary

The price per Hydro 2 Share (calculated in accordance with the formula above) will be rounded to the nearest 0.001 pence.

The number of Hydro 2 Shares to be allotted is then determined, as follows:

Number of Hydro 2 Shares to be allotted = amount subscribed under the Offer / price per Hydro 2 Share. The number of Hydro 2 Shares to be allotted will be rounded down to the nearest whole share.

Example:

On 1 December 2014 a professional client investor, having been advised by an intermediary, subscribes £100,000 under the 2014/2015 Offer and his application is accepted. The NAV, (A), is 100 pence per Hydro 2 Share at this time. The investor is entitled to receive 2014/2015 Bonus Shares (B), worth 2%. The upfront fee payable to Triple Point, (C), is 2.5% of the subscription value. No adviser charges are payable and therefore (D) is zero. A commission payment, (E), of 3% of the subscription amount is to be paid to the intermediary.

Therefore, the price per Hydro 2 Share is:

$100 / [100 + 2 - 2.5 - 0 - 3] = 103.627$ pence per Hydro 2 Share (rounded to 3 decimal places)

For £100,000 subscribed, this will result in an allocation of: $100,000 / 1.03627 = 96,499$ Hydro 2 Shares

The Company will itself pay the initial fees to Triple Point and the facilitated initial adviser charge to the adviser.

Adviser charges

Commission is generally not permitted to be paid to intermediaries who provide a personal recommendation to retail clients on investments in VCTs after 30 December 2012. Instead, an adviser charge may be agreed in advance between the intermediary and investor for the advice and related services. This charge can either be paid directly by

Details of the Offer cont

the investor to the intermediary or, if it is an initial one-off charge, the investor may request that the payment of such charge be facilitated by the Company. On-going charges payable to intermediaries will not be facilitated by the Company. If the payment of the adviser charge is to be facilitated by the Company, then the investor is required to specify the amount of the charge in box 4 of Application Form 2. The adviser charge is inclusive of VAT, where applicable.

Upfront adviser fees are set at the level agreed between the intermediary and the investor. These fees may vary between investors. If requested, the Company can facilitate such payments by offering each applicant an individually calculated share price, taking into account their circumstances. The number of Hydro 2 Shares issued to a successful applicant will be determined by reference to the Hydro 2 Share Price Calculation shown above.

Commission

Commission may be payable where there is an execution-only transaction and no advice has been provided by the intermediary to the investor where the intermediary has demonstrated to the Triple Point Group that the investor is a professional client of the intermediary. Those intermediaries who are permitted to receive commission will usually receive an initial commission of up to 3% of the amount invested by their clients under the Offer. The number of Hydro 2 Shares issued to a successful applicant will be determined by reference to the Hydro 2 Share Price Calculation shown above. Additionally, provided that the intermediary continues to act for the investor and the investor continues to be the beneficial owner of those Hydro 2 Shares, and subject to applicable laws and regulations, the intermediary will usually be paid an annual trail commission of up to 0.5% of each relevant investor's holding in the Hydro 2 Share Fund, and which will be paid out of the investment management fees payable to Triple Point in respect of the Hydro 2 Share Fund.

Listing

An application has been made to the UK Listing Authority and will be made to the London Stock Exchange for the Hydro 2 Shares subscribed for under the Offer to be listed on the premium segment of the Official List and admitted to trading on the London Stock Exchange's main market for listed securities respectively. The Hydro 2 Shares will be issued in registered form and will be freely transferable in both certificated and un-certificated form and will rank pari-passu in all respects. Hydro 2 Shares in respect of applications received for the 2014/2015 Offer will be issued and allotted on or before 2 April 2015 and it is expected that Hydro 2 Shares in respect of applications received for the 2015/2016 Offer will be issued and allotted on or before 30 April 2015, with Admission commencing within ten Business Days following such allotment. Details of allotments will be announced through a Regulatory Information Service by no later than the Business Day following the allotment. Share certificates and certificates to enable a claim for income tax relief to be made in respect of the Hydro 2 Shares will be posted to Shareholders within 30 Business Days of allotment of the Hydro 2 Shares. No temporary documents of title will be issued. The Offer is not underwritten.

Section B : Tax Position of Investors Under the Offer

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors who are in any doubt about the taxation consequences of investing in a VCT are recommended to consult a professional adviser.

Tax reliefs

The tax reliefs set out below are available to individuals aged 18 or over who subscribe for Hydro 2 Shares. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year does not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should seek professional advice.

Income tax

- Relief from income tax on investment**

Income tax relief at the rate of 30% will be available on subscriptions for Hydro 2 Shares up to a maximum of £200,000 in any tax year. This relief is limited to the amount which reduces the investor's income tax liability to nil.

The potential effect of this relief for an investor subscribing £100,000 for Hydro 2 Shares is shown below:

	No VCT Tax Relief	30% Income Tax Relief
Initial investment	£100,000	£100,000
30% income tax relief	Nil	(£30,000)
Effective investment cost	£100,000	£70,000

To obtain relief an investor may subscribe for Hydro 2 Shares either on his own behalf or the Hydro 2 Shares may be subscribed for by a nominee of an investor. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

Income tax relief will not be available to an investor in Hydro 2 Shares if, within six months of subscription, the investor has disposed of Shares.

- Dividend relief**

An investor who acquires in any tax year VCT shares having a value of up to £200,000 will not be liable to income tax on dividends paid by the VCT on those shares.

The Finance Act 2014 amends the VCT Rules in respect of VCT shares issued on or after 6 April 2014. VCT status will be withdrawn if, in respect of shares issued on or after 6 April 2014, a dividend is paid (or other forms of distribution or payments are made to investors) from capital within three years of the end of the accounting period in which shares were issued to investors.

- Purchasers in the market**

An individual purchaser of existing VCT shares in the market will be entitled to claim dividend relief but not relief from income tax on investment.

- Withdrawal of relief**

Relief from income tax on a subscription for VCT shares will be withdrawn if the VCT shares are disposed of (other than between spouses and civil partners) within five years of issue or if the VCT loses its approval within this period.

Capital gains tax

- Relief from capital gains tax on the disposal of shares**

A disposal by an investor of Hydro 2 Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax provided that the VCT maintains its approval. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

- Purchasers in the market**

An individual purchaser of Hydro 2 Shares in the market will be entitled to claim relief from capital gains tax on disposal.

Obtaining tax reliefs

The Company will provide to each investor a certificate which the investor may use to claim income tax relief, either by obtaining from HMRC an adjustment to their tax coding under the PAYE system or by waiting until the end of the tax year and using their tax return to claim relief.

Investors not resident in the UK

Investors not resident in the UK should seek professional advice as to the consequences of making an investment in a VCT as they may be subject to tax in other jurisdictions as well as in the UK.

Withholding taxation

No taxation will be withheld at source on any income arising from the Hydro 2 Shares and the Company assumes no responsibility for such withholding.

HMRC withdrawal of VCT approval

If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

Section C : Tax Position of the Company

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

Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval it must:

- (a) derive its income wholly or mainly from shares or securities;
- (b) have at least 70% by value of its investments represented by "Qualifying Investments" (see below);
- (c) for funds raised after 5 April 2011, have at least 70% by value of Qualifying Investments in ordinary shares which do not have any preferential rights to assets on a winding up or any rights to be redeemed but which may have a preferential dividend right so long as that right is non-cumulative and is not subject to discretion ("eligible shares");
- (d) not have more than 15% by value of its investments in any single company or group (other than another VCT or a company which would, if its shares were listed, qualify as a VCT) at the time any investment is made or added to;
- (e) have its ordinary share capital included on the Official List or quoted on any regulated market in the EU or European Economic Area;
- (f) not retain more than 15% of its income derived from shares and securities in any accounting period;
- (g) not be a close company;
- (h) not make an investment in an investee company which causes the investee company to receive more than £5,000,000 of State Aid investment in the 12 months ended on the date of the investment;
- (i) not return capital to shareholders before the third anniversary of the end of the accounting period during which the share issue occurs.

A VCT cannot be approved as such unless the relevant tests are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made.

The actions proposed to be taken in the case of a breach by the Company of these investment restrictions will be announced through a Regulatory Information Service.

Funds raised by a further share issue are disregarded in judging whether condition (b) has been met for accounting periods ending no later than three years after the new issue.

Qualifying Investments comprise shares or securities (including loans with a five year or greater maturity period) issued by unquoted trading companies which exist wholly for the purpose of carrying on one or more qualifying trades and are limited to investments of £5,000,000 per tax year per investee company. The investee company must not be controlled by the VCT or any other company or a company and persons connected with such company and its gross assets must not exceed £15,000,000 immediately prior to the investment or £16,000,000 immediately thereafter. The investee company must not receive more than £5,000,000 from State Aid sources, including from VCTs and EIS investments, in any twelve month period. It must have fewer than 250 full time (or full time equivalent) employees at the time of investment.

Not less than 10% of each investment must be by way of eligible shares (see (c) above).

Companies whose securities are traded on AIM are treated as unquoted companies for the purposes of determining qualifying holdings. Shares in an unquoted company which subsequently becomes quoted may still be regarded as a qualifying holding for a further five years following quotation.

Taxation of the Company

The Company is resident for tax purposes in the UK. The Company intends to continue to comply with and continue to satisfy the conditions for approval as a VCT laid down in Section 274 of ITA.

Under current legislation, the Company will be exempt from UK taxation on capital gains realised while it is approved as a VCT.

The income of the Company will be derived wholly or mainly from shares or other securities. Dividends received from other UK resident companies will constitute franked investment income and will not be subject to tax in the hands of the Company.

Withdrawal of approval

Approval of a VCT may be withdrawn by HMRC if the various tests set out above are not satisfied. Withdrawal of approval generally has effect from time to time when notice is given to the VCT but, in relation to capital gains tax of the VCT only, can be backdated to not earlier than the first day of the accounting period commencing immediately after the last accounting period of the VCT in which all of the tests were satisfied.

Part 2 Additional Information on the Company

1. INCORPORATION

- 1.1. The Company was incorporated and registered in England and Wales on 7 November 2007 under the Companies Act 1985 with registered number 6421083 as a public company limited by shares.
- 1.2. On 7 December 2007, the Registrar of Companies issued the Company with a certificate under Section 117 of the CA 1985 entitling it to commence business.
- 1.3. Triple Point was incorporated in England and Wales on 28 July 2006 as a limited liability partnership with registered number OC321250.

2. REGISTERED OFFICES AND PRINCIPAL LEGISLATION

- 2.1. The registered office of the Company is at 18 St. Swithin's Lane, London, EC4N 8AD and its telephone number is +44 (0) 20 7201 8989. The principal legislation under which the Company operates and which governs its shares is the CA 2006 and regulations made thereunder.
- 2.2. The registered office of Triple Point is at 18 St. Swithin's Lane, London, EC4N 8AD and its telephone number is +44 (0) 20 7201 8989. The principal legislation under which Triple Point operates is the Limited Liability Partnerships Act 2000 and regulations made thereunder.

3. SHAREHOLDER AUTHORITIES

The following ordinary and special resolutions will be proposed at the General Meeting:

Ordinary Resolution

1. That, the IMA Deed of Variation, details of which are set out on pages 7 to 9 of the circular issued to the Company's shareholders dated 29 October 2014 (the "Circular"), be approved.
2. That, the Directors be and hereby are authorised in accordance with Section 551 of the CA 2006 to exercise all of the powers of the Company to allot D Shares up to an aggregate nominal value of £190,200.09 in connection with the Offer, representing 50.0 per cent of the issued share capital of the Company as at 28 October 2014, being the latest practical date prior to publication of this document, provided that the authority conferred by this Resolution 2 shall expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).
3. That, the proposed change in the Company's investment policy as set out on pages 11 and 12 and Part III of the Circular, be approved.

Special Resolutions

4. That, the articles of association produced to the meeting, and for the purposes of identification initialled by the Chairman, be adopted as the articles of association of the Company.
5. That, the Directors be and hereby are empowered

pursuant to Section 570(1) of CA 2006 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 CA 2006) for cash pursuant to the authority given in accordance with Section 551 of CA 2006 by Resolution 2 above as if Section 561(1) of CA 2006 did not apply to such allotments, provided that the power provided by this Resolution 5 shall expire at the conclusion of the Company's next annual general meeting or on the expiry of fifteen months following the passing of this Resolution, whichever is the later (unless previously renewed, varied or revoked by the Company in general meeting).

6. That, the Company be and is hereby authorised to make one or more market purchases (within the meaning of section 693(4) of the CA 2006) of Ordinary Shares, A Shares, C Shares and D Shares provided that:
 - (i) the maximum aggregate number of Ordinary Shares authorised to be purchased is an amount equal to 10% of the issued Ordinary Shares as at the date of this Resolution;
 - (ii) the maximum aggregate number of A Shares authorised to be purchased is an amount equal to 10% of the issued A Shares as at the date of this Resolution;
 - (iii) the maximum aggregate number of C Shares authorised to be purchased is an amount equal to 10% of the issued C Shares as at the date of this Resolution;
 - (iv) the maximum aggregate number of D Shares authorised to be purchased is an amount equal to 10% of the issued D Shares immediately following the closing of the Offer;
 - (v) the minimum price which may be paid for an Ordinary Share, an A Share, a C Share and a D Share is their nominal value;
 - (vi) the maximum price which may be paid for an Ordinary Share, an A Share, a C Share and a D Share is an amount, exclusive of expenses, equal to 105 per cent of the average of the middle market prices shown in the quotations for a share in the Daily Official List of the London Stock Exchange for the five Business Days immediately preceding the day on which that Ordinary Share, A Share, C Share or D Share (as applicable) is purchased; and
 - (vii) unless renewed, the authority hereby conferred shall expire either at the conclusion of the annual general meeting of the Company following the passing of this Resolution or on the expiry of 15 months from the passing of this Resolution, whichever is the latest to occur, save that the Company may, prior to such expiry, enter into a contract to purchase Ordinary Shares, A Shares, C Shares and D Shares which will or may be completed or executed wholly or partly after such expiry.

Part 2 Additional Information on the Company cont

4. SHARE RIGHTS

4.1. The rights and restrictions attaching to the Hydro 2 Shares are as follows:

4.1.1. Voting Rights

Subject to any disenfranchisement as provided in paragraph 4.1.4 below, the Hydro 2 Shares shall carry the right to receive notice of or to attend or vote at any general meeting of the Company and on a show of hands every holder of ordinary shares present in person (or being a corporation, present by authorised representative) shall have one vote and, on a poll, every holder of Hydro 2 Shares who is present in person or by proxy shall have one vote for every Hydro 2 Share of which he is the holder. The Hydro 2 Shares shall rank pari passu as to rights to attend and vote at any general meeting of the Company.

The Articles that are proposed to be adopted at the General Meeting shall provide that the Hydro 2 Shares shall carry the right to receive notice of, and to attend, speak and vote at, any general meeting.

4.1.2. Transfer of Shares

The Hydro 2 Shares are in registered form and will be freely transferable free of all liens. All transfers of Hydro 2 Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of a Hydro 2 Share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid Hydro 2 Share, provided that such refusal does not prevent dealings taking place on an open and proper basis, and may also refuse to register any instrument of transfer unless:

4.1.2.1. it is duly stamped (if so required), is lodged with the Company's registrars or at such other place as the Directors may appoint and is accompanied by the certificate for the Hydro 2 Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

4.1.2.2. it is in respect of only one class of share;

4.1.2.3. the transferees do not exceed four in number.

4.1.3. Dividends

The Company may in general meeting by ordinary resolution declare dividends to be paid to members in accordance with the Articles, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of

Hydro 2 Shares shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.

The Hydro 2 Shares shall entitle their holders to receive such dividends as the Directors may resolve to pay out of the net assets attributable to the Hydro 2 Shares and from income received and accrued which is attributable to the Hydro 2 Shares.

The Directors may, with the prior sanction of an ordinary resolution of the Company, offer Shareholders the right to elect to receive, in respect of all or part of their holding of Hydro 2 Shares, additional shares credited as fully paid instead of cash in respect of all or part of such dividend or dividends and (subject as hereinafter provided) upon such terms and conditions and in such manner as may be specified in such ordinary resolution. The ordinary resolution shall confer the said power on the Directors in respect of all or part of a particular dividend or in respect of all or any dividends (or any part of such dividends) declared or paid within a specified period but such period may not end later than the date of the annual general meeting next following the date of the general meeting at which such ordinary resolution is passed.

4.1.4. Disclosure of Interest in Hydro 2 Shares

If any Shareholder or other person appearing to be interested in Hydro 2 Shares is in default in supplying within 14 days after the date of service of a notice requiring such member or other person to supply to the Company in writing all or any such information as is referred to in Section 793 of the CA 2006, the Directors may, for such period as the default shall continue, impose restrictions upon the relevant Hydro 2 Shares.

The restrictions available are the suspension of voting or other rights conferred by membership in relation to meetings of the Company in respect of the relevant Hydro 2 Shares and additionally in the case of a Shareholder representing at least 0.25% by nominal value of Hydro 2 Shares then in issue, the withholding of payment of any dividends on, and the restriction of transfer of, the relevant Hydro 2 Shares.

4.1.5. Distribution of Assets on Liquidation

On a winding-up any surplus assets, subject to the rights of any shares which may be issued with special rights or privileges, to the extent that there are Hydro 2 Shares, an amount equivalent to the aggregate NAV of the Hydro 2 Share Fund will be divided amongst the holders of the Hydro 2 Shares in the Company according to the

respective numbers of Hydro 2 Shares held by them and in accordance with the provisions of the CA 2006, calculated in accordance with the Company's usual accounting policies and adjusted for any amounts as the liquidator may consider appropriate so as to be a fair value for the Hydro 2 Shares.

The Articles provide that the liquidator may, with the sanction of a special resolution and any other sanction 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.

4.1.6. **Conversion Rights**

The Hydro 2 Shares have no conversion rights.

4.1.7 **As regards redemption:**

The Hydro 2 Shares are not redeemable.

5. MATERIAL INTERESTS

5.1. As at the date of this document the Directors and their immediate families do not have, and on Admission of the Hydro 2 Shares the Directors and their immediate families will not have, any interests in the share capital of the Company which are or will be notified to the Company in accordance with Rule 3 of the Disclosure and Transparency Rules ("DTR 3") by each Director and there are no interests of a connected person (within the meaning in DTR 3) of a Director which are or will be required to be disclosed under DTR3 and the existence of which is known to or could with reasonable diligence be ascertained by that Director.

5.2. No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.

5.3. Triple Point is a party to the material contracts set out in paragraph 11.1 to 11.4 of Part 5 of the Registration Document.

6. TAKEOVERS AND MERGERS

6.1. **Mandatory takeover bids**

The City Code on Takeovers and Mergers (the "Code") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now

been placed on a statutory footing. The Takeovers Directive was implemented in the UK in May 2006 and since 6 April 2007 has effect through the CA 2006. The Directive applies to takeovers of companies registered in an EU member state and admitted to trading on a regulated market in the EU or EEA.

The Code is based upon a number of General Principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company the other holders of securities must be protected. This is reinforced by Rule 9 of the Code which requires that a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30% or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person, who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50% of the voting rights.

There are not in existence any current mandatory takeover bids in relation to the Company.

6.2.

Squeeze out

Section 979 of the CA 2006 provides that if, within certain time limits, an offer is made for the share capital of the Company, the offeror is entitled to acquire compulsorily any remaining shares if it has, by virtue of acceptances of the offer, acquired or unconditionally contracted to acquire not less than 90% in value of the shares to which the offer relates and in a case where the shares to which the offer relates are voting shares, not less than 90%, of the voting rights carried by those shares. The offeror would effect the compulsory acquisition by sending a notice to outstanding shareholders telling them that it will compulsorily acquire their shares and then, six weeks from the date of the notice, pay the consideration for the shares to the relevant Company to hold on trust for the outstanding shareholders. The consideration offered to shareholders whose shares are compulsorily acquired under the CA 2006 must, in general, be the same as the consideration available under the takeover offer.

Part 2 Additional Information on the Company cont

6.3. Sell out

Section 983 of the CA 2006 permits a minority shareholder to require an offeror to acquire its shares if the offeror has acquired or contracted to acquire shares in a company which amount to not less than 90% in value of all the voting shares in the company and carry not less than 90%, of the voting rights. Certain time limits apply to this entitlement. If a shareholder exercises its rights under these provisions, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. WORKING CAPITAL

The Company is of the opinion that the working capital of the Company is sufficient for its present requirements, that is, for at least the period of twelve months from the date of this document.

8. CAPITALISATION AND INDEBTEDNESS

8.1. The capitalisation and indebtedness of the Company as at 31 March 2014 was as follows

	(£'000)
Indebtedness	Nil
Shareholders' equity	
Share capital	318
Share redemption reserve	449
Share premium	20,875
Special distributable reserve	7,502
Revenue reserve	450
Capital reserve	(2,929)
TOTAL	26,675
Cash and cash equivalents	7,426

8.2. Since 31 March 2014 the Company has incurred no indebtedness. The Company has power to borrow under the Articles, details of which are set out in the paragraph entitled "Borrowing powers" in paragraph 4.2.13 of Part 5 of the Registration Document.

9. GENERAL

9.1. Howard Kennedy's office address is at 19 Cavendish Square, London W1A 2AW. Howard Kennedy is regulated by the FCA and is acting in the capacity as Sponsor to the Company.

9.2. Howard Kennedy has given and has not withdrawn its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.

9.3. The statements attributed to the Manager in this document have been included in the form and context in which they appear with the consent and authorisation of the Manager. The Manager accepts responsibility for those statements and to the best of the knowledge and belief of the Manager (which has taken all reasonable care to ensure that such is the case) those statements are in accordance with the facts and do not omit anything likely to affect the import of such information.

9.4. The Company does not assume responsibility for the withholding of tax at source.

9.5. The typical investor for whom investment in the Company is designed is an ordinary retail, sophisticated, high net worth or professional individual with sufficient income and capital that his investment in the Company can be tied up for at least 5 years, who is attracted by the income tax relief available for a VCT investment but seeks a venture capital strategy focused on capital stability and early realisations.

9.6. All third party information in this Prospectus has been identified as such by reference to its source and in each instance has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by the relevant party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

9.7. The issued share capital of the Company as at the date of this document is 19,474,883 Ordinary Shares, 5,131,353 A Ordinary Shares and 13,441,438 C Ordinary Shares. Assuming a full subscription of £10,000,000 and an increase in the size of the Offer at the discretion of the Directors of a further £10,000,000, a NAV per Hydro 2 Share of 100 pence for the purpose of the Hydro 2 Share Price Calculation, that all of the subscription monies are received by 16 January 2015, that £19,000,000 of the subscription monies are for allotment of Hydro 2 Shares in the 2014/2015 tax year, that £1,000,000 of the subscription monies are for allotment of Hydro 2 Shares in the 2015/2016 tax year and that the issue costs per Hydro 2 Share are 5.5%, the existing 38,047,674 Shares would represent 67% of the enlarged issued share capital of the Company.

9.8. As at 31 March 2014, the date to which the most recent audited financial information on the Company has been drawn up, the NAV per Ordinary Share, per A Ordinary Share and per C Ordinary Share was 79.03p, 82.15p and 98.38p respectively.

9.9. The Company and the Directors consent to the use of the Prospectus, and accept responsibility

Part 2 Additional Information on the Company cont

for the content of the Prospectus, with respect to subsequent resale or final placement of securities by financial intermediaries, from the date of the Prospectus until the close of the Offer. The Offer is expected to close on or before 30 April 2015, unless previously extended by the Directors but may not extend beyond 28 October 2015. There are no conditions attaching to this consent. Financial intermediaries may use the Prospectus only in the UK.

9.10. **Information on the terms and conditions of the offer will be given to investors by financial intermediaries at the time that the offer is introduced to investors. Any financial intermediary using the Prospectus must state on its website that it is using the Prospectus in accordance with the consent set out in paragraph 9.9 above.**

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal Business Hours at the registered office of the Company and at the offices of Howard Kennedy, 19 Cavendish Square, London, W1A 2AW whilst the Offer remains open:

- 10.1. the Articles and the Articles as amended by Resolution 4 at the General Meeting;
- 10.2. the material contracts referred to in Part 5 of the Registration Document;
- 10.3. the annual accounts for the periods ended 31 March 2012, 31 March 2013 and 31 March 2014;
- 10.4. the consents referred to in paragraphs 9.2 and 9.3 above;
- 10.5. the circular to Shareholders dated 29 October 2014; and
- 10.6. this document.

29 October 2014

Part 3 Definitions

“2014/2015 Bonus Shares”	the percentage of additional Hydro 2 Shares to be allotted by virtue of the 2014/2015 Offer to an investor whose application is received and accepted by the Receiving Agent during the Bonus Share periods set out on page 3 of this document
“2015/2016 Bonus Shares”	the percentage of additional Hydro 2 Shares to be allotted by virtue of the 2015/2016 Offer to an investor whose application is received and accepted by the Receiving Agent during the Bonus Share periods set out on page 3 of this document
“2014/2015 Offer”	the offer to subscribe for Hydro 2 Shares under the Offer in respect of the 2014/2015 tax year as described in this document
“2015/2016 Offer”	the offer to subscribe for Hydro 2 Shares under the Offer in respect of the 2015/2016 tax year as described in this document
“A Ordinary Share Fund”	the net assets of the Company represented by the A Ordinary Shares
“A Ordinary Share Fund Qualifying Investments”	Qualifying Investments comprised within the A Ordinary Share Fund
“A Ordinary Shares”	A ordinary shares of 1 pence in the capital of the Company
“Admission”	the admission of the Hydro 2 Shares allotted pursuant to the Offer to a premium listing on the Official List and to trading on the London Stock Exchange's main market for listed securities
“AIM”	AIM, the market of that name operated by the London Stock Exchange
“Annual Running Costs”	annual costs and expenses incurred by the Company in the ordinary course of its business (including irrecoverable value added tax)
“Articles”	the articles of association of the Company, as amended from time to time
“B Ordinary Shares”	B ordinary shares of 1 pence in the capital of the Company
“Board” or “Directors”	the board of directors of the Company
“Business Day”	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
“Business Hours”	the hours between 09:00 to 18:00 GMT on any Business Day
“C Ordinary Shares” or “Hydro Shares”	C ordinary shares of 1 pence in the capital of the Company
“C Ordinary Share Fund”	the net assets of the Company represented by the C Ordinary Shares
“C Ordinary Share Fund Qualifying Investments”	Qualifying Investments comprised within the C Ordinary Share Fund
“CA 2006”	Companies Act 2006 (as amended)
“Company”	Triple Point Income VCT plc
“Discount Rate”	the rate of return used in discounted cash flow analysis to determine the Present Value of future cash flows
“EIS”	the Enterprise Investment Scheme, satisfying the requirements of Part 5 of ITA 2007
“ESBB”	the Company's enhanced share buyback scheme which completed on 15 May 2013, the terms of which were set out in a circular to Shareholders dated 7 December 2012
“Execution Only Brokers”	an intermediary, authorised by the FCA, which does not provide advice to its client
“FCA”	the Financial Conduct Authority
“FSMA”	the Financial Services and Markets Act 2000 (as amended)
“General Meeting”	the general meeting of the Company convened for 25 November 2014 (or any adjournment thereof)
“HMRC”	Her Majesty's Revenue and Customs
“Howard Kennedy” or “Sponsor”	Howard Kennedy Corporate Services LLP
“Hurdle”	at the time of any payment of a dividend to holders of Hydro 2 Shares the higher of (i) 100 pence per Hydro 2 Share or (ii) the total of all dividends per Hydro 2 Share made to holders of Hydro 2 Shares prior to that dividend
“Hydro 2 Share Fund”	the net assets of the Company represented by the Hydro 2 Shares
“Hydro 2 Share Fund Qualifying Investments”	Qualifying Investments comprised within the Hydro 2 Share Fund
“Hydro 2 Share Price Calculation”	the calculation used to determine the prices at which the Hydro 2 Shares will be issued to investors pursuant to the Offer, as set out on page 15
“Hydro 2 Shares”	D ordinary shares of 1 pence in the capital of the Company

“IMA”	the agreement dated 14 December 2007, as amended, between the Company and Triple Point under which Triple Point provides discretionary and advisory investment management services to the Company in respect of its portfolio of investments
“IMA Deed of Variation”	the deed of variation to the IMA dated 28 October 2014, as detailed on page 13
“Internal Rate of Return”	the Discount Rate applied to future cash flows which provides a Net Present Value equal to zero
“Investment Management Team”	those members of Triple Point’s investment management team whose details are set out on page 10 of this document
“Investment Policy”	the investment policy adopted by the Company
“ITA 2007”	Income Tax Act 2007 (as amended)
“Listing Rules”	the listing rules of the UKLA
“London Stock Exchange”	London Stock Exchange plc
“Minimum Net Proceeds”	the minimum net proceeds of the Offer to be raised by the Company in order for the Company to issue Hydro 2 Shares under the Offer, being £2,000,000
“NAV”	net asset value
“Net Present Value”	the difference between the Present Value of cash inflows and the Present Value of cash outflows
“Non-Qualifying Investments”	the assets of the Company that are not Qualifying Investments
“Offer”	the offer for subscription by the Company as described in the Prospectus
“Official List”	the official list of the UKLA
“Ordinary Share Fund”	the net assets of the Company represented by the Ordinary Shares
“Ordinary Share Fund Qualifying Investments”	Qualifying Investments comprised within the Ordinary Share Fund
“Ordinary Shares”	ordinary shares of 1 pence each in the capital of the Company
“Performance Incentive Fee”	the performance-related incentive fee payable to Triple Point as described in the subsection headed “Performance Incentive Fee on the Hydro 2 Shares” on page 14
“Present Value”	the current worth of a future sum of money given a specified rate of return
“Prospectus”	together this document, the Registration Document and the Summary
“Prospectus Rules”	the prospectus rules of the FCA
“Qualifying Company”	a company satisfying the requirements of Chapter 4 of Part 6 of ITA 2007
“Qualifying Investments”	shares in, or securities of, a Qualifying Company held by a VCT which meets the requirements described in chapter 4 of Part 6 ITA 2007
“Receiving Agents”	TPAL
“Registration Document”	the share registration document that, together with this document and the Summary, constitutes the Prospectus
“Regulatory Information Service”	a regulatory information service that is on the list of regulatory information services maintained by the FCA
“Resolutions”	the resolutions to be proposed at the General Meeting
“Shareholder”	a holder of Shares
“Shares”	Ordinary Shares, A Ordinary Shares, C Ordinary Shares and Hydro 2 Shares as the context may require (and each a “Share”)
“Summary”	the summary that, together with this document and the Registration Document, constitutes the Prospectus
“TPAL”	Triple Point Administration LLP
“Triple Point” or “Manager”	Triple Point Investment Management LLP of 18 St. Swithin’s Lane, London EC4N 8AD
“Triple Point Group”	Triple Point, Triple Point LLP and TPAL
“UK”	the United Kingdom
“UKLA” or “UK Listing Authority”	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Market Act 2000
“unquoted”	private or public companies not quoted on any market or exchange
“VCT” or “venture capital trust”	a company satisfying the requirements of Chapter 3 of Part 6 of ITA 2007 for venture capital trusts
“VCT Rules”	Part 6 ITA 2007 and every other statute (including any orders, regulations or other subordinate legislation made under them) for the time being in force concerning VCTs

Part 4 Terms & Conditions of Application for Shares under the Offer

1. The contract created by the acceptance of applications for the Hydro 2 Shares will be conditional upon the admission of the relevant Hydro 2 Shares to the Official List of the UKLA and to trading on the London Stock Exchange.
2. The right is reserved by the Receiving Agent to present all cheques for payment on receipt and to retain surplus application monies pending clearance of successful applicants' cheques. Interest earned on application monies will be used to meet bank charges and other costs. The Company also reserves the right to accept or reject in whole or in part, or to scale down or limit, any application for whatever number of Hydro 2 Shares. If any application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning the relevant applicant's cheque or banker's draft or by crossed cheque in favour of the applicant, through the post at the risk of the person entitled thereto. In the meantime, application monies will be retained by the Company, 18 St. Swithin's Lane, London EC4N 8AD in its Offer bank account. The Offer will not be withdrawn after dealings in the Hydro 2 Shares have commenced.
3. By completing and delivering an Application Form, you (as the applicant):
 - 3.1. offer to subscribe to the Hydro 2 Share Fund for an amount by issue of Hydro 2 Shares (or such lesser amount for which your application is accepted) at a price per Hydro 2 Share determined in accordance with the Hydro 2 Share Price Calculation and on the terms and subject to this document, including these terms and conditions, and the Articles of Association of the Company;
 - 3.2. agree that in consideration of the Company agreeing that it will not prior to the Offer closing issue or allot any Hydro 2 Shares to any person other than by means of the procedures referred to in this document, your application shall not be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Application Form;
 - 3.3. warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive a share certificate or have your CREST account credited in respect of the amount by issue of Hydro 2 Shares applied for unless and until you make payment in cleared funds for such amount by issue of Hydro 2 Shares and such payment is accepted by the Company in its absolute discretion (which acceptance may be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such payment, the Company may (without prejudice to other rights) avoid the agreement to allot such Hydro 2 Shares and may allot such Hydro 2 Shares to some other person, in which case you will not be entitled to any payment in respect of such Hydro 2 Shares;
- 3.4. agree that, in respect of the amount by issue of Hydro 2 Shares for which your application has been received and is not rejected, acceptance shall be constituted, at the election of the Company, either (i) by notification to the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to TPAL;
- 3.5. agree that any monies returnable to you may be retained by the Company pending clearance of your remittance and that such monies will not bear interest;
- 3.6. authorise the Company to send (a) share certificate(s) or (b) credit your CREST account in respect of the number of Hydro 2 Shares for which your application is accepted and/or a crossed cheque for any monies returnable, by post, at the risk of the person entitled thereto, to the address of the person named as an applicant in the Application Form;
- 3.7. declare that a loan has not been made to you or any associate, which would not have been made or not have been made on the same terms, but for you offering to subscribe for, or acquiring, Hydro 2 Shares and that the Hydro 2 Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which is the avoidance of tax. (Please note that obtaining the reliefs available under the VCT legislation does not of itself constitute tax avoidance);
- 3.8. agree that all applications, acceptances of applications and contracts resulting therefrom shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 3.9. confirm that in making such application you are not relying on any information or representation in relation to the Company other than the information contained in this document and accordingly you agree that no person responsible solely or jointly for this document or any part thereof or involved in the preparation thereof

shall have any liability for any such other information or representation;

3.10. authorise the Company, the Registrar or any persons authorised by them, as your agent, to do all things necessary to effect registration of any Hydro 2 Shares subscribed by you into your name or into the name of any person in whose favour the entitlement to any such Hydro 2 Shares has been transferred and authorise any representatives of the Company or the Receiving Agent to execute any document required therefor and to enter your name on the register of members;

3.11. agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations concerning the Company contained therein;

3.12. confirm and warrant that you have read and complied with paragraph 4 below;

3.13. confirm that you have received the restrictions contained in paragraph 5 below and warrant as provided therein;

3.14. warrant that you are not under the age of 18;

3.15. agree that all documents and cheques sent by post to, by, or on behalf of the Company or the Triple Point Group, will be sent at the risk of the person entitled thereto.

4. No person receiving a copy of this document or an Application Form in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or such Application Form could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

5. The Hydro 2 Shares have not been and will not be registered under the United States Securities Act 1933 (as amended) and, subject to certain exceptions, the Hydro 2 Shares may not be offered, sold, renounced, transferred or delivered, directly or indirectly, in the United States or to any person in the United States. Persons subscribing for Hydro 2 Shares shall be deemed, and (unless the Company is satisfied that Hydro 2 Shares can be allotted without breach of United States security laws) shall be required, to represent and warrant to the Company that they are not a person in the United States and that they are not subscribing for such Hydro 2 Shares for the account of any such person and will not offer, sell, renounce, transfer or deliver, directly or indirectly, such Hydro 2 Shares in the United States or to any such person. As used herein, "United States" means the United States of America (including each of the States and the District of Columbia) its territories or possessions or other areas subject to its jurisdiction. In addition, the Companies have not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Triple Point Group will not be registered under the United States Investment Advisers Act of 1940, as amended.

6. This application is addressed to the Company and the Sponsor. The rights and remedies of the Company under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one will not prevent the exercise of others.

7. Authorised financial intermediaries who, acting on behalf of their clients where those clients are either professional client investors or those instructing the authorised intermediary on an execution-only basis, return valid Application Forms bearing their stamp and FCA number will be paid commission on the amount payable in respect of the amount subscribed for each such Application Form at the rates specified in the paragraph headed "Details of the Offer" in Part I of this Prospectus. Financial advisers should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for their commission.

8. Save where the context otherwise requires, words and expressions defined in this document have the same meaning when used in the Application Form and any explanatory notes in relation thereto.

Conditionality of investment

The contract created by the Company by accepting Application Forms as set out herein will be conditional on the Offer Agreement referred to in the Prospectus becoming unconditional and not being terminated in accordance with its terms and Resolutions 1 to 5 set out in the notice of General Meeting being passed at the General Meeting. The Offer is also conditional upon the Minimum Net Proceeds being raised before 12 noon on 2 April 2015.

Availability of this Prospectus

Copies of this Prospectus and the Application Forms are available for collection only, free of charge, from the Company's registered office at 18 St. Swithin's Lane, London EC4N 8AD from the date of this Prospectus until the closing of the Offer. A copy of this Prospectus has been submitted to the National Storage Mechanism and is available to the public for viewing online at the following web-site address: <http://www.morningstar.co.uk/uk/NSM>.

Important note for applications

The verification of identity requirements of the Money Laundering Regulations 2007 will apply and verification of the identity of the applicant will be required. Payment should be made by means of a UK clearing bank cheque drawn by the person named in box 1 on an account in his or her name or from their financial adviser's client account. Funds received from other sources will be returned and may delay shares being allotted.

You must ensure that the anti-money laundering documents detailed in Section 6 in Application Form 1 and Section 7 in Application Form 2 are enclosed with the Application Form. A failure to provide the necessary evidence may result in the application being treated as invalid or in delays in confirming the application.

The Triple Point Group may carry out its own verification of an investor using an electronic anti-money laundering check.

Notes on Completing the Forms

Notes on Contact Information: Insert your full name, permanent and email address together with your date of birth and National Insurance number in BLOCK CAPITALS in Section 1.

These contact details will be used for all communications, distributions and dividends. Applications may only be made by persons aged 18 or over.

Notes on Payment: Please fill in the first box (in figures) with the amount of your payment. Your payment must be for a minimum of £10,000 and in multiples of £1,000 thereafter. Please refer to page 15 for details of the Hydro 2 Share Price Calculation.

Please cross the relevant box for your method of payment. The first box denotes a payment by cheque. If you cross this box please ensure that the cheque is enclosed with the application form. Your cheque must be payable to "TPIM LLP Client Account" and crossed "A/C Payee only". No receipt will be issued. Payment should be made by means of a UK clearing bank cheque drawn by the person named in box 1 on an account in his or her name or from their financial adviser's client account. Funds received from other sources will be returned and may delay shares being allotted.

The second box denotes a payment by electronic transfer. Please add your surname as a reference to your electronic payments. All electronic payments to be made to "TPIM LLP Client Account". Sort code: 16-10-29. Account number: 10300185.

All payments should be for the exact amount you specified on this form.

Notes on Signature: The applicant named in Section 1 must sign and date Section 5 if completing Application Form 1 and Section 6 if completing Application Form 2. Individuals can only apply on their own behalf and in their own name.

Triple Point may hold client money, as trustee, under the FCA's CASS rules. Where it does so, and the money is held with a third party credit institution, neither Triple Point nor the Company will be liable to the investor:

- in the event of an insolvency of any bank with which any client funds held by Triple Point or the Company have been deposited or held; or
- in the event of any restriction on the liability of Triple Point or the Company to withdraw funds from such bank for reasons which are beyond the reasonable control of Triple Point or the Company.

Triple Point will ensure skill, care, and diligence are taken when selecting banks for the purpose of holding client money.

Professional Clients and Execution Only

This application form should only be used for an application submitted through an Execution Only Broker or by a financial adviser on behalf of professional clients.

Please complete this form in block capitals using black ink.

Sections 1-5

Should be completed by you as the applicant, signing section 5.

Sections 6-7

Should be completed by your Execution Only Broker or by your financial adviser, signing in Section 7.

All applications must include a cheque or be made in conjunction with an appropriate electronic payment.

In respect of the 2014/2015 Offer

all payments for applications must clear before 12 noon on **2 April 2015** for the applications to be valid.

In respect of the 2015/2016 Offer

all payments for applications must clear before 12 noon on **30 April 2015** for applications to be valid.

Anti-money Laundering Documents

Please note applications must be received with complete anti-money laundering documents, as detailed in section 6, and cleared funds. Hydro 2 Shares cannot be allotted until funds have cleared and complete anti-money laundering documents received.

Address

All applications must be sent to:

Client Operations

Triple Point
18 St. Swithin's Lane
London
EC4N 8AD

T: 020 7201 8990

E: applications@triplepoint.co.uk

1 Contact Information

Title
Forename(s) (in full)
Surname
Permanent Address

Postcode
Email Address*
National Insurance Number
Nationality
Date of Birth

You will receive acknowledgement of your application by email. Your email address will only be used for emails relating to your investment and not for marketing.

2 Previous Address

If you have lived at your current address for less than 12 months, please complete this section.

Previous Address

Postcode
Date of Change

How long did you live at this address?

Years Months

3 Payment

My total subscription amount to the Hydro 2 Share Fund is:

For tax year 2014/15 £

For tax year 2015/16 £

Applications must be submitted with a cheque or an electronic payment from a personal bank account in the applicant's name or from their financial adviser's client account. Funds received from other sources will be returned and there may be a delay in shares being allotted.

Please mark with an "X" as appropriate:

I attach a cheque or banker's draft payable to:

TPIM LLP Client Account

and crossed "A/C Payee only" for the total amount due.

I have instructed my bank to make an electronic payment to:

TPIM LLP Client Account Sort Code: 16-10-29 Account Number: 10300185

(The Royal Bank of Scotland plc, PO Box 412, 62-63 Threadneedle street, London, EC2R 8LA)

Please quote your surname/Hydro VCT as a reference.

Source of funds

PLEASE
COMPLETE

Source of Funds

i.e. savings, bonus, investment realisation, pension drawdown etc

4 Crest

If you would like the shares delivered to a CREST account, please complete this section:

CREST Participant ID

CREST Member Account ID

5 Signature

By signing this form I hereby declare and confirm that I have read the terms and conditions of subscription contained in the Prospectus and agree to be bound by them. I confirm that I am seeking income tax relief, I am at least 18 years old, I pay income tax in the UK and that I am able to commit to the investment term. I am authorising Triple Point Income VCT plc and its Directors, its Registrar and the Triple Point Group to use the information given by me. These organisations will keep all information supplied to them on a strictly confidential basis and will process this information in accordance with the requirements set out in the Data Protection Act 1998.

Signature

APPLICANT
SIGN HERE

Date

6 Anti-Money Laundering Regulations 2007 (to be completed by your Execution Only Broker or by your financial adviser)

In order to comply with these regulations you will need to supply the following documents. Applications received from any person who has not provided such evidence cannot be processed.

Option 1

 TICK BOX

The identity of the applicant and, where applicable, their representative, may be provided by means of an originally signed "Confirmation of Verification of Identity" in the prescribed form. This should be provided by the introducer detailed in Section 7. The Triple Point Group reserves the right to request original Anti-Money Laundering documentation. The Triple Point Group is not able to accept Confirmation of Verification of Identity for investors residing outside of the UK; please provide copy documents as detailed below in Option 2.

Option 2

 TICK BOX

You must ensure that at least **1** document from List A and at least **1** document from List B (overleaf) are enclosed with the Application Form. Copies should be originally certified by an FCA-approved person, a solicitor, a chartered or certified accountant or bank. Original documents will be returned by post at your risk.

The Triple Point Group reserves the right to carry out its own verification using an electronic anti-money laundering check at application and on an on-going basis.

7 Authorised Introducers (to be completed by your Execution Only Broker or by your Financial Adviser)

Please tick one:

 TICK BOX

We certify that we have not given advice relating to the merits of this investment to the applicant and we are acting on an execution-only basis.

OR

 TICK BOX

We certify that we have undertaken an assessment of the Investor's expertise, experience, knowledge, financial circumstances and objectives which we believe to be adequate and have reached the conclusion that this service is suitable for them. The client has requested to be treated as an Elective Professional Client.

** This address will be used for all correspondence relating to this application.*

Firm Details

Firm Name

Firm Address*

FCA Company No

Execution Only Broker/ Adviser Details

Name

Personal FCA No

Email

Tel No

Stamp of Intermediary

Signed by Introducer*

Date

INTRODUCER
SIGN HERE

* This must be signed by the Introducer

Administrator Details

Administrator Name

Administrator Email

Administrator Tel No

Upfront Commission

Up to 3% upfront commission may be paid to Execution Only Brokers or to those advising professional clients. Please detail below how much you are permitted to receive. Please refer to page 16 for further details.

Up to 3% commission is payable on investment and up to 0.5% of the NAV of the Hydro 2 Share Fund is paid in arrear on an annual basis.

In respect of the subscription made for Tax Year 2014/15:

% of the subscription amount set out in Section 3

In respect of the subscription made for Tax Year 2015/16:

% of the subscription amount set out in Section 3

On-Going Commission

Up to 0.5% of the NAV of the Hydro Share Fund may be paid to Execution Only Brokers or to those advising professional clients. Please detail below how much you are permitted to receive. Please refer to page 16 for further details.

In respect of the subscription made for Tax Year 2014/15:

%

In respect of the subscription made for Tax Year 2015/16:

%

Anti-Money Laundering Regulations

ID Requirements List A

Identity	Passport	Date of document
	Photocard driving licence (full or provisional)	Valid
	National Identity card	Valid
	Firearms certificate or shotgun certificate	Valid
	Old style, paper, full UK driving licence	Valid
	Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant)	Within 1 year

ID Requirements List B

Address	A bill or statement from a regulated utility company (excluding mobile phone bill, store or online bills)	Date of document
	Instrument of a court appointment (such as liquidator or grant of probate)	Within 3 months
	A bank statement issued by a regulated financial sector firm	Within 1 year
	A credit or debit card statement issued by a regulated financial sector firm	Within 3 months
	Valid photocard driving licence (full or provisional) (where not used in List A)	Within 3 months
	Firearms certificate or shotgun certificate (where not used in List A)	Within 3 months
	Old style, paper, full UK driving licence (where not used in List A)	Within 3 months
	Instrument of a court appointment (such as liquidator, or grant of probate) (where not used in List A)	Within 1 year
	Council tax demand letter, or statement (where not used in List A)	Within 1 year
	Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant) (where not used in List A)	Within 1 year

Retail Clients

This application form should only be used for an application submitted through an authorised financial adviser, where advice has been provided to the Applicant.

Please complete this form in block capitals using black ink.

Sections 1-6

Should be completed by you as the applicant, signing section 6.

Sections 7-8

Should be completed by your financial adviser, signing section 8.

All applications must include either a cheque or be made in conjunction with an appropriate electronic payment.

In respect of the 2014/2015 Offer

all payments for applications must clear before 12 noon on **2 April 2015** for the applications to be valid.

In respect of the 2015/2016 Offer

all payments for applications must clear before 12 noon on **30 April 2015** for applications to be valid.

Anti-money Laundering Documents

Please note applications must be received with complete anti-money laundering documents as detailed in Section 7, and cleared funds. Hydro 2 Shares cannot be allotted until funds have cleared and complete anti-money laundering documents are received.

Address

All applications must be sent to:

Client Operations

Triple Point

18 St. Swithin's Lane

London

EC4N 8AD

T: 020 7201 8990

E: applications@triplepoint.co.uk

1 Contact Information

Title	
Forename(s) (in full)	
Surname	
Permanent Address	
Postcode	
Email Address*	
National Insurance Number	
Nationality	
Date of Birth	

You will receive acknowledgement of your application by email. Your email address will only be used for emails relating to your investment and not for marketing.

2 Previous Address

If you have lived at your current address for less than 12 months, please complete this section.

Previous Address	
Postcode	
Date of Change	

How long did you live at this address?

<input type="checkbox"/>	Years
<input type="checkbox"/>	Months

Years

Months

3 Payment

My total subscription amount to the Hydro 2 Share Fund is:

For tax year 2014/15 £

For tax year 2015/16 £

Please mark with an "X" as appropriate:

I attach a cheque or banker's draft payable to:

TPIM LLP Client Account

and crossed "A/C Payee only" for the total amount due.

I have instructed my bank to make an electronic payment to:

TPIM LLP Client Account Sort Code: 16-10-29 Account Number: 10300185

(The Royal Bank of Scotland plc, PO Box 412, 62-63 Threadneedle street, London, EC2R 8LA)
Please quote your surname/Hydro VCT as a reference.

Source of funds

Applications must be submitted with a cheque or an electronic payment from a personal bank account in the applicant's name or from their financial adviser's client account. Funds received from other sources will be returned and there may be a delay in shares being allotted.

Source of Funds

i.e. savings, bonus, investment realisation, pension drawdown etc

**PLEASE
COMPLETE**

4 Adviser Facilitated Charge

Please pay the adviser detailed in Section 8 the one-off fee I have agreed to pay out of my gross amount(s) as set out below:

In respect of the subscription made for Tax Year 2014/15

Select either:

A set fee of £ OR % of the subscription amount set out in Section 3

In respect of the subscription made for Tax Year 2015/16

Select either:

A set fee of £ OR % of the subscription amount set out in Section 3

If you have agreed for an initial one-off fee to be facilitated to your adviser, please complete this section

5 Crest

If you would like the shares delivered to a CREST account, please provide the CREST information below:

CREST Participant ID	CREST Member Account ID
----------------------	-------------------------

6 Signature

By signing this form I hereby declare that:

- I have read the terms and conditions of subscription contained in the Prospectus and agree to be bound by them;
- I am seeking income tax relief, I am at least 18 years old, I pay income tax in the UK and I am able to commit to the investment term;
- I have agreed with my adviser the charging set out in Section 4;
- I am authorising Triple Point Income VCT plc and its Directors, its Registrar and the Triple Point Group to use the information given by me. These organisations will keep all information supplied to them on a strictly confidential basis and will process this information in accordance with the requirements set out in the Data Protection Act 1998.

Signature

APPLICANT
SIGN HERE

Date

7 Anti-Money Laundering Regulations 2007 (to be completed by your financial adviser)

In order to comply with these regulations you will need to supply the following documents. Applications received from any person who has not provided such evidence cannot be processed.

Option 1

TICK BOX The identity of the applicant and, where applicable, their representative, may be provided by means of an originally signed "Confirmation of Verification of Identity" in the prescribed form. This should be obtained provided by the firm detailed in Section 7. The Triple Point Group reserves the right to request original Anti-Money Laundering documentation. We are not able to accept Confirmation of Verification of Identity for investors residing outside of the UK, please provide copy documents as detailed below in Option 2.

Option 2

TICK BOX You must ensure that at least **1** document from List A and at least **1** document from List B (overleaf) is enclosed with the Application Form. Copies should be originally certified by an FCA-approved person, a solicitor, a chartered or certified accountant or bank. Original documents will be returned by post at your risk.

The Triple Point Group reserves the right to carry out its own verification using an electronic anti-money laundering check at application and on an on-going basis.

ID Requirements	List A	Date of document
Identity	Passport	Valid
	Photocard driving licence (full or provisional)	Valid
	National Identity card	Valid
	Firearms certificate or shotgun certificate	Valid
	Old style, paper, full UK driving licence	Valid
	Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant)	Within 1 year
ID Requirements	List B	Date of document
Address	A bill or statement from a regulated utility company (excluding mobile phone bill, store or online bills)	Within 3 months
	Instrument of a court appointment (such as liquidator or grant of probate)	Within 1 year
	A bank statement issued by a regulated financial sector firm	Within 3 months
	A credit or debit card statement issued by a regulated financial sector firm	Within 3 months
	Valid photocard driving licence (full or provisional) (where not used in List A)	Valid
	Firearms certificate or shotgun certificate (where not used in List A)	Valid
	Old style, paper, full UK driving licence (where not used in List A)	Valid
	Instrument of a court appointment (such as liquidator, or grant of probate) (where not used in List A)	Within 1 year
	Council tax demand letter, or statement (where not used in List A)	Within 1 year
	Correspondence from the state, a local authority or judicial authority (benefit, tax credit, pension, educational or grant) (where not used in List A)	Within 1 year

Adviser please sign overleaf

8 Authorised Advice (to be completed by your Financial Adviser)

We certify that we have undertaken an assessment, which we consider adequate of the investor's expertise, experience, knowledge, financial circumstances and objectives, and have reached the conclusion that this VCT is suitable for them.

Firm Details

Firm Name

* This address will be used for all correspondence relating to this application.

Postcode

FCA Company No

Adviser Details

Name

Personal FCA No

Email

Tel No

Stamp of Intermediary

Signed by Adviser

Date

Administrator Details

Administrator Name

Administrator Email

Administrator Tel No

ADVISER
SIGN HERE

Address

All applications must be sent to:

Client Operations

Triple Point

18 St. Swithin's Lane

London

EC4N 8AD

T: 020 7201 8990

E: applications@triplepoint.co.uk



Triple Point

18 St. Swithin's Lane

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