

FORESIGHT SOLAR VCT PLC - "C" SHARE ISSUE

OFFER FOR SUBSCRIPTION TO RAISE IN AGGREGATE
UP TO £20,000,000 BY ISSUES OF C ORDINARY SHARES
OF ONE PENNY EACH BY FORESIGHT SOLAR VCT PLC

SECURITIES NOTE WITH APPLICATION FORM



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Sponsored by BDO LLP

This document constitutes a securities note (the "Securities Note") dated 19 February 2013 issued by Foresight Solar VCT plc (the "Company"), prepared in accordance with the Prospectus Rules made under Section 84 of the Financial Services and Markets Act 2000 ("FSMA") and has been approved by the Financial Services Authority ("FSA") in accordance with FSMA. Additional information relating to the Company is contained in a registration document (the "Registration Document") issued by the Company of even date herewith. A brief summary written in non-technical language and conveying the essential characteristics and risks associated with the Company and the C Shares of one penny each in the capital of the Company (the "C Shares") which are being offered for subscription (the "C Share Offer") is contained in a summary issued by the Company of even date herewith (the "Summary"). The Summary, Securities Note and the Registration Document together comprise a prospectus (the "Prospectus") which has been filed with the FSA in accordance with the Prospectus Rules and you are advised to read the Prospectus in full.

The Company and the Directors (whose names are set out on page 53) accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Application has been made to the UK Listing Authority for the C Shares offered for subscription pursuant to this Prospectus to be admitted to the Official List of the UK Listing Authority. Application will also be made to the London Stock Exchange for such C Shares to be admitted to trading on its market for listed securities. It is expected that Admission will become effective and that trading in the C Shares will commence three Business Days following allotment. The Company's existing issued Ordinary Shares are traded on the London Stock Exchange's market for listed securities.

Offer for Subscription to raise in aggregate up to £20,000,000 by issues of C Shares of 1 penny each by the Company

In connection with the Offer, BDO LLP ("**BDO**") is acting for the Company and for no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of BDO nor for providing advice in relation to the Offer. BDO is authorised and regulated in the United Kingdom by the FSA.

In connection with the Offer, Foresight Group LLP and Foresight Group CI Limited ("**Foresight**"), the promoter of the Offer and investment manager of the Company respectively, are acting for the Company and no-one else and will not be responsible to anyone other than the Company for providing the protections afforded to customers of Foresight nor for providing advice in relation to the Offer. Foresight Group LLP is authorised and regulated in the United Kingdom by the FSA and Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission.

Copies of this document, the Registration Document and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of Foresight at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU; from the Foresight website at www.foresightgroup.eu and from the offices of BDO at 125 Colmore Row, Birmingham B3 3SD. Additionally, this Securities Note will be delivered by post to Shareholders.

The procedure for, and the terms and conditions of, application under this Offer are set out at the end of this document together with an Application Form. Completed Application Forms must be posted or delivered by hand to the Receiving Agent, The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 19 February 2013 and will close on 31 December 2013 or earlier or later at the absolute discretion of the Directors. The Directors may in their absolute discretion decide to extend or increase the Offer (such increase being subject to the issue of a supplementary prospectus).

YOUR ATTENTION IS DRAWN TO THE RISK FACTORS ON PAGES 7 and 8



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RISK FACTORS

Although the tax benefits available to investors in C Shares are significant, there are a number of risks which investors should consider carefully in addition to the other information presented in the Prospectus as a whole. The risks related to the Company, as opposed specifically to the C Shares, are set out in the Registration Document.

If any of the risks described below were to occur, it could have a material effect on the Company's business, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company, the Board or investors in the C Shares will face. Additional risks not currently known to the Company or the Board, or that the Company or the Board currently believe are not material, may also adversely affect the Company's business, financial condition and results of operations. The value of C Shares could decline due to any of these risk factors, and investors could lose part or all of their investment. Investors who are in doubt should consult their independent financial adviser. The attention of prospective investors is drawn to the following risks.

- The value of the C Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of the C Shares will fully reflect the underlying net asset value, that C Shareholders will be able to realise their shareholding or that dividends will be paid. Investment in the Company should be seen as a long-term investment.
- The past performance of other funds managed by Foresight is not necessarily an indication of the future performance of the C Share Fund.
- The net asset value of the C Shares will reflect the values and performance of the underlying investments in the C Share Fund portfolio. The value of the investments and income derived from them can rise and fall.
- Investee Companies may be affected by divergence between forecast and actual levels of solar radiation, or by changes in legislation, or by changes in the value of Renewable Obligation Certificates (ROCs), interest, inflation, foreign exchange or tax, or by changes in prices of solar panels and other capital equipment, energy, or financing, or by changes in labour, maintenance, safety or other operating costs, or by operating and technical risks, including risk of mechanical breakdown, failure to perform according to design specifications, failure to obtain accreditation and registration with Ofgem for photovoltaic ("PV") installations, unavailability of grid connection, labour and other work interruptions and other unanticipated events that adversely affect operations.
- The level of returns from investments may be less than expected if there is delay in the investment programme, such that all or part of the net proceeds of the Offer are held in cash or near cash investments for longer than expected, or if the returns obtained on investments are less than planned, or if investments cannot be realised at the expected time and values. There can be no guarantee that suitable investment opportunities will be identified in order to meet the Company's objectives.
- Although it is anticipated that the C Shares will be admitted to the Official List of the UK Listing Authority and traded on the London Stock Exchange's main market for listed securities, it is likely that there will not be a liquid market as there is a limited secondary market for VCT shares, due in part to the holding period required to maintain up-front income tax reliefs, and investors may find it difficult to realise their investments.
- If the Company lacks sufficient cash reserves to support the Zero Discount Buyback Policy and during Prohibited Periods when the Company is unable to purchase its own shares the market price of the C Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares.
- The target tax-free return to investors in C Shares of 120p per C Share is not guaranteed and there is no certainty as to the amount or timing of Distributions. If any of the Company's investments fail to yield the returns expected, there could be a shortfall or delay in Distributions. In addition, if there is a change in VCT legislation or the interpretation of existing VCT legislation, such that the payment of Distributions would have an adverse effect on the Company's VCT status, then such Distributions may not be made.

- The Company may not be able to fully realise sufficient of its investments between the fifth and sixth anniversaries of the closing date of the Offer, with the result that Distributions to investors could be delayed. Foresight will manage the portfolio with the aim of allowing every Shareholder to realise their shareholding at a zero discount to the Net Asset Value (less transaction costs if any payable to market makers and stockbrokers) after the five year minimum holding period and before the sixth anniversary of the final closing date of the Offer, except to the extent that Shareholders exercise the Individual Roll-Over Option described on page 28.
- Interest income received by the Company and attributable to the C Shares can only be sheltered from corporation tax to the extent that the total interest income received by the Company does not exceed total revenue expenditure available for offset in the calculation of its tax liabilities. If total interest income exceeds total revenue expenditure the Company will be liable to pay corporation tax.
- The information, including tax rules, contained in this document is based on existing legislation. The tax rules or their interpretation in relation to an investment in the Company and/or the rates of tax, or other statutory provisions to which the Company is subject, may change during the life of the Company and such changes could be retrospective.
- If an investor who subscribes for C Shares disposes of those C Shares within five years, the investor is likely to be subject to clawback by HM Revenue & Customs of any income tax relief originally obtained on subscription.
- Where more than one of the Foresight Funds wishes to participate in an investment opportunity, allocations will generally be made in proportion to the net cash raised for each such fund, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment where the incumbent investor will have priority. Implementation of this policy will be subject to the availability of monies to make the investment and other portfolio considerations such as portfolio diversity and the requirement to achieve or maintain a minimum of 70% of the Company's portfolio in Qualifying Companies. This may mean that the C Share Fund may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.
- The Offer is conditional on the passing of the Resolutions to be proposed at the General Meeting and on the receipt of applications for C Shares for a minimum of £2 million (which should result in the Minimum Net Proceeds being raised).

EXPECTED TIMETABLE, STATISTICS AND COSTS

Indicative Offer timetable

Offer opens	19 February 2013
Closing date for 2012/13 tax year, subject to the Minimum Net Proceeds being received	5 April 2013
Offer closes	31 December 2013
Allotments	Monthly
Effective date for the listing of the Offer Shares and commencement of dealings	Three Business Days following allotment
Share certificates dispatched	Within ten Business Days of allotment

The minimum subscription level for the Offer to become unconditional is £2 million and no C Shares will be allotted until this minimum subscription level is reached. The Directors reserve the right to extend the closing date of the Offer (such that any extension is no more than 12 months from the date of the Prospectus) or increase the size of the Offer (such increase being subject to the issue of a supplementary prospectus) at their discretion. The Offer will close earlier than the date stated above if it is fully subscribed or otherwise at the Directors' discretion.

Offer statistics

Initial NAV per C Share	100p
Maximum number of C Shares in issue following the Offer*	20,000,000
Minimum number of C Shares in issue following the Offer	2,000,000
Estimated net proceeds of the Offer, after issue costs, at full subscription**	£18,900,000

*unless increased at the Directors' discretion

** (based on an aggregate amount subscribed for C Shares of £20 million less approximate expenses of the Offer of 5.5%, assuming subscriptions are exclusively made by direct investors. Execution-Only Investors and Professional Client Investors)

Costs and commissions relating to the Offer

Professional Client Investors and Execution-Only Investors

Promoter's Fee	2.5%
Initial commission to Intermediaries expressed as a percentage of the Net Asset Value per C Share and included in the Pricing Formula to determine the number of C Shares to be allotted.	3%
Annual commission to intermediaries (subject to a maximum cumulative payment of 3%) expressed as a percentage of the Net Asset Value per C Share but not included in the Pricing Formula (payable by the Company)	0.5%

Retail Client Investors

Promoter's Fee	2.5%
Such charges as are agreed between each investor and his independent financial adviser on an initial and/or on-going basis expressed as a percentage of the Net Asset Value per C Share and included in the Pricing Formula to determine the number of C Shares to be allotted. The payment of these charges can be facilitated by the Company as described on page 47 and on the Application Form.	Variable

Direct Investors

Promoter's Fee	5.5%
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The above (i) Promoter's Fees (ii) initial commission to intermediaries of Professional Client and Execution-Only Investors and (iii) Retail Client adviser charges (initial and on-going) to be facilitated are each included in the Pricing Formula for determining how many shares are allotted to each Investor. The Company will pay on-going trail commission where applicable. Each percentage given above is expressed as a percentage of initial NAV.



Summary of Costs

In relation to the Offer, and through application of the Pricing Formula, each Investor will bear the cost of:

- (a) a Promoter's fee payable to the Promoter amounting to:
 - a. 2.5% of the initial net asset value of C Shares allotted to investors who subscribe through authorised intermediaries; or
 - b. 5.5% of the initial net asset value of C Shares allotted to investors who subscribe directly,
- (b) commission to authorised intermediaries of:
 - a. 3% of the net asset value of C Shares (Execution-Only Investors and Professional Client Investors); or
 - b. such initial and/or on-going amount(s) as may be agreed between Retail Client Investors and their advisers and communicated to the Company on an application for C Shares,

and the Company will bear the cost of:

annual trail commission to the authorised intermediaries of Execution-Only Investors and Professional Client Investors at the rate of 0.5% (fifty basis points) of the net asset value of the C Shares subscribed for as at the end of each financial year of the Company until a maximum of 3% (three hundred basis points) of the actual money subscribed for C Shares which are allotted by the Company under the Offer is paid.



LETTER FROM THE CHAIRMAN OF FORESIGHT SOLAR VCT PLC

19 February 2013

Dear Investor

The solar sector in the UK has been transformed by financial incentives initiated by the UK Government which have accelerated the pace of development. Over the past three years installed capacity has increased from 27MW in 2009 to 1.4GW in 2012. The introduction of revenue support schemes in other countries has led to a huge expansion in the number of solar generation plants and Foresight, the Company's investment manager, believes there is still substantial capacity for growth in the size of the UK market.

The Department of Energy and Climate Change (DECC) has recently included Solar PV as a "key technology" in its Renewable Energy Roadmap, highlighting the recognition by the UK Government that solar has a significant role to play in enabling the UK to meet its renewable energy targets. Their analysis suggests a capacity of between 7GW and 20GW in 2020. This change is due to the progress that Solar PV has made in the UK in the last 18 months, in particular the cost of Solar Power Plants, which reduced by 50% between summer 2011 and March 2012.

Solar Power Plants are particularly attractive for investors because the UK Government supported revenue streams from projects which qualify under the Renewable Obligation Certificate (ROC) scheme offer enhanced returns for 20 years and the technology involved is well-proven and reliable. In addition solar benefits from the highest degree of public support for an energy technology with 83% in favour, compared to 66% for onshore wind farms.

The response to the launch of the Foresight Solar VCT in 2010 surpassed the Company's expectations and the Directors have taken the decision to launch a "C" Share Fund to give investors access to the strong flow of solar power investment opportunities which Foresight is still seeing, with the tax benefits of a VCT investment.

Foresight's extensive in-house experience of backing successful entrepreneurs, arranging bank finance and completing solar power investments means the Company is well placed to capitalise on opportunities in the sector.

Recently the Feed-in Tariffs (FIT) that have supported utility scale Solar Power Plants have been reduced, making the Renewable Obligation scheme more attractive. Solar PV installations were historically small scale and expensive compared to other technologies and as such were supported by the UK Government's FIT regime which was designed to support small scale low carbon electricity technologies.

However, as the cost of solar reduced and the size of installations increased the UK Government felt that the level of FIT support was overly generous for utility scale sites. As the solar sector has matured the UK Government has ended support for new utility scale Solar Power Plants under the FIT regime, which continues to support small scale solar installations.

Utility scale Solar Power Plants are now better supported under the ROC scheme, which is the UK Government's main financial mechanism to incentivise the deployment of large scale renewable energy generation.

The purpose of the C Share Offer is to provide individuals with an opportunity to invest in this maturing sector and to benefit from the enhanced revenue streams possible under the ROC scheme. In addition to income derived from selling the generated electricity, generation plants accredited under the ROC scheme receive 20 years of income from the sale of ROCs, which substantially increases the returns. Venture Capital Trusts are one of a very small number of tax-efficient investment schemes officially sanctioned by HM Revenue and Customs. Subject to your personal circumstances, you should be able to reclaim 30% of your initial investment for C Shares against your tax bill and any dividends you receive on these shares and capital gains when you dispose of them will be free of tax. The benefits of VCT investment are available on subscriptions of up to £200,000 per individual in any one tax year. Further details of the tax benefits are described on pages 36 - 37.

If you would like to invest, please read the Prospectus and then complete the Application Form, which you will find at the end of this document. If you have any questions regarding this investment, please contact your financial adviser or call Foresight on 01732 471800. Please note that neither the Company nor Foresight is able to give investment advice. Please also read the risk factors set out on pages 7 - 8 of this document.

I hope that this Offer will be attractive to a wide range of investors, not only among existing Shareholders in the Company but perhaps even for investors who are coming to VCTs for the first time.

I look forward to welcoming you as a Shareholder.

Yours sincerely

David Hurst-Brown

Chairman

Foresight Solar VCT plc

Registered Office: ECA Court, 24-26 South Park, Sevenoaks,
Kent TN13 1DU Company Number: 7289280

AN INTRODUCTION TO SOLAR POWER INVESTING

Enough solar energy reaches the earth every hour to meet the world's energy consumption for a whole year. After forty years of development, the technology to harness some of this energy in the form of electricity is tried and tested and familiar to many people from the images of solar panels published in so many newspapers, magazines and online. It is generally a more expensive way to generate electricity than the burning of fossil fuels, but enjoys the support of government financial incentives as part of the UK Government's drive to reduce greenhouse gas emissions by building renewable energy generating capacity.

The European Union decided many years ago to promote renewable energy as part of the response to climate change. Over the last ten years, Germany, Spain and Italy among others have demonstrated how massive private sector investment in renewable energy can be unleashed by long-term government support schemes. The UK Government has adopted the Renewable Obligation Certificate (ROC) scheme as a method to oblige energy suppliers to source electricity generated from renewable sources and to provide an additional income stream to renewable generators. The ROC scheme thereby provides revenue support for electricity generated by qualifying Solar Power Plants.

The Company believes that solar power generation supported by the ROC scheme is attractive for investors in a time of economic uncertainty and austerity in government spending. Demand for solar electricity in the UK is not dependent on a general economic recovery and is expected to grow at rates well above GDP growth. While the level of support is due to be reduced following the ROC Banding Review, this follows years of substantial cost reductions in solar modules and therefore still allows an attractive margin to be made by UK solar generators under the scheme. The UK Government has committed to ensure that 15% of all of the UK's energy needs are met from renewable sources by 2020 and this commitment implies a need for investment of an estimated £100 billion, part of which is expected to be directed to solar power.

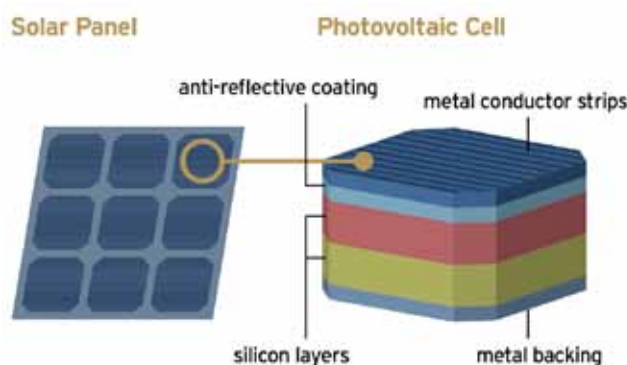
Having managed investments in solar power installations in Spain and Italy over the last five years, and with £50 million invested in UK Solar Power Plants, Foresight understands the exciting opportunities that government support can unlock for private investors. Foresight has strong relationships with installers, banks and other key counterparties and is seeing a growing pipeline of investment opportunities from Solar entrepreneurs. With a five year track record in solar power investing and an in-house team of experts in project finance, procurement and operations, Foresight intends to play a leading role in opening the solar power opportunity to private investors.

Many people are aware of solar power but have questions about how it works, whether it is economic or how investors can profit from it. This "Introduction to Solar Power Investing" is intended to answer some of the more common questions.

What is solar power?

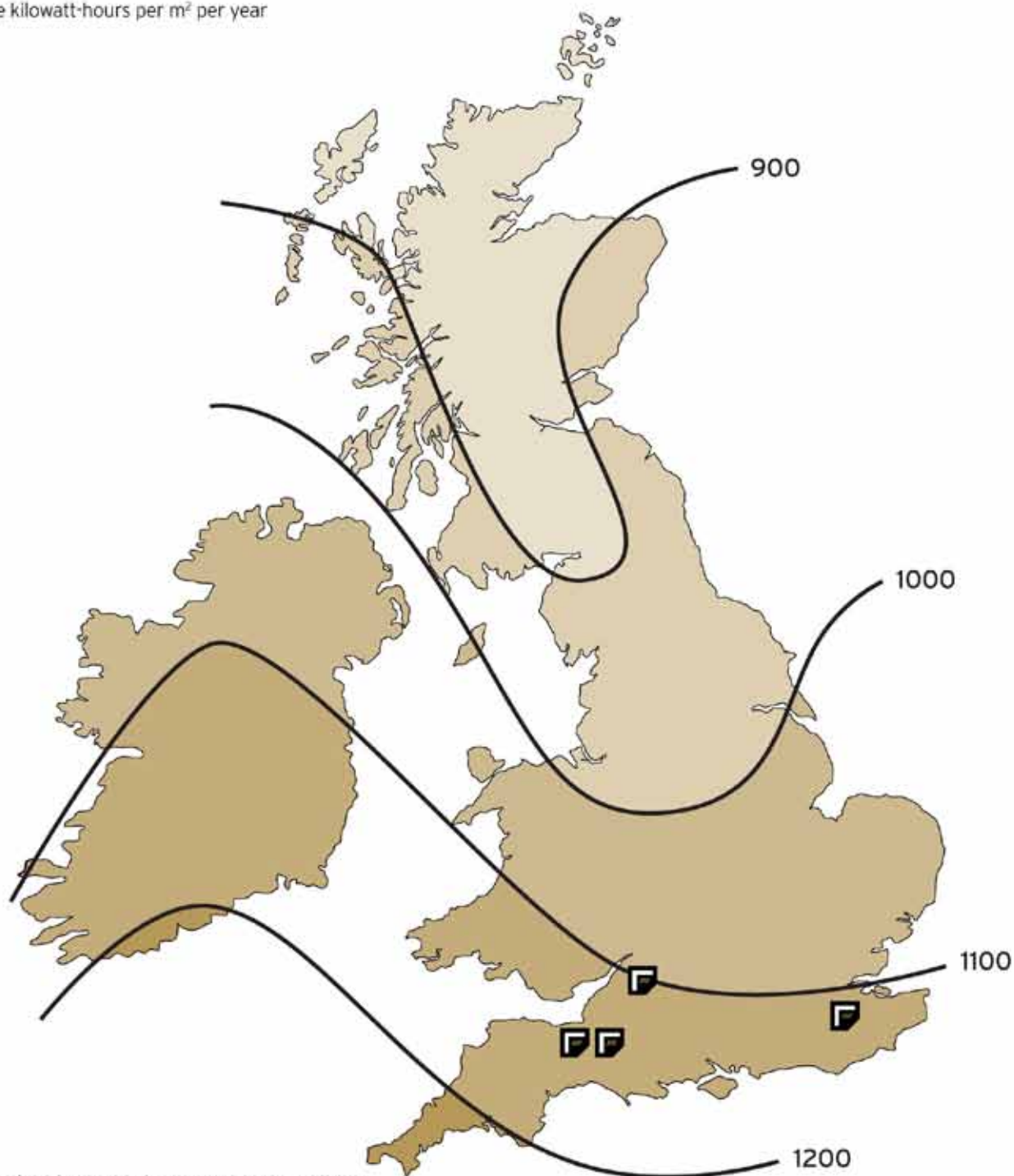
The building blocks of a solar power generator are photovoltaic cells, typically made of semiconductor material such as crystalline silicon, which convert light into electricity. Packaging a number of these photovoltaic cells into a frame, with a sheet of glass on the front to protect the semiconductor wafers from weather and physical damage, creates a solar panel of the sort so often depicted in the media. A typical photovoltaic Solar Power Plant will comprise a number of panels connected together and linked to an inverter, a

standard item of electrical equipment that converts the direct current (DC) generated by the panels into alternating current (AC), the form of electricity supplied through the electricity mains. Panels may be mounted on rooftops or on the ground, and may be fixed or track the sun. Large numbers of photovoltaic systems have already been installed globally. Systems of this type are the main focus for the Company and are referred to in this document as "Solar Power Plants".



Insolation - solar energy reaching the UK

Units are kilowatt-hours per m² per year



F Foresight backed Solar Power Plants = 16MW

Source: Design of Feed-in Tariffs for Sub-5MW Electricity in Great Britain, quantitative analysis prepared for Department for Energy and Climate Change, July 2009

Vital statistics for some examples of PV Solar Systems:

	Capacity in kW peak	Output in kilowatt-hours annually*		
		UK	Italy	Spain
Ground-mounted	10,000	10,100,000	15,700,000	14,300,000

*Based on data from the Photovoltaic Geographical Information System ("PV GIS") for London, Brindisi (Italy) and Toledo (Spain)



What about watts?

In order to calculate the potential revenue that a Solar Power Plant can generate, we need to know both the value of each unit of electricity and the number of units that can be expected to be generated each year (known as “annual output” and measured in “kilowatt-hours (kWh)”). Annual output is a function of a Solar Power Plant’s peak capacity (measured in “kilowatts peak (kWp)”), the amount of solar energy reaching its panel(s), and a performance factor that allows for the alignment of the panels in relation to the sun, as well as the temperature and other factors. In the UK the average solar panel system generates an annual output of 850 kWh per 1kW rated system. For a typical 5MW installation this means around 4,250MWh per year.

Capacity is related to the physical size of the panels and the efficiency with which they convert solar energy into electricity. Efficiency is typically guaranteed by the panel manufacturer. Annual output is forecasted using meteorological data for average monthly sunlight levels for different geographical areas, allowing for weather and the number of daylight hours. Foresight’s experience suggests that estimates properly based on this data are reliable.

1 megawatt (MW) = 1,000 kilowatts (kW); 1 gigawatt (GW) = 1,000,000 kilowatts (kW).

1 MW is sufficient to power 1000 homes in the UK.

Is the equipment reliable?

Solar Power Plants have few moving parts and operate over long periods with minimal maintenance. The Department of Energy and Climate Change (DECC) has stated that “PV is easier to deploy than other technologies and carries less risk to the investor since it is a tried and tested technology”. The EU Energy Institute has described solar panels as a good long term investment, capable of performing well after thirty years of life. The reliability of Solar Power Systems is increasing with the development of modern technology, and their performance will only improve over time.

The majority of solar panel manufacturers guarantee the efficiency of their equipment for long periods. They typically guarantee an 80% performance rate for 20-25 years and a 90% performance rate for 10-12 years. Solar Power Plants owned by Investee Companies will generally be installed and maintained by specialist contractors, who may also provide guarantees to supplement the core equipment guarantees. Such guarantees and contracts are of course subject to normal commercial limitations.

Why is solar power interesting now?

The Company believes that Solar Power Plants accredited under the ROC scheme offer attractive returns to investors. The UK market has grown significantly in recent years, surpassing 1GW of capacity in early 2012, and this growth is expected to continue, with DECC forecasts estimating that there will be between 7GW and 20GW of solar power installed in the UK by 2020. Solar technology has now established itself in the UK, with Solar Power Plants developing solid track records. The supply chain has grown in line with the increase in capacity and many reputable suppliers and contractors now operate in the UK.

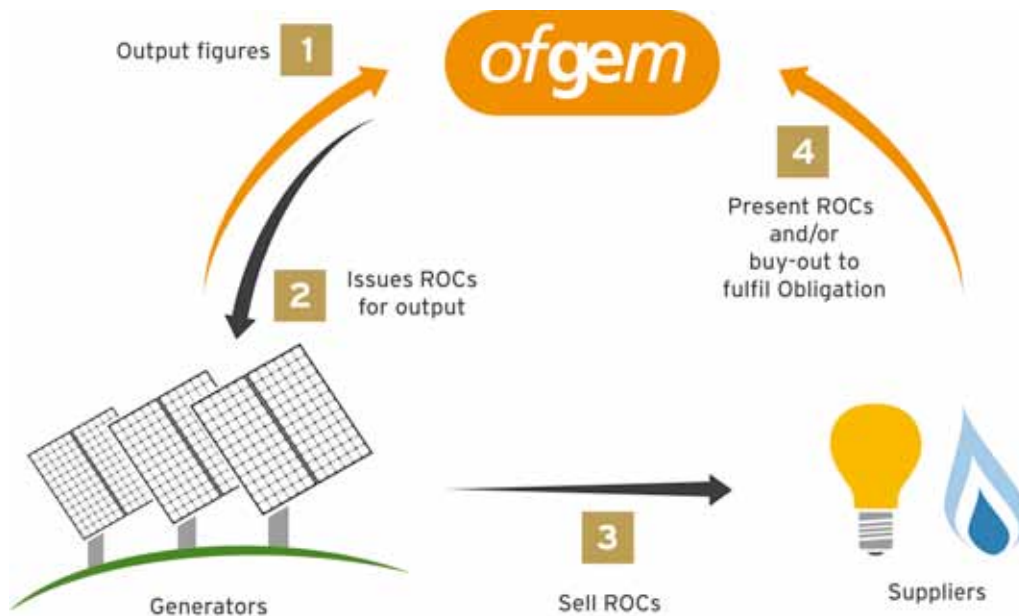
Solar panel prices have reduced substantially over the past 2 years with a 50% reduction between summer 2011 and March 2012. The ROC scheme is a market based incentive so it does not expose investors to government spending decisions. Furthermore, the scheme is designed with a headroom mechanism, to ensure the value of ROCs remains stable.

Government driven revenue support schemes introduced in Germany, Spain and Italy a number of years ago stimulated major investment in the sector. Foresight has been investing in Solar Power Plants in Italy and Spain since 2008 and believes that the support under the ROC scheme will drive a wave of investment from which the Fund can benefit.

The Renewable Obligation Certificate Scheme

The Renewable Obligation Certificate (ROC) scheme is the main financial mechanism supporting the uptake of large-scale renewable electricity generation in the UK. It came into force in April 2002 and requires energy suppliers to source a specified proportion of the electricity that they supply to their customers from renewable sources. This proportion is set to increase annually until 2037 as determined by the Department of Energy and Climate Change (DECC).

Renewable Obligation Certificates are issued to renewable energy generators based on the amount of eligible renewable electricity they generate. These ROCs can then be sold to licensed UK electricity suppliers alongside the electricity they produce. A supplier meets its obligations under the RO by submitting ROCs (bought from generators) or by paying a penalty to Ofgem (known as the “buy-out” price), or a combination of the two. The payment that a renewable generator receives for ROCs subsidises the additional costs incurred by generating electricity from renewable energy sources rather than fossil fuels and nuclear. Electricity suppliers pass the additional cost of buying ROCs on to their customers.



The amount of ROCs issued to generators depends on the amount of energy they generate. Originally, one ROC was issued for each megawatt hour (MWh) of eligible renewable output generated. Since April 2009, the number of ROCs given for each MWh of eligible renewable electricity generated varies according to the type of renewable energy source. This is known as ‘banding’, which was introduced with the aim of providing more targeted levels of support to different renewable technologies, reflecting differences in costs and market readiness.

The UK Government decided to fix the banding rates for different technologies from 2009 to 2013 to provide certainty for generators. Until the end of March 2013, solar PV is entitled to 2 ROCs per MWh of electricity generated. New (lower) banding rates are due to take effect on 1 April 2013 with ground-mounted solar PVs receiving 1.6 ROCs in 2013/14 (reducing to 1.2 ROCs by 2016/17). Legislation enables the UK Government to review banding levels on a four-yearly basis with interim reviews, if required, carried out through government consultations. When an alteration to the banding levels is applied to new generating stations, existing generating stations accredited before that date remain subject to their initial level of support. The UK Government’s “grandfathering” policy ensures that generating stations receive the same, fixed level of support (i.e. number of ROCs) for the full lifetime of their eligibility under the RO (20 years from when they are first accredited).

If suppliers don’t purchase sufficient ROCs from renewable generators to meet their obligations, they have to pay a penalty of an equivalent amount into a “buy-out fund”. All buy-out payments in the fund are recycled back to the suppliers who were able to meet their obligations, in proportion to the number of ROCs they hold. Suppliers who did not submit any ROCs will not receive any proportion of the buy-out fund. The “buyout fund” therefore acts as a financial incentive to suppliers to source their energy from renewable generators. The ROC buyout fee is fixed each year by DECC. Buyout prices to date are indicated below. As the Buyout Price has been increased in line with RPI the revenues received by Solar Power Plants are inflation linked.

Historical ROC Buyout Prices

Obligation Period (1st April- 31st March)	Buy-out price (per MWh) (£)	Obligation for England & Wales and Scotland (ROCs per MWh of Electricity supplied) (£)	Obligation for Northern Ireland (ROCs per MWh of Electricity supplied) (£)
2002-2003	30.00	0.030	-
2003-2004	30.51	0.043	-
2004-2005	31.39	0.049	-
2005-2006	32.33	0.055	0.025
2006-2007	33.24	0.067	0.026
2007-2008	34.30	0.079	0.028
2008-2009	35.76	0.091	0.030
2009-2010	37.19	0.097	0.035
2010-2011	36.99	0.111	0.0427
2011-2012	38.69	0.124	0.055
2012-2013	40.71	0.158	0.081

However, this fixed target figure can be superseded by a headroom calculation if the predicted level of ROCs that will be available turns out to be higher than initially estimated. When this is the case, the higher of the fixed target or the headroom figure is used to determine the level of the RO and calculate the number of ROCs that need to be submitted. The headroom calculation works by providing a set margin (10%) between the predicted generation of electricity from renewable sources (the supply of ROCs) and the level of the RO (demand for ROCs). The headroom mechanism helps to reduce the likelihood that renewable generation will exceed the RO in any given year, the result of which would be a reduction in the value of ROCs.

So, although the pricing mechanism might appear complicated to explain, the reality is that it has created a stable platform for the past 10 years and the UK Government remains fully committed to it as a key component of their carbon reduction commitment.

Electricity Market Reform and the 2012 Energy Bill

In July 2011 the UK Government's Electricity Market Reform was outlined in "Planning Our Electric Future: A White Paper for Secure, Affordable and Low-Carbon Electricity". The package of measures outlined are intended to stimulate £110 billion to be invested by 2020 to replace ageing energy infrastructure and drive the decarbonisation of the energy sector while maintaining security of supply and affordability for consumers.

Following over a year of pre-legislative consultation, on 29 November 2012, the Energy Bill was introduced to Parliament. The primary measures introduced were:

- Feed-in Tariffs (FIT) with Contracts for Difference (CFD) intended to stabilise revenues for investors in low-carbon electricity generation projects that will in time replace the ROC scheme.
- A Capacity Mechanism to support investment in base load generation capacity.
- Emissions Performance Standards to restrict the use of the most polluting power stations.
- A Carbon Floor Price to support the European Emissions Trading Scheme.

While the proposals have not yet been passed into law and there are still some areas that lack clarity, the UK Government has indicated how it intends the transition from the current ROC scheme to FIT with CFD to work so as to avoid a hiatus in investment. The FIT with CFD will be available from April 2014 while the ROC scheme will be open for new generation plants commissioned until 31 March 2017. This means that there will be over three years during which generators can choose between the two schemes. However, these developments should begin after the investment period of the Fund during which all generation will be under the ROC scheme.

FORESIGHT'S BRIDGWATER SOLAR PLANT SOMERSET 2MW
OPERATIONAL JULY 2011



From 31 March 2017 the ROC scheme will be closed to new generation but all generation accredited before that date will be “grandfathered”, continuing to receive the level of support set at commissioning for the full agreed 20 years, meaning the scheme will close in 2037.

Is solar power economic, particularly in the UK?

The long-term income supported by the ROC scheme is intended to provide an attractive return on investment after taking into account the system cost, sunlight available and other factors which vary by location. There are potentially attractive economic returns to owners of Solar Power Plants that are properly installed in appropriate locations.

How big is the market opportunity?

The UK Government has committed to ambitious targets to decarbonise the UK economy and increase the proportion of energy generation provided by renewable sources. Installed solar PV capacity in June 2012 was 1.4GW, 5.5 times the capacity in July 2011. This market growth is expected to continue, with the Department of Energy and Climate Change forecasting that there will be between 7GW and 20GW of solar power installed in the UK by 2020.

How long will it take to get the C Share Fund invested?

Foresight has a healthy pipeline totalling over £325 million of potential investments in December 2012 and intends to invest monies received by the C Share Fund on or before 30 June 2013 by 31 March 2014. The Directors may, at their discretion, extend the investment period for funds raised under the Offer by up to 12 months if the C Share Fund is not fully invested. For the avoidance of doubt, the Offer will not be extended beyond 12 months from the date of the Prospectus.

How does Foresight source investments?

Foresight sources solar investment opportunities through operators and developers and from its network of contacts with property owners and professional advisers. As a provider of such finance, with a strong track record in the European solar industry, Foresight can be an attractive partner for Solar entrepreneurs.

What returns can be expected from the portfolio?

Foresight aims to achieve returns sufficient to exceed the target for total return of 120p per £1 invested over five to six years. In order to achieve these returns, Foresight will focus on three key aspects of the selection and management of Solar Power Plants:

Minimising system cost - one of the main determinants of returns is the installed cost of Solar Power Plants, the key element of which is photovoltaic panel cost, which has fallen significantly over recent years. The Fund will seek to minimise installed cost, subject to obtaining appropriate guaranteed quality.

Selecting locations - Foresight expects returns to be higher for a Solar Power Plant located in an area with more solar radiation than the UK average, for example in southern England.

Leverage and realisation - returns can be boosted by leveraging the Fund's investments with third-party debt and by selling assets at the end of the planned exit period to buyers willing to accept a lower future yield on the investment.

Foresight has secured significant levels of debt finance for solar power investments during and since the credit crisis and has wide experience of realising investments. Returns from the Fund's portfolio will also depend on a number of other factors, including the timing of deployment of the funds raised and the level of UK inflation.

How can the C Share Fund realise investments?

Foresight believes that operational solar power assets will be attractive to utilities, pension funds, insurance companies and other investors and will be readily marketable within the planned exit timeframe. Indeed there have already been examples of such activity and a developing secondary market over the past twelve months. Refinancing potentially offers an alternative route to liquidating part of the portfolio ahead of exits.

What competition will Foresight face?

Foresight has demonstrated its ability to compete successfully in the UK solar sector, securing the acquisition of four high quality projects commissioned at the highest historic rate of government support for Solar Power Plants under the Feed-in Tariff (FIT) scheme and against tight deadlines driven by changes to subsidy levels. The investment team also has a strong track record in Italy and Spain and believes that its in-house sector expertise and entrepreneurial approach provide a powerful competitive advantage.

A variety of other equity and debt providers are, or will, become active in the UK, Italy and Spain and may compete to provide finance. Equity finance for the installation of Solar Power Plants may be provided by the owner or occupier of land, by a utility or by the installer or even the equipment manufacturer. However, Foresight's strong relationships in the UK market and record of closing deals, places it at an advantage to many competitors in the market.

Will the opportunity be affected by cuts in Government spending?

The long-term revenue support provided by the ROC scheme is not paid by the UK Government. Instead, legislation requires the major electricity suppliers to pay the prices directly to owners of Solar Power Plants. The costs are spread among all licensed electricity suppliers, and may be passed on to consumers as part of the normal bill for electricity consumption. However, the UK Government has reasserted its commitment to renewable energy in general and solar in particular in the recently published draft Energy Bill and Renewable Energy Roadmap. The recent agreement on the Levy Control Framework will allow the spend on Low Carbon electricity to triple in real terms from £2.35 billion in 2012/13 to £7.6 billion in real terms in 2020/21.

What if there are continued macro-economic difficulties?

In Foresight's view, the drivers of solar power investment are not related to general economic trends. The financial case for investment is based on the commitment of the EU to renewable energy, reflected in legally binding EU Directives under which the UK has committed to source 15% of all energy from renewable sources by 2020. This target implies that new investment of around £110 billion will be required in the UK alone, some of which is expected to be directed to solar power.

If some of the investments will be outside the UK, is there a currency risk?

There is no current intention to invest in Solar Power Plants outside of the UK. However, Foresight has in the past been able fully to hedge the currency exposure of the capital cost for all its solar power investments made by sterling denominated funds in assets outside the UK. Likewise, it would expect to do so for any such investments funded by the Fund in order to protect investors from currency movements against the pound sterling. For UK investments, depreciation of the pound sterling against the US dollar or the Euro would tend to increase equipment prices, potentially reducing the returns from investments made after such depreciation.

Is planning permission a problem?

Ground-mounted installations usually require planning permission, but Foresight expects planning authorities to be supportive in this regard, on the basis that Solar Power Plants are likely to have less visual and other impact on the local environment than other renewable energy technologies (with the possible exception of ground source heat pumps which may also have little visual impact). Any risk relating to planning consents would be borne by the developers and is not something to which Investors in the Company would be directly exposed.

PART 1: THE OFFER

i. Introduction to the Offer

The Company aims to combine greater security of capital than is normal within a VCT with the enhancement of investor returns created by the VCT tax benefits – income tax relief of 30% of the amount invested, and tax-free distribution of income and capital gains. The key objective of the C Share Fund is to achieve Distributions of 120p per C Share issued under the Offer and remaining in issue at the date of calculation, through a combination of tax-free income, buybacks and tender offers before the sixth anniversary of the closing date of the Offer.

After Distributions of 100p (per C Share issued under the Offer and remaining in issue at the date of calculation) have been paid to C Shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 100p (per C Share issued under the Offer and remaining in issue at the date of calculation) until total Distributions reach 120p (per C Share issued under the Offer and remaining in issue at the date of calculation) and 30% above that level. Total Distributions of 120p would represent a tax-free cash profit of 60.28% of the net cost of investment for an investor benefiting from full VCT tax reliefs. The performance incentive may be satisfied in cash or by the issue of new C Shares to Foresight, at the discretion of Foresight.

ii. Costs of the Offer

Professional Client Investors and Execution-Only Investors

Promoter's Fee	2.5%
Initial commission to Intermediaries expressed as a percentage of the Net Asset Value per C Share and included in the Pricing Formula to determine the number of C Shares to be allotted.	3%
Annual commission to intermediaries (subject to a maximum cumulative payment of 3%) expressed as a percentage of the Net Asset Value per C Share but not included in the Pricing Formula (payable by the Company)	0.5%

Retail Client Investors

Promoter's Fee	2.5%
Such charges as are agreed between each investor and his independent financial adviser on an initial and/or on-going basis expressed as a percentage of the Net Asset Value per C Share and included in the Pricing Formula to determine the number of C Shares to be allotted. The payment of these charges can be facilitated by the Company as described on page 46 - 47 and on the Application Form (" Adviser Charges ").	Variable

Direct Investors

Promoter's Fee	5.5%
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Changes to FSA rules on Commission and Adviser Charges

As a result of the changes to the FSA's Conduct of Business rules which were brought into effect pursuant to the implementation of the Retail Distribution Review effective as of 31 December 2012, the payment by the Company of commission of a fixed amount to independent financial advisers is prohibited where advice has been given to a Retail Client Investor in respect of their investment in the Company. As noted above, the Company may continue to pay a fixed commission to the advisers of Professional Client Investors and those who invest through Execution-Only brokers.

Retail Client Investors can specify on the Application Form that they wish the Company to pay a commission in order to facilitate the Adviser Charges which they have agreed with their adviser. Retail Client Investors who do so, in accordance with the Pricing Formula below, will receive a proportionately lesser number of Offer Shares to accommodate the facilitation payment to be made by the Company.

By offering investors a bespoke issue price per Offer Share as determined by the Pricing Formula, all Investors are entitled to claim tax relief on the full amount of their investment (which includes any facilitation payment) and all Investors are treated fairly by the Company as regards the payment of up-front commission and Adviser Charges.

iii. Pricing Formula

Investors are invited to subscribe an amount in pounds sterling rather than apply for a particular number of Offer Shares. The number of Offer Shares issued to an Applicant will be determined by reference to the Pricing Formula as follows:

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

Where NAV is, on the first allotment of Offer Shares, deemed to be the sum of 100p and, on each subsequent allotment of Offer Shares, the latest Net Asset Value per C Share

and

$$X = \frac{\begin{array}{l} \text{NAV; less} \\ \text{(A) Promoter's Fee; and either} \\ \text{(B) Initial commission; or} \\ \text{(C) Adviser's Charge} \end{array}}{\text{NAV}}$$

The number of Offer Shares to be allotted will be determined by dividing the amount subscribed by an Investor by the price given by the above formula.

Worked Example 1

An Investor applies through an Execution-Only broker. Initial commission is payable to the Execution-Only broker of 3.0% of funds subscribed (B). The Promoter's Fee is 2.5% of NAV (A).

The price is: NAV / X

$$X = \frac{100 - A - B}{100} = \frac{100 - 2.5 - 3}{100} = 0.945$$

The NAV per Share of 100 divided by 0.945 gives a subscription price of 105.82p (rounded down to the nearest 0.01p). For £10,000 subscribed, this will result in an allocation of 9,450 Offer Shares.

The Company then pays the Promoter 2.5% of NAV and the initial commission to the Execution-Only broker of 3.0%. The Company will later pay annual trail commission to the Execution-Only broker (though this is not taken in account in this formula).

Worked Example 2

A Retail Client Investor receives a personal recommendation from his adviser in respect of the Offer and decides to subscribe £10,000 in the Company. The adviser's standard charge for this, as agreed between the Retail Client Investor and the adviser, is 2.0% of funds subscribed with no on-going fees (C). The Promoter's Fee is 2.5% of NAV (A).

Therefore:

Price = $100/0.955 = 104.71\text{p}$ (rounded down to the nearest 0.01p)

$$X = \frac{100 - A - C}{100} = \frac{100 - 2.5 - 2.0}{100} = 0.955$$

The NAV per Share of 100 divided by 0.955 gives a subscription price of 104.71p (rounded down to the nearest 0.01p). For £10,000 subscribed, this will result in an allocation of 9,550 Offer Shares.

The Company then pays the Promoter's Fee of 2.5% and the Adviser's upfront facilitation payment of 2.0%.

It should be noted that the example Adviser Charge set out above have been provided to illustrate pricing of the Offer and should not be considered as a recommendation as to the appropriate levels of Adviser Charges.

iv. Tax benefits for investors

The tax reliefs set out below make the C Shares tax efficient for UK income tax payers. Although there is no maximum size of investment, VCT tax reliefs are available on investments up to a maximum by any individual of £200,000 in the 2012/13 tax year.

The table below shows how the initial 30% income tax relief can provide an unrealised uplift of 36.48% on a retail investor's net cost of investment after a reduction in the investor's tax bill. The income tax relief can be used to offset up to 100% of a retail investor's income tax liability, subject to a minimum holding period for the C Shares of five years. This is only a brief summary of the UK tax position of investors in VCTs, based on current law and practice. Further details are set out in Part 3 of this document. Potential investors are recommended to seek their own independent tax advice.

	(£)		Per C Share (p)
If you invest	10,000	in the Company at a price of	104.71
You can claim	3,000		(31.41)
Income tax relief of			
So your net cost of investment would be	7,000		73.30
Initial value of investment			
Gross subscription by Retail investor	10,000		
Assumed Cost of 4.5%	(450)		(4.71)
Initial Net Asset Value	9,550		100
This initial NAV is	2,550	more than the net cost of your investment	+26.70%
or a gain of	36.43%	on your net cost of investment	+36.43%

The level of issue costs will be variable for Retail Client Investors according to the requested level of facilitation of their Adviser Charges by the Company.

v. Illustrative returns (1)

Cost of Investment	£10,000
Less income tax relief (at 30%)	(£3,000)
Net Investment (2)	£7,000
Target investment proceeds at £1.20 per C Share assuming exit in 5 to 6 years (2)	£12,000
Total return on Net Investment	71.4%
Average Annual Return	11.9%
Average Equivalent Annual Return (on net investment, assuming 45% income tax rate) (3)	21.6%
Average Equivalent Annual Return (on net investment, assuming 40% income tax rate) (3)	19.8%
Average Equivalent Annual Return (on net investment, assuming 20% income tax rate) (3)	14.9%

1. Assumes adviser commission applies since only then are terms certain. These terms assume tax relief on the full amount invested, a deduction of 5.5% initial charge and 0.5% trail commission per annum paid over 6 years. Differing terms to those assumed will alter the returns.
2. Assumes a single investment of £10,000 applied against an investor's 2013/2014 income tax liability
3. Equivalent Annual Return is the return an investor would need to achieve from an equivalent investment (which attracts the relevant personal income tax rate on gross dividends received including tax credits) in order to achieve the same return as that projected

There is no guarantee that any of the profits or returns shown in the table will be achieved.

The C Share Offer is designed to provide attractive returns to investors by combining initial tax relief of 30p per C Share with tax-free distributions of income and capital totalling 120p per C Share by the fifth anniversary of the closing date of the Offer. If the planned level and timing of Distributions is achieved, then investors benefiting from full VCT tax reliefs would achieve a tax-free cash profit of 71.4% of their net cost of investment, which equates to an average annual return of 11.9%, and or a gross equivalent compound annual return of 19.8% per annum for a 40% tax payer. The performance incentive is calculated at a reduced level unless total Distributions reach 120p and will not be payable to Foresight unless Distributions reach at least 100p (per C Share issued under the Offer and remaining in issue at the date of the calculation).

vi. Use of Proceeds

The additional funds raised under the Offer will be invested in accordance with the Company's investment policy.

The sector experience and extensive deal flow which Foresight and the Company enjoy, and the extremely positive response which met the Company's previous fundraising (not to mention that of the Foresight Solar EIS Fund) has convinced the Board that the time is right to raise further funds. The Offer aims to enable individuals to invest in this maturing sector and to benefit from the enhanced revenue streams possible under the Renewable Obligation Certificates (ROC) scheme.

Additionally, recent changes to the VCT size tests and investment limits have provided opportunities and increased flexibility to participate in larger transactions and support existing portfolio companies.

vii. Investment policy

The Company will target unquoted companies which it believes will achieve the objective of producing attractive returns for Shareholders.

Investment securities

The Company will invest in a range of securities including, but not limited to, ordinary and preference shares, loan stocks, convertible securities, and other interest-bearing instruments as well as cash. Unquoted investments will usually be structured as a combination of ordinary shares, preference shares and loan stocks. The Company may invest in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products and other assets where Foresight believes that the risk/return profile is consistent with the overall investment objectives of the Company.

Smaller companies

Investments will be made primarily in companies which have no more than £15 million of gross assets and no more than 250 employees at the time of investment. Investments may be in larger companies subject to compliance with the VCT Rules.

Asset mix

The Company will invest mainly in unquoted companies that seek to generate solar electricity and benefit from long-term revenue support mechanisms. Investments may be made in companies seeking to generate renewable energy from other sources provided that these benefit from similar long-term revenue support mechanisms. The Board intends that the majority of net funds raised under the Offer will be invested in companies whose primary business is the generation of solar electricity. Pending investment or distribution any uninvested funds may be held in cash, interest bearing securities or other investments.

VCT considerations

It is intended that funds raised by the Company will in due course be principally invested in Qualifying Companies. Certain of the VCT rules limit the selection and structuring of Qualifying Investments and these rules may change from time to time. A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM or the market segments of the ICAP Securities and Derivatives Exchange Limited) and must carry on a qualifying activity. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying activity must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and

at all times thereafter). The Qualifying Company must have a permanent establishment in the UK. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned by the Qualifying Company.

Geographic spread

Qualifying Companies must have a permanent establishment in the UK from which it must carry on activities which are more than of a “preparatory or auxiliary character”. Whilst the Company will seek to invest mainly in companies operating in the UK, Spain and Italy it may also seek to make investments outside of Europe.

Loans to Qualifying Companies

The Company expects to invest in the form of ordinary and preferred shares and loans. VCT rules currently allow loans to represent up to 30% of all Qualifying Investments with shares representing the remaining 70% (70% of which must be Eligible Shares which can carry a preferential right to a dividend, expressed as a fixed or variable rate of the amount invested).

Risk diversification and maximum exposures

Risk will be spread by investing in a number of different companies and targeting a variety of separate locations for Solar Power Plants. The maximum amount invested by the Company in any one company will be limited to 15% of the portfolio at the time of investment.

Borrowing powers

The Company's Articles permit borrowing, to give a degree of investment flexibility. The Board's current policy is not to use borrowing. In any event, under the Company's Articles no money may be borrowed without the sanction of an ordinary resolution if the principal amount outstanding of all borrowings by the Company and its subsidiary undertakings (if any), then exceeds, or would as a result of such borrowing exceed, a principal amount equal to the aggregate of the share capital and consolidated reserves of the Company and each of its subsidiary undertakings as shown in the audited consolidated balance sheet.

viii. Co-investment policy

Foresight currently manages other funds (“**Foresight Funds**”) which may invest alongside the C Share fund. Investment opportunities will normally be offered initially to the C Share Fund on a basis which is pro rata to the net cash raised pursuant to the Offer compared to the net cash raised by the other Foresight Funds, other than where investments are proposed to be made in a company where one or more Foresight Funds has a pre-existing investment, where the incumbent investor will have priority. Where the C Share Fund invests in companies in which Foresight Funds have invested or subsequently invest, conflicts of interest may arise. The Board will exercise independent judgement to manage any such conflicts for the benefit of the Company.

ix. Valuation policy

Unquoted investments will be valued at fair value in accordance with International Private Equity and Venture Capital (IPEVC) valuation guidelines. Investments traded on AIM and on the main market segments of the ICAP Securities and Derivatives Exchange Limited will be valued at the prevailing bid price.

x. Share buyback policy

The Board's policy is to buy back C Shares in the market at a price which is at a zero discount to their Net Asset Value, less transaction costs payable to market makers and stockbrokers. Operation of this policy is restricted by the Listing Rules which restrict the price that a VCT can pay for its own shares (to no more than 5% above the average market value of the shares for the five Business Days prior to the day a purchase is made) and prohibit the purchase of its own shares during any Close Period or any period when there exists any matter which constitutes Inside Information in relation to the Company. The operation of this policy is also subject to the Company having sufficient liquidity.

As investors must hold their C Shares for at least five years in order to avoid a clawback of income tax relief received in respect of their investment by HM Revenue & Customs, the Directors expect that the number of C Shares which may be offered for the Company to buy back during the five-year holding period will be small.

xi. Dividend policy

The Board plans to pay dividends of 5p per C Share each year throughout the life of C Share Fund, except in respect of the first year from the closing date of the Offer when it is intended that no dividend will be paid. The level of dividends is not guaranteed. Dividends are expected to be paid biannually at or close to the end of April and October in each year, commencing in October 2014. The table on page 25 shows how the tax benefits available on VCT shares, subject to investors' personal circumstances, can increase the effective yield after tax and on a gross equivalent basis.

xii. Planned exit

The overall strategy of the Company is to realise all investments between the fifth and sixth anniversaries of the final closing date of the Offer and to pay Distributions of at least 120p to investors before the sixth anniversary. Any investor who wishes to stay invested for long-term income may exercise the Individual Roll-Over Option described below.

Foresight believes that the nature of solar power investments targeted by the Company makes them readily saleable, subject to the timing and other constraints that may apply in selling any unquoted investment. Foresight intends to manage the C Share Fund's investments to provide the necessary flexibility for full or partial realisation during the sixth year after the final closing date of the Offer.

xiii. Individual Roll-Over Option

The Board believes that some investors may wish to stay invested for long-term income. Each C Shareholder will therefore be entitled to select the Individual Roll-Over Option for all or some of his/her C Shares. At the appropriate time, Foresight will manage the process of realising the portfolio with the aim of providing sufficient liquid funds to support the buyback of all C Shares in respect of which the Individual Roll-Over Option has not been selected.

Each C Shareholder may select the Individual Roll-Over Option at any time up to the fourth anniversary of the closing date of the Offer. Selection may only be made in writing addressed to Foresight Group, ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU. As soon as practical after that date, the Company will write to each C Shareholder to confirm his/her selection.

Under certain circumstances the Company may be unable to meet the wishes of C Shareholders in full in relation to the Individual Roll-Over Option. For example, Individual Roll-Over Options may be exercised in respect of a relatively small number of C Shares, so that the Net Assets rolled over for long-term income would be too low to support the administration costs of the Company. In these or other circumstances the Board may decide to distribute all the net assets in accordance with the overall strategy of the C Share Fund.

xiv. C Shares

The securities being offered pursuant to the Offer are C ordinary shares of one penny each (ISIN: GB00B8B31886). The C Shares will be listed on the premium segment of the Official List and, as a result, will be freely transferable.

The C Shares will be created pursuant to resolutions to be proposed at the Meeting. All Shareholders will have the same voting rights in respect of the existing share capital of the Company.

The C Shares will constitute a new class of share and are separate from the Company's existing class of Ordinary Shares. All investments and cash attributable to the existing Ordinary Share Fund will be kept separate from the C Share Fund. Accordingly investors in the C Shares will not have any exposure to the investment gains and losses of the Ordinary Share Fund.

The holders of C Shares will have the exclusive right to Distributions from the assets within the C Share Fund but not from the assets attributable to other shares. Equally the holders of other shares will continue to have the exclusive right to Distributions from assets attributable to such shares but not from assets attributable to C Shares. All Shareholders will share the benefit of spreading the Company's administration costs over a wider asset base. C Shareholders will be entitled to receive certificates in respect of their C Shares and will also be eligible for electronic settlement. Holders of C Shares will be

entitled to vote at meetings of the Company in the same way as existing shareholders. No change may be made to the rights attaching to C Shares without the approval of the holders of C Shares.

xv. Investment Manager and Promoter

Since establishing its solar power team in 2007, Foresight has invested in more than £310 million of operating solar power plants in the UK, Italy and Spain, demonstrating its ability to source opportunities, arrange bank finance and complete investments. Foresight's investment team currently manage a solar portfolio with a generating capacity of 86MW.

Foresight's team of 27 investment professionals has been assembled gradually, allowing time to integrate their experience in renewable energy investing and operational management with Foresight's proven strengths in private equity and EIS fund management.

Foresight has been managing UK tax-efficient funds for more than 15 years. Foresight raised £27.4 million in December 2011 to invest in a portfolio of EIS qualifying companies owning solar power generating systems supported by the UK Government's Feed-in Tariff scheme. In the VCT sector, Foresight raised £38 million for the Foresight Solar VCT in 2010 and in 2011 which on closing was fully subscribed at £33 million, a fundraising for the innovative Infrastructure VCT shares. Foresight is responsible for the best ever performing VCT (Foresight VCT plc original ordinary shares) and has received recognition from commentators and its peers, including receiving awards for 2009 New Energy Investor of the Year, VCT of the Year at the 2010 Investor AllStars Awards and Equity Provider of the Year at the 2011 Renewable Energy Finance Forum Awards.

xvi. Investment Managers

Since 2006 Foresight has built a highly-experienced team of 27 investment professionals with a focus on the environmental and renewable energy sectors. Supported by other Foresight partners, this team invested in Solar Power Plants with a total value of more than £310 million between 2007 and 2012.

Jamie Richards has led Foresight's solar energy team since inception in 2007. He has played a key role in creating Foresight's network of lenders, advisers, installation contractors and asset owners, and has been directly involved in financing 30 megawatts of solar assets. Jamie is a chartered accountant with 17 years' experience across fund management, banking and asset financing and has worked at PricewaterhouseCoopers, Citigroup and Macquarie.

Ricardo Pineiro joined Foresight from Espirito Santo Investment, where he spent three years in the project finance division as an assistant manager with a special focus on transport, energy, oil and gas. He has strong experience of structuring, financial modelling and due diligence analysis of transactions as well as credit and debt facilities management. Prior to Espirito Santo he worked as a business analyst in the corporate finance division of a Portuguese investment bank in Lisbon. Ricardo is primarily focused on leading new infrastructure transactions across UK and Europe.

Matt Black joined Foresight in 2012 from Imperial College, London where he was a Research Associate focusing on the financing of UK renewable energy and electricity infrastructure. He previously spent over 4 years at Credit Suisse working as an investment manager and structuring funds and SPVs. He is IMC qualified and holds an MSc in Environmental Technology and Energy Policy from Imperial College, London.

Arnoud Klaren joined Foresight in 2011 from SolFocus, where he spent four years managing solar projects based on Concentrated Photovoltaics, an innovative solar technology. He was responsible for the construction and start-up of pioneering CPV projects in Spain, Saudi Arabia and Greece. Prior to SolFocus Arnoud founded and managed ThinkSpectrally, a spin-off company of the University of Valencia in Spain, dedicated to Quality Assurance in the PV manufacturing process, among other areas. Arnoud holds a Master of Science in Electrical Engineering.

Dan Wells joined Foresight in 2012, with 12 years' experience in finance and investment, specialising in sustainability and clean energy infrastructure. Prior to Foresight Dan ran the global corporate finance team at Sindicatum Sustainable Resources in Singapore, where he helped raise and invest USD 300 million in clean energy. Dan is a chartered accountant and from 2000 to 2007, worked for Ernst & Young advising businesses and government agencies on environmental finance and green investment issues.

Pietro Zeraushek is responsible for operational and technical oversight of Foresight's European solar assets. Pietro is a qualified mechanical engineer with over 15 years' engineering experience

and has been providing technical advisory and engineering services for the financing, construction and operation of solar energy projects for five years. He is a director of the project companies for all Foresight's existing Italian and Spanish solar assets.

Federico Giannandrea trained as a lawyer with Allen & Overy in Rome before joining Deutsche Bank, London in 2005. There he was involved in the acquisition of solar and other renewable energy assets in Poland, Spain, Greece, Belgium and Italy, structuring and negotiating key elements of a portfolio with electricity generating capacity of 2 gigawatts. As a vice-president within the renewable energy team, Federico led the project financing and installation contracting for an 8 megawatt solar power plant project in southern Italy and was involved in several other solar and wind power projects.

Diomidis Dorkofikis gained a degree in Industrial Management & Technology and a masters degree in corporate finance before joining Millennium Bank, Athens as a project finance analyst. At Millennium Bank he specialised in renewable energy and other infrastructure and property investments and was involved in the sale of two wind power projects with capacity of 48 megawatts and in the appraisal of a solar power project. He joined Foresight's Rome office in September 2009.

Simona Befani joined Foresight in 2012 with five years' experience in renewable energy gained at international law firms where she worked on infrastructure and renewable project financing deals. Admitted to the Italian Bar association in 2010, at Foresight Simona takes responsibility for managing the Italian solar portfolio and arranging and structuring relevant financing. Fluent in English as well as Italian, Simona is based in Foresight's Italian office.

Carlos Rey Micolau joined Foresight in 2011. A Graduate in Industrial Engineering from UPC Barcelona, Carlos has worked as an energy and technical consultant in the International Renewable Energy Market, specialising in energy projects in Spanish Portuguese and Italian markets. At Foresight Carlos's responsibility is to lead the technical operations for all assets under management whether new construction or fully operational. Based in Italy, Carlos is fluent in Spanish, Catalan, Italian and English.

xvii. Directors

The Board comprises three non-executive directors and brings together substantial board-level experience of quoted and unquoted companies and expertise in investment management, insurance and electricity supply sectors. The Board has overall responsibility for the Company's affairs, and has delegated investment decisions to Foresight.

David Hurst-Brown was appointed as Chairman of the Board with effect from 6 August 2012. Having graduated as a Production Engineer he worked for over 25 years in the investment banking industry. Prior to his retirement from UBS in 2002 he had worked for 15 years as an executive in the corporate finance division of UBS Warburg. David is currently a director of Hargreave Hale AIM VCT 2 plc, Imagination Technologies Group plc, Ffastfill plc and Anite plc.

Mike Liston OBE has more than 20 years experience in the electricity industry and is currently non-executive chairman of Renewable Energy Generation Ltd and a non-executive director of Jersey Electricity plc. As chief executive for 17 years of this LSE-listed utility, he was involved in several major power generation, transmission and distribution infrastructure projects. Mike was also non-executive chairman of AIM listed KSK Emerging India Energy Fund which raised almost £100 million to invest in India's power and energy sector. He is a director of the general partner of Foresight's first solar power fund. Mike is a Fellow of The Royal Academy of Engineering and is a Fellow of The Institution of Engineering and Technology.

Tim Dowlen is a divisional director of City-based Lloyd's broking firm Tasker & Partners, responsible for developing the firm's retail insurance activities. Tim has been a director of insurance broking companies since 1973, was for many years the Senior Examiner in Liability Insurance to the Chartered Insurance Institute, and as a practising expert witness has given evidence in approximately 85 disputes. Tim has specialised in the venture capital sector since 1974, acting as insurance broker to a number of fund managers and other financial institutions, including Foresight.

xviii. Senior partners

Three further partners of Foresight will play important roles in relation to the Company. Bernard Fairman and David Hughes are members of Foresight's investment committee, whilst Gary Fraser heads Foresight's finance and administration department.

Bernard Fairman is the chairman of Foresight Group LLP and is responsible for group business development, strategy and administration, as well as having final responsibility for all significant investment decisions made on behalf of funds managed by Foresight. Over the past 28 years he has led Foresight's development into a business that now manages over £650 million with 55 staff in the UK and Italy, and in 1997 launched the best ever performing VCT. For ten years he was a director of smartcard innovator Gemplus, involved in its growth from start-up to over \$1 billion annual revenues. Early experience as an analyst for the oil industry led Bernard to grasp the opportunity of renewable energy and, in 2005, to turn Foresight's focus towards sustainable environmental investing.

David Hughes is responsible for Foresight's private equity investment activities and portfolio management. David has 38 years experience of unquoted investment management, initially with 3i and subsequently establishing fund management operations for Framlington Investment Management Ltd, Baltic plc and Bank Austria AG, London. He has been involved in VCT management since 2004.

Gary Fraser directs financial management and compliance, a role he has fulfilled at Foresight for eight years. He was previously company secretary for Baronsmead VCTs and other companies and funds within ISIS Asset Management plc. He qualified as a Chartered Accountant with Ernst & Young in 1996 and has been involved in raising over £1 billion for a range of companies.

xix. Fees and expenses

Annual fees and expenses

Foresight will be entitled to an annual fee of 1.75% of the Net Asset Value in respect of investment management services. An annual fee of 0.3% of the net funds raised by the Offer (subject to a minimum index-linked fee of £60,000) will be payable to Foresight Group LLP in respect of secretarial and accounting services provided by its subsidiary Foresight Fund Managers Limited to the Company. The costs of a VCT also include the cost of the board, audit and professional fees, the cost of communicating with investors and the launch costs detailed on page 34.

The total expenses ratio at maximum subscription is expected initially to be 2.9% per annum (calculated before any performance incentive to Foresight and assuming that the Offer is fully subscribed by Execution-Only Investors). Overall, for Foresight Solar VCT plc as a company, the total annual expenses ratio is capped at 3.6%, above which any excess will be borne by Foresight in any event. Foresight may retain for its own benefit and without liability to account to the Company (subject to full disclosure having been made to the Board) any arrangement fees and directors' or monitoring fees which it receives in connection with any investments made by the Company. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.

Performance incentive

After Distributions of 100p (per C Share issued under the Offer and remaining in issue at the date of calculation) have been paid to C Shareholders by the Company, Foresight will become entitled to a performance incentive which will be calculated at the rate of 20% of Distributions in excess of 100p (per C Share issued under the Offer and remaining in issue at the date of calculation) until total Distributions reach 120p (per C Share issued under the Offer and remaining in issue at the date of calculation) and 30% above that level. Total Distributions of 120p would represent a tax-free cash profit of 71.4% of the net cost of investment for an investor benefiting from full VCT tax reliefs. The performance incentive may be satisfied in cash or by the issue of new C Shares to Foresight, at the discretion of Foresight.

xx. Client Categorisation

In order for an IFA who gives a personal recommendation to receive the commission payable by the Company as outlined on page 9 the investor must have been classified by the IFA as an elective professional client for the purposes of the FSA rules ("Professional Client Investor").

This means that IFAs must undertake an adequate assessment of individual investors expertise, experience and knowledge that gives reasonable assurance, in light of the nature of an investment in the Company, that an investor is capable of making his or her own investment decisions and understanding the risks involved.

If an investor is classified as a Professional Client Investor by their IFA he or she will lose the protections applicable exclusively to retail clients under the FSA rules. As set out below, certain of the FSA rules will automatically be limited or modified in their application to such investors and certain of the FSA rules will be capable of modification in their application to those investors in relation to any business carried out by their IFA.

In respect of Professional Client Investors:

- (i) An IFA will not be obliged to take reasonable steps to ensure, when making a personal recommendation, that it is suitable for those investors having regard to the investor's knowledge and experience of similar investments, the investor's financial situation and investment objectives.
- (ii) An IFA will not be obliged to warn the investor of the nature of any risks involved in any potential investments in the Company. The risks of investing in the Company are set out on pages 7 - 8 of this document.
- (iii) An IFA will not be obliged to disclose the basis or amount of its charges for any services it provides to an investor or on his or her behalf or the amount of any other income that may be received from third parties in connection with such services.
- (iv) An IFA will not be obliged to set out any of the prescribed contents, disclosures or risk warnings needed for retail customers in prospectuses, marketing brochures and other non-real time financial promotions material, nor will they be subject to the restrictions that apply to a retail client in relation to unsolicited real time communications.
- (v) An IFA will not be required to give an investor the warnings required for retail clients in relation to material which may lead them to deal with or use overseas firms which are not regulated by the FSMA nor have to satisfy itself that the overseas firm will deal with an investor in an honest and reliable way.
- (vi) An IFA will also not be required to comply with the FSA rules relating to restrictions on and the content of direct offer advertisements.

The following rules will be limited or modified in their application to Professional Client Investors.

- (i) The majority of the FSA rules in relation to the form and content of financial promotions will not be applicable in respect of any financial promotion communicated or approved by an IFA.
- (ii) An IFA will not be required by the FSA to provide an investor with a periodic statement on the value and composition of his or her portfolios of investments where he or she has requested the IFA not to do so or where the IFA has taken reasonable steps to establish that such an investor does not want this.
- (iii) In complying with the FSA requirement that an IFA should take reasonable steps to obtain, when executing orders, the best possible result for his clients taking into account the following execution factors: price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to making investments an investor's IFA may take into account the following criteria for determining the relative importance of these execution factors: an investor's categorisation as a professional client (rather than as a retail client); the characteristics and investment objectives of the Company and the VCT rules and the normal commercial practice of the counterparties and strategic partners with which the Company will do business. In particular, factors such as the suitability, expertise and market position of counterparties and strategic partners may be more important than price in obtaining the best possible execution result in the context of achieving the investment objective.

PART 2: OTHER INFORMATION

i. Use of proceeds

It is intended that the proceeds of the Offer will be used in accordance with the proposed investment policy set out on pages 26 - 27 of this document.

ii. The offer for subscription

It is proposed to allot pursuant to the Offer up to 20 million Shares to the public, unless the amount of the Offer is increased at the discretion of the Directors, subject to the issue of a supplementary prospectus. The C Shares will be offered to individual investors at a price determined in accordance with the Pricing Formula on page 24, such price per Share (less costs) to be payable in full, by cheque or bankers draft, on application. Application has been made to the UK Listing Authority for all of the C Shares issued pursuant to the Offer to be admitted to the Official List. Applications will also be made to the London Stock Exchange for Admission to trading on the London Stock Exchange's market for listed securities. The Offer will open on 19 February 2013 until 31 December 2013, but may close earlier if fully subscribed or otherwise be extended, in either case at the discretion of the Directors. The Offer will not be extended beyond 12 months from the date of the Prospectus.

The Offer is conditional on the relevant Resolutions being passed at the General Meeting and a total minimum subscription of £2 million (before expenses) being achieved. If this minimum subscription level is not reached by 12 months from the date of the Prospectus the Offer will lapse, no C Shares will be allotted and application monies which have been received will be returned by post at the risk of the applicant. If the minimum subscription level is reached then the Offer will become unconditional and C Shares may be issued notwithstanding that the Offer is not fully subscribed. In the event that the Offer is oversubscribed, allotment will be made to investors on a first come- first served basis. Any excess amounts paid by applicants will be refunded by cheque to the person named in Box 1 of the Application Form.

The Company is seeking to raise £20 million under the Offer (before expenses and unless increased by the Directors). The C Shares will be issued on a fully paid basis in registered form. C Shares will be allotted and issued in respect of valid applications under the Offer at any time as the Directors decide. Details of allotments will be announced through a Regulatory Information Service provider by no later than the end of the Business Day following the allotment and dealings in such Shares are expected to commence within three Business Days following allotment. If the Company is required to publish a supplementary prospectus, subscribers who have yet to be entered on to the Company's registers of members will be given two days to withdraw from the subscription. In the event that the notification of withdrawal is given by post, such notification will be effected at the time the subscriber posts such notification rather than at the time of receipt by the Company.

The terms and conditions of application are set out at the back of this document along with an application form and details of the application procedure.

iii. Minimum and maximum investment

The minimum subscription under the Offer will be £3,000. Applications in excess of £3,000 may be made for any higher amount in multiples of £1,000. The maximum investment on which income tax relief can be claimed by any individual is £200,000 in the 2012/13 tax year and is expected to be £200,000 in the 2013/14 tax year.

iv. Claiming income tax relief

The Company will send you share certificates and a tax certificate as quickly as possible after Shares are allotted to you. You then have two options on how to reclaim the tax relief: You can write to your HM Revenue & Customs office to ask them to change your tax coding under the PAYE system (this is the system that calculates how much tax you pay each month), so you will receive your income tax relief on a monthly basis through your pay cheques. Alternatively, you can claim income tax relief as part of your annual tax return.

v. Launch costs

The Company, through the mechanism of the Pricing Formula, will pay to Foresight a fee of:

- a) 2.5% of the NAV per C Share issued to investors who subscribe through authorised intermediaries; or
- b) 5.5% of the NAV per C Share issued to investors who subscribe directly to the Company,

in consideration of its acting as Promoter of the Offer. All costs, charges and expenses of or incidental to the Offer including the fees of BDO LLP and RW Blears LLP shall be paid by Foresight. In addition, the Company shall, pursuant to the terms of the Offer pay to Foresight an annual trail commission of 0.5% per annum of the NAV of the Offer Shares until a maximum of 3% of the amount subscribed for them has been paid out of which Foresight will pay annual trail commission to the IFAs of Professional Client Investors and Execution-Only Investors. The Company will be responsible for paying such Initial Commission and Adviser Charge facilitation payments to financial intermediaries as are calculated in accordance with the Pricing Formula set out on page 24.

vi. Category of potential investors

A typical investor for whom the Offer is designed is a UK higher-rate income tax payer over 18 years of age with an investment range of between £5,000 and £200,000 who, having regard to the risk factors set out at the front of this document, considers the investment policy as detailed in Part 1 of this document to be attractive. Investment in a VCT may not be suitable for all investors and should be considered as a long-term investment.

Before deciding whether to apply for C Shares under the terms of the Offer you are recommended to consult an independent financial adviser.

vii. Investor communications

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

viii. Reporting dates

Year end	30 June
Announcement and publication of annual report and accounts to shareholders	October
Announcement and publication of interim results	February

ix. Working capital

In the opinion of the Company taking into account the Minimum Net Proceeds being raised, the working capital available to the Company is sufficient for at least 12 months following the date of this document.

x. Net assets

The Offer will have a positive impact on the net assets of the Company by increasing its net assets by the same amount as the net funds raised and is expected to have a positive impact on earnings.

xi. Capitalisation and indebtedness

As at 31 December 2012, being the date of most recent unaudited interim accounts prior to the publication of this of this document, the Company has incurred no indebtedness, whether guaranteed, unguaranteed, secured, unsecured, indirect or contingent. The Company has the power to borrow, details of which are set out on page 27, although the Directors have no present intention of utilising this.

The capitalisation of the Company as at 31 December 2012 was as follows:

Shareholders' Equity	£'000
Share Capital	384
Legal Reserve	
Other Reserves	38,949
Total	39,333

There has been no material change to the Company's capitalisation or indebtedness since 31 December 2012.

As at 18 February 2013, being the latest practicable date prior to the publication of this document), the Company is not aware of any person who, directly or indirectly, has or will have an interest in the capital of the Company or voting rights which is notifiable under UK law (under which, pursuant to the Act and the Listing Rules and Disclosure and Transparency Rules of the FSA, a holding of 3% or more will be notified to the Company).

The Company and the Directors consent to the use of this Prospectus by financial intermediaries and accepts responsibility for the information contained in this document in respect of any final placement of C Shares by any financial intermediary which was given consent to use this document. The offer period within which subsequent resale or final placement of securities by financial intermediaries can be made and for which consent to use this prospectus is given commences 19 February 2013 and closes on 31 December 2013. Information on the terms and conditions of the Offer by any financial intermediary is to be provided at the time of the Offer by the financial intermediary. Financial intermediaries may use this Prospectus in the UK.

Any financial intermediary that uses this document must state on its website that it uses this document in accordance with the Company's consent. Financial intermediaries are required to provide the terms and conditions of the Offer to any prospective investor who has expressed an interest in participating in the Offer to such financial intermediary. No financial intermediary will act as principal in relation to the Offer.

xii. General meeting - Resolutions relating to the Offer

The Offer needs to be approved by Shareholders in order to proceed. Accordingly a general meeting of the Company has been convened for 25 March 2013 at the offices of Foresight Group LLP, ECA Court, South Park, Sevenoaks, Kent TN13 1DU. In summary Shareholders approval is being sought for the Company to:

- authorise the Directors to allot C Shares pursuant to the Offer and to Foresight (if it becomes entitled to acquire C Shares under the performance incentive arrangements referred to below); and to facilitate share buybacks in the market;
- disapply statutory pre-emption rights for these purposes;
- authorise the buyback of C Shares in the market;
- authorise the Company to enter into an investment management agreement and carried interest agreement with Foresight Group CI Limited in relation to the C Share Fund;
- authorise the Company to enter into a sponsor and promotion agreement with Foresight Group LLP in relation to the Offer;
- amend the Articles in order to set out the rights and restrictions applying to C Shares; and
- authorise the Company to reduce the share premium account arising on the issue of C Shares under the Offer subject to confirmation by an order of the High Court.

PART 3: TAXATION CONSIDERATIONS FOR INVESTORS

Tax reliefs

The following is only a summary of the law concerning the tax position of individual investors in VCTs. Potential investors are recommended to consult a professional adviser as to the taxation consequences of an investment in a VCT. The tax reliefs set out below are those currently available to individuals aged 18 or over who subscribe for Shares on their own behalf under the Offer. Whilst there is no specific limit on the amount of an individual's acquisition of shares in a VCT, tax reliefs will only be given to the extent that the total of an individual's subscriptions or other acquisitions of shares in VCTs in any tax year do not exceed £200,000. Investors who intend to invest more than £200,000 in VCTs in any one tax year should consult their professional advisers.

(a) Income tax

(i) Relief from income tax on investment

An investor subscribing for Ordinary Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 in any tax year. To obtain relief an investor must subscribe on his own behalf although the Ordinary Shares may subsequently be transferred to a nominee.

The relief is given at the rate of 30% on the amount subscribed regardless of whether the investor is a higher rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

(ii) Dividend relief

An investor who acquires in any tax year VCT shares (including Ordinary Shares) having a value of up to a maximum of £200,000 will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.

(iii) Purchasers in the market

An individual purchaser of existing Ordinary Shares in the market will be entitled to claim dividend relief (as described in paragraph (ii) above) but not relief from income tax on investment (as described in paragraph (i) above).

(iv) Withdrawal of relief

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

(b) Capital gains tax

(i) Relief from capital gains tax on the disposal of Ordinary Shares

A disposal by an investor of Ordinary Shares will give rise to neither a chargeable gain nor an allowable loss for the purposes of UK capital gains tax provided that the approval of the company as a VCT has not been withdrawn by HM Revenue & Customs prior to the time of disposal. The relief is limited to the disposal of VCT shares acquired within the limit of £200,000 for any tax year.

(ii) Purchasers in the market

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

2. Illustration of effect of tax relief for investors

The table below has been prepared for illustrative purposes only and does not form part of the summary of the tax reliefs contained in this section. The table shows how the initial tax reliefs available can reduce the effective cost of an investment of £10,000 in a VCT by a qualifying investor subscribing for VCT shares to only £7,000:

	Effective cost	Tax relief
Investor unable to claim any tax reliefs	£10,000	Nil
VCT investor able to claim full 30% income tax relief	£7,000	£3,000

The combined effect of the initial income tax relief, tax free dividends and tax-free capital growth can substantially improve the net returns of an investment in a VCT. For example, after the costs of the Offer (5.5p per Share assuming subscription by Professional and Execution-Only Investors) an investment of £10,000 would show an immediate return of 35% over the base cost of £7,000 after 30% income tax relief, which is only available if the shares are held for the minimum holding period of five years. Although there is no maximum size of investment. VCT tax reliefs are available on investments in VCTs up to a maximum per individual of £200,000 in any one tax year.

3. Obtaining tax reliefs

The Company will provide to each investor certificates which the investor may use to claim income tax relief, either by obtaining from HM Revenue & Customs an adjustment to his tax coding under the PAYE system or by waiting until the end of the tax year and using his tax return to claim relief.

4. Investors not resident in the UK

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

PART 4: CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

The Company must satisfy a number of tests to qualify as a VCT.

A summary of these tests is set out below.

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HM Revenue & Customs. To obtain such approval it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on the London Stock Exchange;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by VCT Value of its portfolio of investments in shares or securities in Qualifying Investments, of which at least 70% by VCT Value must be in Eligible Shares, which may carry a preferential right to a dividend, expressed as a fixed or variable rate of the amount invested, but which must not be entitled to a preferential return of assets on a winding-up nor have rights to be redeemed;
- (e) have at least 10% by VCT Value of each Qualifying Investment in Eligible Shares;
- (f) not have more than 15% by VCT Value of its investments in a single company or group (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period

2. Qualifying Investments

A Qualifying Investment consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Parts 3 and 4 of Chapter 6 of the Tax Act. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and £16 million immediately after the investment, apply the money raised for the purposes of a qualifying trade within certain time periods and not be controlled by another company. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding. In addition, to be qualifying holdings, VCT funds raised after 5 April 2012 must invest in companies which have no more than 250 full time (equivalent) employees and do not obtain more than £5 million of investment from VCTs, and individuals claiming relief under the Enterprise Incentive Scheme in any rolling 12 month period.

3. Qualifying Company

A Qualifying Company must be unquoted (for VCT purposes this includes companies whose shares are traded on AIM and the market segments of the ICAP Securities and Derivatives Exchange Limited) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter).

To be a Qualifying Company, an investee company must have a permanent establishment in the UK from which it must carry on activities which are more than of a 'preparatory or auxiliary character'. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter.

A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned.

4. Approval as a VCT

A VCT must be approved at all times by HMRC. Approval has effect from the time specified in the approval. A VCT cannot be approved unless the tests detailed above are met throughout the most recent complete accounting period of the VCT and HMRC is satisfied that they will be met in relation to the accounting period of the VCT which is current when the application is made. However, where a VCT raises further funds, VCTs are given grace periods to invest those funds before such funds need to meet such tests. The Company has received provisional HMRC approval as a VCT which will have effect from the date when the Company obtains full listing on the Official List of the London Stock Exchange.

5. Withdrawal of approval

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

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

PART 5: DEFINITIONS

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

the Act	the Companies Act 2006
Admission	the date on which the C Shares allotted pursuant to the Offer are listed on the Official List of the UKLA and admitted to trading on the London Stock Exchange's market for listed securities
Articles	the current articles of association of the Company and as proposed to be amended pursuant to Resolution 6 at the General Meeting
BDO	BDO LLP, which is authorised and regulated by the FSA as a UKLA regulated sponsor
Board or Directors	the board of directors of the Company
Business Days	any day (other than a Saturday or Sunday) on which clearing banks are open for normal banking business in sterling
Closing Date	31 December 2013 unless extended at the discretion of the Directors
C Shares or Offer Shares	"C" ordinary shares of one penny each in the capital of the Company proposed to be issued pursuant to the Prospectus
C Share Fund	the aggregate of the capital raised by subscriptions for C Shares issued by the Company under the Offer, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Circular	the circular sent to shareholders dated 15 February 2013 convening the General Meeting to be held on 25 March 2013
Close Period	as defined in paragraph 1(a) of the Model Code
Company	Foresight Solar VCT plc
DECC	the UK Government Department for Energy and Climate Change
Distributions	amounts paid by way of dividends, tender offers, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in the Company in respect of Shares, excluding any income tax relief on subscription
Eligible Shares	in relation to a company which is a Qualifying Company, means shares which may carry a non-cumulative and non-discretionary preferential right to dividends but not to the assets of the Company on its winding up, and which may carry no present or future right to be redeemed
Execution-Only	a transaction which is executed by an FSA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation
Foresight or Foresight Group	Foresight Group LLP, the promoter of the Offer, which is authorised and regulated by the FSA, or Foresight Group CI Limited, the Company's investment manager, which is licensed by the Guernsey Financial Services commission, as the context dictates
Foresight Funds	funds managed or advised by Foresight
FSA	the Financial Services Authority

FSMA	the Financial Services and Markets Act 2000, as amended
General Meeting or Meeting	the meeting of the members of the Company to be held on 25 March 2013 and convened in accordance with the notice set out in the Circular
Initial NAV	NAV as at the date of first admission of C Shares to the UKLA's Official List
Listing Rules	the listing rules of the UKLA
London Stock Exchange	London Stock Exchange plc
Minimum Net Proceeds	the sum of £2,000,000 to be raised by the issue of C Shares in order for the Offer to become unconditional
NAV or Net Asset Value	the net asset value attributable to the Shares calculated in accordance with the Company's normal accounting policies in force at the date of circulation
Offer or C Share Offer	the offer for subscription to raise in aggregate up to £20,000,000 by issues of C Shares by the Company pursuant to the Prospectus published on 19 February 2013 and prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FSA in accordance with FSMA
Official List	the official list of the UK Listing Authority maintained in accordance with section 74(1) FSMA
Old Offer	the offer for subscription of Ordinary Shares described in a prospectus dated 31 August 2010
Ordinary Shares	ordinary shares of one penny each in the capital of the Company
Ordinary Shares Fund	the aggregate of the capital raised by subscriptions for Ordinary Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
Pricing Formula	the pricing formula relating to the price at which C Shares are issued to investors under the Offer set out in this document
Professional Client Investor	an investor who applies for C Shares through their IFA where the IFA has classified that Investor as an elective professional client for the purposes of the FSA rules and their IFA is an Article 3 MiFID exempt firm
Prohibited Period	any Close Period or any period when there exists any matter which constitutes inside information in relation to the Company;
Promoter's Fee	the fee payable to the Promoter under the Offer set out on page 9 of this document
Proposals	the proposals to effect the Offer and pass the Resolutions to be proposed at the Meeting
Prospectus	together the Summary, the Securities Note and the Registration Document
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	The City Partnership (UK) Limited

Registrar	Computershare Investor Services plc
Registration Document	the registration document dated 19 February 2013 in connection with the Company
Renewable Obligation Certificates	the financial mechanism by which the UK Government incentivises deployment of large scale renewable energy generation
Resolutions	the resolutions to be proposed at the Meetings (and each a "Resolution")
Retail Client Investor	an investor who applies for C Shares through their IFA where the IFA has classified the investor as a retail client for the purposes of the FSA rules
ROC Banding Review	the review of the ROC scheme tariffs attributable to various types of renewable energy supplies published in December 2012 by DECC
ROC scheme	Renewable Obligation Certificate scheme administered by DECC
Shares	Ordinary Shares and/or C Shares as the context requires
Shareholders	the holders of Shares
Securities Note	this document
Summary	the summary issued by the Company dated 19 February 2013 in connection with the Offer
Tax Act	the Income Tax Act 2007 as amended from time to time)
UKLA	the UK Listing Authority, being the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
VCT Rules	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of venture capital trusts
VCT Value	the value of an investment calculated in accordance with Section 278 of the Tax Act
Venture Capital Trust or VCT	a venture capital trust as defined in Section 259 of the Tax Act
Zero Discount Buyback Policy	the policy of the Company to purchase C Shares at a zero discount to their net asset value, less transaction costs payable to market makers and stockbrokers

PART 6: APPLICATIONS FOR FORESIGHT SOLAR C SHARES

Terms and conditions of application

1. The contract created by the acceptance of applications in the manner herein set out will be conditional upon the Admission of the C Shares to the Official List of the UK Listing Authority and to trading on the London Stock Exchange's main market for listed securities unless otherwise so resolved by the Board. Offer Shares will be issued conditional on the Minimum Net Proceeds being raised and on the relevant Resolutions being passed at the General Meeting. If any application is not accepted or if any application is accepted for fewer C Shares than the number applied for, or if there is a surplus of funds from the application amount, the application monies or the balance of the amount paid on application will be returned without interest by post at the risk of the applicant. In the meantime application monies will be retained by the Company in a separate client account.
2. The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain documents of title and surplus application monies pending clearance of the successful applicants' cheques and banker's drafts.
3. By completing and delivering an Application Form, you (as the applicant):
 - (a) irrevocably offer to subscribe for the amount of money specified in your Application Form which will be applied to purchase C Shares, subject to the provisions of (i) the Prospectus, (ii) these Terms and Conditions; (iii) the Memorandum and Articles; and (iv) any document mentioned in paragraph (h) below;
 - (b) authorise the Company's Registrars to send definitive documents of title for the number of C Shares for which your application is accepted and to procure that your name is placed on the registers of members of the Company in respect of such C Shares and authorise the Receiving Agent to send you a crossed cheque for any monies returnable, by post to your address as set out in your Application Form;
 - (c) in consideration of the Company agreeing that it will not, prior to the closing date of the Offer, offer any C Shares to any persons other than by means of the procedures set out or referred to in this document, agree that your application may not be revoked until the closing date of the Offer, and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon despatch by post or delivery by hand of your Application Form duly completed to the Receiving Agent;
 - (d) understand that your cheque or banker's draft will be presented for payment on receipt, and agree and warrant that it will be honoured on first presentation and agree that, if it is not so honoured, you will not be entitled to receive certificates for the C Shares applied for or to enjoy or receive any rights or Distributions in respect of such C Shares unless and until you make payment in cleared funds for such C Shares and such payment is accepted by the Company (which acceptance shall be in its absolute discretion and 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 that at any time prior to unconditional acceptance by the Company of such late payment in respect of such C Shares, the Company may (without prejudice to their other rights) treat the agreement to allot such C Shares as void and may allot such C Shares to some other person in which case you will not be entitled to any refund or payment in respect of such C Shares (other than return of such late payment);
 - (e) agree that monies subscribed for C Shares will be held for the account of the Company pending allotment of C Shares (which may not take place until several weeks after cleared funds have been received) and that all interest thereon shall belong to the Company and further that any documents of title and any monies returnable to you may be retained pending clearance of your remittance and that such monies will not bear interest;
 - (f) agree that all applications, acceptances of applications and contracts resulting therefrom will 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 proceeding 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;

- (g) agree that, in respect of those C Shares for which your application has been received and processed and not refused, acceptance of your application shall be constituted by inclusion in an allotment of C Shares to you by the Receiving Agent;
 - (h) agree that, having had the opportunity to read the Prospectus and any supplementary prospectus issued by the Company and filed with the FSA, you shall be deemed to have had notice of all information and representations concerning the Company contained therein and in any supplementary prospectus issued by the Company and filed with the FSA and in any announcement made by the Company on an appropriate Regulatory Information Service (whether or not so read);
 - (i) agree that all documents in connection with the Offer and any returned monies will be sent at your risk and may be sent by post to you at your address as set out in the Application Form;
 - (j) confirm that in making such application you are not relying on any information or representation in relation to the Company other than those contained in this document and any supplementary prospectus filed with the FSA and you accordingly agree that no person responsible solely or jointly for this document and/or any supplementary prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;
 - (k) confirm that you have reviewed the restrictions contained in this paragraph 3 and paragraph 4 below and warrant as provided therein;
 - (l) warrant that you are not under the age of 18 years;
 - (m) agree that these warranties are made to the Company, BDO LLP and the Receiving Agent;
 - (n) agree to provide the Company and/or the Receiving Agent with any information which either may request in connection with your application and/ or in order to comply with the Venture Capital Trust or other relevant legislation and/or the Money Laundering Regulations 2007 (as the same may be amended from time to time);
 - (o) warrant that, in connection with your application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company, BDO LLP, the Receiving Agent or Foresight acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your application;
 - (p) agree that neither BDO LLP nor Foresight will regard you as its customer by virtue of you having made an application for C Shares or by virtue of such application being accepted; and
 - (q) 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 C Shares and that the C Shares are being acquired for bona fide commercial purposes and not as part of a scheme of arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax.
4. No action has been or will be taken in any jurisdiction by, or on behalf of, the Company which would permit a public offer of C Shares in any jurisdiction where action for that purpose is required, other than the United Kingdom, nor has any such action been taken with respect to the possession or distribution of this document other than in the United Kingdom. No person receiving a copy of this document or any supplementary prospectus filed with the FSA 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 for C Shares 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 required to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.

5. The basis of allocation will be determined by the Company (after consultation with BDO LLP) in its absolute discretion. It is intended that applications will be accepted in the order in which they are received. The Offer will be closed on 31 December 2013 or as soon as full subscription is reached (unless extended by the Directors or closed earlier at their discretion). The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or scale down any application, in particular multiple and suspected multiple applications which may otherwise be accepted. Application monies not accepted or if the Offer is withdrawn will be returned to the applicant in full by means of a cheque, posted at the applicant's risk. The right is also reserved to treat as valid any application not complying fully with these terms and conditions of application or not in all respects complying with the application procedures set out on pages 46 - 48. In particular, but without limitation, the Company (after consultation with BDO LLP) may accept applications made otherwise than by completion of an Application Form where the applicant has agreed in some other manner to apply in accordance with these terms and conditions. The Offer is not underwritten. The Offer will be suspended if at any time any of the Company are prohibited by statute or other regulations from issuing C Shares.
6. Save where the context requires otherwise, terms defined in the Prospectus and any supplementary prospectus filed with the FSA bear the same meaning when used in these terms and conditions of application and in the Application Form.
7. Authorised financial intermediaries who, acting on behalf of their clients where those clients are Execution-Only Investors or Professional Client Investors, return valid Application Forms bearing their stamp and FSA number will normally be paid 3% commission on the amount payable in respect of the C Shares allocated for each such Application Form. In addition, provided they continue to act for their client and the client continues to hold such Offer Shares, such intermediaries will be paid an annual trail commission of 0.5% of the net asset base value for each such C Share. For this purpose, "net asset base value" means the net assets attributable to the C Share in question as determined from the audited annual accounts of the Company as at the end of the preceding financial year.

It is expected that annual trail commission will be paid 5 months after the year end of the Company in each year. The administration of annual trail commission will be managed on behalf of the Promoter by Foresight Fund Managers Limited which will maintain a register of intermediaries entitled to trail commission. The Promoter shall be entitled to rely on a notification from a client that he has changed his adviser, in which case, the trail commission will cease to be payable to the original adviser and will be payable to the new adviser if one is appointed. No payment of trail commission shall be made to the extent that the cumulative trail commission would exceed 3% of the Offer price of each such C Share or in respect of any period commencing after the sixth anniversary of the closing date of the Offer. Financial intermediaries should keep a record of Application Forms submitted bearing their stamp to substantiate any claim for commission. The Receiving Agent will collate the Application Forms bearing the financial intermediaries' stamps and calculate the initial commission payable which will be paid within one month of the allotment.

8. Financial intermediaries may agree to waive initial commission in respect of your application. If this is the case then the amount of your application will be increased by an amount equivalent to the amount of commission waived.
9. Where Application Forms are returned by you or on your behalf by an authorised financial intermediary who has given you a personal recommendation in respect of your application having first categorised you as a Retail Client Investor, the Company will facilitate the payment of any Adviser Charge agreed between you and your intermediary, as validated by your completion of Box 3 on the Application Form. The amount of the agreed Adviser Charge will be facilitated by the Company making a payment equal to the Adviser Charge direct to the intermediary which will be taken into account when applying the Pricing Formula to your subscription, and will reduce the number of C Shares which are issued to you on the basis set out on page 24.
10. There has been no material disparity in the past year (from the date of this document), nor shall there be under the Offer in the effective cash cost of Offer Shares to members of the public as compared with the effective cash cost of Offer Shares to members of the Company's management (including its administrative and supervisory bodies) or their affiliates.
11. If you have agreed to pay on-going charges to an intermediary who has categorised you as a Retail Client Investor in respect of services related to your investment, for example, for conducting

associated administrative tasks or managing your relationship with the Company, then the amount of the agreed on-going charges can also be facilitated through the Company on a similar basis. The aggregate amount of your agreed on-going payments (which may not exceed the limitation specified in section 553 Companies Act 2006, less the Promoter's Fee) will be paid by the Company into a cash account in your name and held to your order (through the agency of the Company) by the Receiving Agent. You have the right to cancel this arrangement and have the funds returned to you at any time. The Company will act as your agent in remitting instructions to the Receiving Agent and instructions cannot be given directly by you to the Receiving Agent. Unless otherwise instructed by you, you shall be deemed to have authorised the payment to your intermediary (from the monies held to your order in the cash account) of your agreed on-going charge approximately 5 months after each year-end of the Company. The administration of on-going facilitation payments will be managed on your behalf by the Company acting as your agent which will maintain a register of intermediaries entitled to on going charges. The Company shall be entitled to rely on a notification from you that you have changed your adviser, in which case, on-going facilitation payments will cease to be payable to the original adviser and will be payable to you or to your new adviser as you may direct. No payment of on-going charges shall be made to the extent that they exceed the balance from time to time standing to your credit in the cash account. All interest earned on your cash account will accrue to the benefit of the Receiving Agent.

12. Where Application Forms are returned on your behalf by an authorised financial intermediary, the Promoter at its sole discretion will determine the Promoter's Fee applicable to your application for C Shares, subject to a maximum of 2.5% of the Net Asset Value per C Share.

Lodging of application forms and dealing arrangements

Completed Application Forms with the appropriate remittance must be posted or delivered by hand on a Business Day between 9.00am and 5.30pm to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh, EH2 1DF. The Offer opens on 19 February 2013 and will close on 31 December 2013, or earlier at the discretion of the Directors. The Directors in their absolute discretion may also decide to extend the Offer to 18 February 2014 at the latest. If you post your Application Form, you are recommended to use first class post and to allow at least two Business Days for delivery. It is expected that dealings in the C Shares will commence three Business Days following allotment and that share certificates will be despatched ten business days of allotment of the C Shares. Allotments will be announced on an appropriate Regulatory Information Service. Temporary documents of title will not be issued. Dealings prior to receipt of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. To the extent that any application is not accepted any excess payment will be returned without interest by returning the applicant's cheque or banker's draft or by sending a crossed cheque in favour of the applicant through the post, at the risk of the person entitled thereto.

Application procedures

Before making any application to acquire Offer Shares you are strongly recommended to consult an independent financial adviser authorised under the Financial Services and Markets Act 2000. To fill out the Application Form:

BOX 1

Insert your full name and address in BLOCK CAPITALS. Individuals can only apply on their own behalf and in their own name. You must be the beneficial owner of the Offer Shares issued to you pursuant to the Offer. You must not use a nominee name, as this will jeopardise your entitlement to tax reliefs. You must also give your own address, full postcode, date of birth and National Insurance Number. Telephone numbers will only be used in case of a query with regard to your application.

BOX 2

Insert (in figures) the total amount you wish to invest. Your application must be for a minimum of £3,000 and thereafter in multiples of £1,000. You can also specify in Box 2 how you would like your subscription monies split between tax years 2012/13 and 2013/14, allowing for more efficient tax planning.

If you are paying by cheque please make it payable to "City Partnership- Foresight Solar C". Cheques must be honoured on first presentation. A separate cheque must accompany each application. No receipt for your payment will be issued. The cheque or banker's draft must be drawn in sterling on an account at a bank branch or building society in the United Kingdom or the Channel Islands and bear a bank sort code number in the top right hand corner. You may, if you wish, use a personal cheque drawn by someone else, in which case your full name and address should be written on the back of the other person's cheque. Additionally, if you use a building society cheque or banker's draft, you should write the name, address and date of birth of the person named in Box 1 of the Application Form on the back of the cheque or banker's draft. Any monies not accepted will be returned by the applicant's cheque or banker's draft or by sending a cheque crossed "Account Payee Only" in favour of the applicant.

BOX 3

To be completed by Retail Client Investors only.

If you have an authorised financial intermediary, such as an IFA, who has made a personal recommendation in relation to your application having classified you as a Retail Client, and you would like the payment of your agreed adviser's fee with your intermediary to be facilitated through your subscription for C Shares, please specify:

- in Box 3A the amount of the initial adviser fee agreed between you in relation to this product; and
- in Box 3B any on-going payments you have agreed with your intermediary (if any) which you would like facilitated through the Company, including the yearly amount and the number of years for which it is to be paid. The aggregate amount of your agreed on-going payments (which, may not exceed the limitation specified in section 553 Companies Act 2006 less the Promoter's Fee) will be paid by the Company into a cash account in your name and held to your order (through the agency of the Company) by the Receiving Agent. You have the right to cancel this arrangement and have the funds returned to you at any time. All instructions relating to the monies in the cash account must be given to the Company which will act as your agent in remitting these instructions to the Receiving Agent. Instructions cannot be given directly to the Receiving Agent. Charges may be described in pounds or as a percentage of funds invested, as agreed between the investor and their adviser.

BOX 4

Sign and date the form. If the form is signed on your behalf by an attorney or other agent, that person should state on the form the capacity in which they are signing and the original power(s) of attorney or a copy thereof duly certified by a solicitor must be enclosed for inspection and will be returned in due course.

BOX 5 AND 6

These boxes are to be completed by your authorised financial intermediary.

Money Laundering Notice - Important

If the application is for the Sterling equivalent of Euro 15,000 or more (or is one of a series of a linked applications the value of which exceeds that amount), the identity of the applicant must be verified and (if a cheque is drawn by a third party) of that third party, as set out under A or B below.

If The City Partnership (UK) Limited has previously received the appropriate documents, you will not need to provide them again.

- A Verification of the applicant's identity may be provided by means of a "Letter of Introduction" from an IFA or other regulated person (such as a solicitor or accountant) who is a member of a regulatory authority and is required to comply with the Money Laundering Regulations 2007 or a UK or EC financial institution (such as a bank). The City Partnership (UK) Limited will supply specimen wording on request;

or

- B If an application is made direct (not through an IFA), you must ensure that the following documents are enclosed with the Application Form:

1. a certified copy of either the passport or the driving licence of the applicant (and cheque payer if different); and
2. an original bank or building society statement or utility bill (no more than 3 months old), or recent tax bill, in the name of the applicant (and cheque payer if different).

Copies should be certified by a solicitor or bank. Original documents will be returned by post at your risk.



FORESIGHT SOLAR VCT PLC - C SHARE OFFER

(the "Company")

APPLICATION FORM

In order to be accepted, the duly completed Application Form must be received no later than 12.00 pm (London time) on 5 APRIL 2013 where the applicant has specified that some or all of their C Shares are to be allotted in the 2012/13 tax year and 31 DECEMBER 2013 for all other applications (unless the Closing Date for the Offer is extended prior to that date) by post or by hand addressed to: Foresight Solar VCT C Share Offer, The City Partnership (UK) Limited, Thistle House, Thistle Street, Edinburgh EH2 1DF.

The application lists will open on 19 February 2013 and will be closed at any time thereafter (provided the offer is fully subscribed or otherwise at the discretion of the Directors) but not later than 12.00 pm (London time) on 31 December 2013 (unless the Closing Date is amended by the Directors).

IMPORTANT: Before completing this Application Form please read in full the accompanying notes, the Terms and Conditions and Application Procedure.

BOX 1

Title: _____	Forename(s): _____	Surname(s): _____
Address: _____		
Postcode: _____	Email: _____	
DOB: _____	National Insurance No: _____	
Tel (day): _____	Tel (evening): _____	

I hereby irrevocably offer to invest the following amount in the Company on the Terms and Conditions of Application as set out in the Securities Note issued by the Company dated 19 February 2013 and subject to the Memorandum and Articles of Association of the Company.

Your details may be used by Foresight CI, Foresight Group and the Receiving Agent to send you information on other products and services they offer. If you would prefer not to receive such information please tick this box. ☐

BOX 2

Please insert the amount you wish to invest in the "Total" box below, subject to a minimum investment of £3,000.		
Tax Year 2012/13	Tax Year 2013/14	TOTAL
_____	_____	_____ (minimum of £3,000)



MONEY LAUNDERING NOTICE: If your Application is for the Sterling equivalent of €15,000 or more (being approximately £13,000) or is one of a series of linked applications the value of which exceeds that amount) you will need to ensure that verification of your identity is included with your Application unless you have already provided it in respect of another Foresight Offer - see pages 48 - 49 of the Securities Note for details.

IF SUBSCRIBING BY CHEQUE THEN SUFFICIENT TIME MUST BE ALLOWED THE CHEQUES TO CLEAR. IN PRACTICE THIS MEANS THAT THE CHEQUE MUST BE IN THE CITY PARTNERSHIP (UK) LIMITED'S POSSESSION NO LATER THAN FIVE BUSINESS DAYS BEFORE THE RELEVANT CLOSING DATE.

Authorised financial intermediaries should ensure that they confirm in BOX 5 whether they have classified the applicant investor as a Retail Client or a Professional Client for the purposes of the FSA rules.

BOX 3

Only complete this box if you have received advice from an authorised financial intermediary in relation to this investment.		
3A	3B	
Amount of agreed Initial Adviser Charge	Amount of annual on-going adviser charge	Number of years payable
£ / % _____	£ / % _____	_____

Pursuant to section 553 Companies Act 2006, amounts specified in Boxes 3A and 3B may not exceed 10% in aggregate.

By signing this Application Form I HEREBY IRREVOCABLY DECLARE THAT:

- (i) I have read and understood the procedure for application contained herein and agree to be bound by the Terms and Conditions of subscription contained in Part 6 of the Securities Note;
- (ii) if I have completed Box 3, I am declaring and validating to Foresight CI and the Receiving Agent the amount of the facilitation charge(s) specified therein and am agreeing to the making, by the Company, of one or more facilitation payments in those amounts;
- (iii) if my authorised financial intermediary has classified me as an elective Professional Client for the purposes of this application, I am aware of the risks involved in such classification and of the rights I am giving up which are set out on pages 33 - 34 of the Securities Note and I wish to be treated as a Professional Client in respect of my application; and
- (iv) to the best of my knowledge and belief, the particulars I have given are correct.

BOX 4

Signature of Investor:	Print name:	Date:
_____	_____	_____

**BOX 5**

TO BE COMPLETED BY AN INVESTOR'S INDEPENDENT FINANCIAL ADVISER	
THE INVESTOR ON BEHALF OF WHOM THIS APPLICATION FORM IS SUBMITTED IS CLASSIFIED AS A <input type="checkbox"/> PROFESSIONAL CLIENT <input type="checkbox"/> RETAIL CLIENT BY THE IFA FOR THE PURPOSES OF THE FSA RULES.	
WE HAVE PROVIDED EXECUTION ONLY SERVICES IN RELATION TO THIS APPLICATION <input type="checkbox"/>	
IF WE HAVE CLASSIFIED THE INVESTOR AS A PROFESSIONAL CLIENT BY SIGNING BELOW, WE CONFIRM THAT WE ARE AN ARTICLE 3 MIFID EXEMPT FIRM	
We have applied customer due diligence measures on a risk-sensitive basis in respect of the Investor to the standard required by The Money Laundering Regulations 2007 and we certify that we have: 1. identified and verified the identity of the Investor on the basis of documents, data and information obtained from a reliable and independent source; 2. identified, where there is a beneficial owner who is not the Investor, the beneficial owner and have taken adequate measures, on the basis of documents, data and information obtained from a reliable and independent source, to verify his identity so that we know who the beneficial owner is, including, in the case of a legal person, trust or similar arrangement, measures to understand the ownership and control structure of the person, trust or arrangement and the identity of the beneficial owner and details of the ownership and control structure are set out in Box 6 below; and 3. obtained information on the purpose and intended nature of the Investor's proposed Investment in the Company, as the case may be, which information is set out in Box 6 below; and we consent to the Company relying on this certificate.	
Firm name	Nature of business
Address	FSA Registration No. and Company Stamp
Post code	E-mail
Tel	Date
Signature	Name of signatory

If you are electing to waive an amount of initial commission in favour of extra C Shares, please state in this box what percentage is to be waived up to a maximum of 3% in respect of Professional Client Investors and Execution-Only Investors

**BOX 6**

TO BE COMPLETED BY AN INVESTOR'S INDEPENDENT FINANCIAL ADVISER WHERE THE BENEFICIAL OWNER IS NOT THE INVESTOR

We certify that we have identified that the beneficial owner is:

and (in the case of a legal person, trust or similar arrangement), the ownership and control structure of the person, trust or arrangement is:

The purpose of the investment is:

Special Instructions/Notes

CORPORATE INFORMATION

Directors (Non-executive)

David Hurst-Brown (Chairman)
Mike Liston
Tim Dowlen

Registered Office and Head Office

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

Company Registration Number

7289280

Website

www.foresightgroup.eu

Telephone Number

01732 471 800

Company Secretary and Accountant

Foresight Fund Managers Limited
ECA Court
24-26 South Park
Sevenoaks
Kent TN13 1DU

Registrars

Computershare Investor Services PLC
The Pavilions
Bridgwater Road
Bristol BS99 6ZZ

Investment Manager

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La Plaiderie
St Peter Port
Guernsey GY1 1WF

Promoter

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Sevenoaks
Kent TN13 1DU

Solicitors

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125 Old Broad Street
London EC2N 1AR

Broker

Panmure Gordon (UK) Limited
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EC4M 9AF

Sponsor

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Birmingham B3 3SD

Receiving Agent

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21-23 Thistle Street
Edinburgh EH2 1DF

Bankers

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London EC3P 3AH

Auditors

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