

**THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION.** If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant, or other independent adviser authorised under the Financial Services and Markets Act 2000 (“**FSMA**”).

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

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**CIRCULAR TO SHAREHOLDERS**  
**of**  
**FORESIGHT SOLAR &  
INFRASTRUCTURE VCT plc**  
**(formerly Foresight Solar VCT plc)**  
*Registered in England and Wales under number 7289280*

**NOTICE OF GENERAL MEETING  
and separate class meetings**

to be held at the offices of Foresight Group LLP, The Shard, 32  
London Bridge Street, London SE1 9SG on 7 March 2016

**IN CONNECTION WITH PROPOSALS  
SEEKING SHAREHOLDERS’ APPROVAL FOR**

an Offer for Subscription to raise in aggregate up  
to £20 million by issues of D Shares

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Application will be made to the UK Listing Authority for the D Shares which, subject to the approval of Shareholders, are offered for subscription by Foresight Solar & Infrastructure VCT plc pursuant to the Prospectus published today by the Company (the “**Offer**”), to be admitted to the Official List of the London Stock Exchange plc and to be admitted to trading on its market for listed securities. It is expected that admission to the Official List will become effective and that dealings in the D Shares will commence three Business Days following allotment. The Company’s existing issued Shares are traded on the London Stock Exchange’s market for listed securities.

Whether or not you plan to attend the general meeting, please complete and submit (a) proxy form(s) in accordance with the instructions printed on the enclosed form. The proxy form(s) must be received by 3 March 2016.

## CONTENTS

Section		Page
1	Letter from the Chairman of Foresight Solar & Infrastructure VCT plc	3
2	Definitions	12
3	Proposed amendments to the articles of association of the Company to give effect to the rights and restrictions attaching to the D Shares	14
4	Proposed amendments to the Company's investment policy	16
5	Notices of General Meeting and Class Meetings	18

Form of proxy enclosed

## SECTION 1

### LETTER FROM THE CHAIRMAN OF FORESIGHT SOLAR & INFRASTRUCTURE VCT PLC

*Directors*

David Hurst-Brown (Chairman)

Tim Dowlen

Mike Liston OBE

*Registered Office*

The Shard

32 London Bridge Street

London SE1 9SG

1 February 2016

Dear Shareholder

Your VCT recently changed its name to the Foresight Solar & Infrastructure VCT plc. The Board decided to make this change in light of the investment strategy of the proposed new D Share class, detailed below, as well as the recent changes to the VCT Rules which restrict investments in UK-government subsidised solar assets and the recent announcement that from 6 April 2016, energy generation will no longer be a qualifying trade in which VCTs can invest.

I am writing to you now to outline proposals to launch an offer for subscription to existing Shareholders and members of the public for a new class of Share, to be called D Shares.

It is proposed that the funds raised by the issue of D Shares will be primarily invested in UK infrastructure assets such as Smart Data as well as UK-based Investee Companies owning solar generation assets in Italy and other international jurisdictions (subject to such investments being completed before 6 April 2016).

Subject to Shareholders' approval, potential investors will be invited to subscribe for D Shares in the Company pursuant to the Prospectus, which has been published today. A copy of the Securities Note, which forms part of the Prospectus, is enclosed.

For these purposes you are being asked to vote at a general meeting of the Company. The General Meeting has been convened to be held on 7 March 2016 and the Resolutions required to implement the Proposals will be put to Shareholders at this General Meeting, and are set out in detail in Section 5 of this document. The detailed amendments to be made to the Articles are set out in Section 3 of this document and the proposed extension of the Company's investment policy is set out in Section 4 of this document.

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

1. authorise the Directors to allot D Shares pursuant to the Offer and to Foresight (if it becomes entitled to acquire D Shares under the performance incentive arrangements referred to below); and to facilitate share buybacks in the market;
2. disapply statutory pre-emption rights for these purposes;
3. authorise the buyback of D Shares in the market;
4. authorise the Company to enter into an investment management agreement and carried interest agreement with Foresight Group CI Limited in relation to the D Share Fund;
5. authorise the Company to enter into a promoter's agreement with Foresight Group LLP in relation to the Offer;
6. amend the Articles in order to set out the rights and restrictions applying to D Shares (these are described in detail in Section 3 of this document);
7. extend the Company's investment policy to allow it to make investments in a wider range of infrastructure companies, not limited to those generating solar electricity; and
8. authorise the Company to reduce the share premium account arising on the issue of D Shares under the Offer subject to confirmation by an order of the High Court.

Resolution 1, 2, 4, 5, 6 and 7 are all inter-conditional. If any of the Resolutions, save for Resolutions 3 and 8 are not approved, the Company will continue in its current form and the proposed Offer will not be launched.

The Directors believe the Proposals are likely to promote the success of the Company for the benefit of the Company's Shareholders as a whole.

### **The D Share Offer**

The Board, and the Company's investment manager Foresight, believe there is an opportunity for the Company to take advantage of the evolution in the infrastructure energy market by forming a new share class to invest in infrastructure assets, in the wake of UK-subsidised solar assets no longer being a qualifying investment for VCTs. The D Share class will still invest in solar companies with overseas operations which remain qualifying but the Company will proceed on the understanding that all such investments will need to be completed by 5 April 2016.

Funds raised under the Offer will also increase the Company's net assets overall and allow the Company's administrative costs to be spread across a wider asset base.

Full details of the Offer are detailed in the Securities Note, Registration Document and Summary, which together comprise a Prospectus in accordance with the Prospectus Rules made under Section 84 of FSMA, which has been approved by the Financial Conduct Authority in accordance with FSMA and is published today. A copy of the Securities Note accompanies this document. All documents comprising the Prospectus are also available from the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG and the following website: <http://www.foresightgroup.eu>.

### **The D Shares**

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

Generally, the holders of D Shares will have the exclusive right to Distributions from the assets within the D Share Fund but not from assets attributable to other Shares and 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 D Shares. However, Shareholders should note that the Articles do make provision for the assets or revenue of a particular class to be used to pay dividends in respect of a different class on an interim basis provided these are duly accounted for from the assets of the class in receipt of such a dividend and the Directors in their discretion considering such an arrangement to be for the benefit of the Company as a whole.

All Shareholders will share any benefits from spreading the Company's administration costs over a wider asset base. D Shareholders will be entitled to receive certificates in respect of their D Shares and will also be eligible for electronic settlement.

Holders of D 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 D Shares without the approval of the holders of D Shares.

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

As at 30 September 2015 the Company had net assets of approximately £52.3 million. If no D Shares are subscribed for under the Offer then the Offer will have no material impact on the net assets of the Company.

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

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

- (a) a promoter's fee payable to Foresight amounting to:

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

the Company shall pay:

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

The payment by the Company of the fees specified above (excepting annual trail commission as specified in (c)) in association with each allotment of D Shares under the Offer to the Promoter and authorised intermediaries will, according to the pricing formula to be specified in the Prospectus, be reflected in bespoke issue prices being attributed to individual investors and financed through each investor receiving a commensurately reduced number of Shares. This bespoke issue price for each investor will ensure that, apart from annual trail commission payments, the fees payable by the Company as specified above will be indirectly borne by individual investors and will be cost-neutral to the Company.

The pricing formula to be applied is: **Price = NAV/X** where X is calculated by subtracting from NAV the promoter's fee and either any adviser's charge(s) (for a Retail Client Investor) or initial commission (for a Professional Client or Execution-Only Investor) and dividing that figure by NAV.

### **Risk Factors**

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

Participants should be aware that any D Shares subscribed for under the Offer must be held for five years in order to qualify for VCT Relief.

Funds raised by the issue of D Shares will need to be invested in accordance with the VCT Rules within three years. Failure to do so might result in the Company losing its qualifying status as a VCT resulting in adverse tax consequences for investors.

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

VCTs, including the Company, are no longer able to make qualifying investments in solar companies which are in receipt of UK government subsidies for the electricity they generate and the government has announced that energy generation of any kind will cease to be a qualifying trade for VCT purposes from 6 April 2016. Such a prohibition would restrict the Company from making qualifying investments into solar generation companies after this date as envisaged by the Company's investment policy so to the extent funds raised by the Offer are not invested by that date, the Company's potential uses of those funds may be restricted.

Under new VCT rules, the Company may not invest in the companies which use the invested funds to acquire trades or businesses. As such the Company will only invest in infrastructure companies seeking to grow and develop their own businesses and will not invest in companies which will purchase developed or operating assets in the case of solar companies or, in the case of smart metering companies, packaged assets and data contracts which could amount to a pre-existing trade. Investee Companies will typically take construction risk, in the case of solar companies, and roll out risk in the case of smart metering companies. As the Company's potential new investments are restricted under the new VCT rules to those companies which grow and develop their own business, the risk profile of these companies will be higher than those which purchase operating or installed assets or pre-existing trades.

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

The Board believes that the minimum net funds raised, if any, under the Offer can be successfully invested to generate a portfolio attractive to holders of D Shares as well as to spread the administrative costs of both the D Shares Fund and the existing Ordinary Share Fund and C Share Fund across a wider asset base, and these risks are therefore regarded as minimal.

### **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 7 March 2016 at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG (followed by separate class meetings of the Ordinary Shareholders and C Shareholders). Notices of the meetings appear in Section 5 of this document.

A detailed explanation of the Resolutions to be proposed at the General Meeting appears at the end of the notice set out in Section 5 of this document. In summary Shareholders approval is being sought for the Company to: launch the Offer, to amend the Articles to provide for the new class of D Shares, to authorise the Board to issue such shares (having dis-applied pre-emption rights) and to authorise the Company to enter into promotion, management and performance incentive arrangements for the D Shares Fund with Foresight, which are regarded as Related Party Transactions. Shareholder authority is also required under the Listing Rules to extend the Company's investment policy as the D Shares fund will be the first in the Company to invest in companies other than those engaged in solar electricity generation.

Finally, the Board is seeking Shareholder approval to make market purchases of D Shares from time to time, as well as cancel the share premium, which will be created on the issue of the D Shares to create reserves to be used for general corporate purposes. Such authorities are being sought pursuant to the Resolutions to be proposed at the General Meeting. The approval of Shareholders is required pursuant to the 2006 Act and the Articles (other than the approval of the Related Party Transactions and the extension of the investment policy which are required pursuant to the Listing Rules).

### **Appointment of Foresight**

It is proposed, subject to Shareholders' approval, that Foresight Group CI Limited be appointed by the Company as its investment manager in respect of the D Share Fund and that Foresight Group LLP be appointed as promoter of the Offer. Foresight Group CI Limited, as the Company's investment manager, and Foresight Group LLP, as its agent and associate, are regarded as related parties of the Company under the Listing Rules. Therefore the terms of these appointments constitute Related Party Transactions for the purpose of the Listing Rules and require Shareholders' approval.

The terms of the appointment, which will only take effect with Shareholders' approval, are described below.

#### *Investment Management Agreement*

Pursuant to an investment management agreement dated 1 February 2016 between (1) the Company (2) Foresight Group CI Limited (3) Foresight Group LLP and (4) Foresight Fund Managers Limited (the "**Investment Management Agreement**") Foresight Group CI Limited will be appointed to act as the investment manager in respect of the D Share Fund on a discretionary basis for an initial five year period and thereafter on 12 months notice by either side in return for an annual fee of 1.75% of the Net Asset Value of the D Share Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon in respect of investment management services and an annual fee of 0.3% of the net funds raised by the Offer (subject to a minimum index-linked fee of £60,000) for secretarial and accounting services which are carried out by Foresight Group LLP. The Company will indemnify Foresight against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds and Foresight retains the right to charge arrangement,

exit and syndication fees to investee companies, and will be responsible for all costs of an investment that does not proceed.

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. Foresight has agreed that it will reimburse the Company with the pro-rata proportion of fees paid to Foresight by any funds managed by Foresight Group CI Limited (or its associates) that the Company invests in, on a quarterly basis. The Company will not be liable for legal, accounting and any other fees incurred on potential investments which do not proceed to completion.

The proposed changes to the investment policy noted in section 4 below include allowing the Company to invest in other funds managed by Foresight, the Company's manager. It should be noted that for the purposes of calculating Foresight's annual management fee in such circumstances, the net asset value of any such holding will be excluded from the fee calculation (or the Company will be reimbursed) to prevent double recovery of management fees.

#### *Carried Interest Agreement*

A carried interest agreement dated 1 February 2016 between (i) the Company (ii) Foresight Group CI Limited and (iii) Foresight Group LLP (the "**Carried Interest Agreement**"), pursuant to which Foresight Group CI Limited will be entitled to a performance incentive (in cash or new D Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 100p per D Share until total Distributions reach 115p per Share and thereafter equal to 30% of Distributions over that level. No performance incentive will be distributed to Foresight Group CI Limited until D Shareholders have received Distributions of 100p per D Share.

Subject to termination for material breaches of the Investment Management Agreement or the insolvency of the Manager, the Company can only terminate the appointment of Foresight by giving not less than one year's notice in writing at any time after the fifth anniversary of the closing date of the Offer.

#### *Promotion Agreement*

A sponsorship and promotion agreement dated 1 February 2016 between (i) the Company (ii) the Directors (iii) Foresight Group LLP Limited (iv) Foresight Group CI and (v) BDO LLP (the "**Sponsorship and Promotion Agreement**"), pursuant to which Foresight will be entitled to a promoter's fee in relation to the Offer. The promoter's fee is calculated at 2.5% of the Net Asset Value of D Shares issued to investors who subscribe through authorised intermediaries; or 5.5% of the Net Asset Value of D Shares issued to investors who subscribe directly.

The Board believes that these terms provide appropriate remuneration and incentivise Foresight to deliver and exceed the Company's primary objective of distributing 115p per D Share by the sixth anniversary of the closing date of the Offer.

#### **Investment policy**

The issue of D Shares will require a change in the investment policy of the Company, which will be as stated in the Company's prospectus published on 1 February 2016 and is more fully set out in Section 4 of this Circular.

#### **Recommendations**

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

The Board, which has been so advised by BDO, considers the Related Party Transactions to be fair and reasonable so far as the Shareholders of the Company are concerned. In providing advice, BDO has taken into account the Board's commercial assessment of the Related Party Transactions. -

Accordingly the Board unanimously recommends that Shareholders vote in favour of all the Resolutions at the General Meeting as they intend to do in respect of their own beneficial shareholdings, which represent 0.19% of the Ordinary Share capital of the Company and 0.08% of the C Shares capital of the Company.

Foresight is a related party of the Company under the Listing Rules as investment manager to the D Share Fund and therefore cannot vote (and as it does not hold any shares in the Company, will not be entitled to vote), on Resolutions numbered 4 and 5 to be proposed at the General Meeting. Foresight will take all reasonable steps to ensure that its associates (including any partners, members and employees) will also not vote on these Resolutions.

**Action to be taken**

Attached to this document are forms of proxy for use at the Meetings. Shareholders are asked to complete and return the relevant forms of proxy to the Company's registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, so as to be received as soon as possible, and in any event to arrive no later than 48 hours (excluding non-working days) before the time of the relevant Meeting. Completion and return of a form of proxy will not affect a Shareholder's right to attend and vote at the Meetings should he or she wish to do so.

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

Yours sincerely

**David Hurst-Brown**

Chairman of Foresight Solar & Infrastructure VCT plc  
Registered Office: The Shard, 32 London Bridge Street, London SE1 9SG



## **Appendix to the Chairman's letter**

### *Additional Information*

- 1 The Directors are not aware of any person who directly or indirectly is interested in 3% or more of the capital of the Company or who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.
2. There has been no significant change in the financial or trading position of the Company since 30 June 2015, the date of the Company's latest audited annual report.
3. Material contracts:

The following contracts, not being contracts entered into in the ordinary course of business, are all of the contracts which have been entered into by the Company since its incorporation and which are, or may be, material, or have been entered into by the Company and contain provisions under which the Company has obligations or entitlements which are material to it at the date of this document:
- 3.1 An investment management agreement dated 31 August 2010 between the Company (1) Foresight Group LLP (2) and Foresight Fund Managers Limited (3) whereby Foresight Group LLP is appointed to act as the investment manager on a discretionary basis for an initial five-year period and thereafter on 12 months' notice by either side in return for an annual management fee (payable quarterly in advance) of 1.5% (plus VAT, if any, at the applicable rate) of the net assets of the Company plus a performance incentive fee. The Company has agreed to indemnify Foresight Group against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds. Foresight retains the right to charge arrangement, exit and syndication fees to investee companies, and will be responsible for all costs of an investment that does not proceed. Foresight Group LLP will receive an annual fee of 0.3% of net funds raised under the Ordinary Share Offer (subject to a minimum of £60,000 per annum) index-linked for the secretarial and accounting requirements of the Company, attributable to the Ordinary Share Fund undertaken by its subsidiary, Foresight Fund Managers Limited.
- 3.2 A carried interest agreement dated 31 August 2010 between the Company (1) and Foresight pursuant to which Foresight is entitled to a performance incentive (in cash or new Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 100p per Share until total Distributions reach 130p per share and thereafter equal to 30% of Distributions over that level. No performance incentive will be distributed to Foresight Group until shareholders have received Distributions of 100p per Share.
- 3.3 A letter of engagement dated 31 August 2010 between the Company (1) and RW Blears LLP (2) pursuant to which RW Blears LLP has been appointed as solicitor and VCT status adviser to the Company.
- 3.4. A novation agreement dated 7 April 2011 between the Company (1) Foresight Group CI Limited (2) Foresight Group LLP (3) Foresight Fund Managers Limited (4) whereby all the rights and obligations of Foresight Group LLP under the investment management agreement described at 3.1 above were novated to Foresight Group CI Limited.
- 3.5 A deed of variation dated 28 September 2012 between the Company (1) Foresight Group CI Limited (2) Foresight Fund Managers Limited (3) amending the investment management agreement noted at 3.1 above.
- 3.6 An investment management agreement dated 15 February 2013 between the Company (1) Foresight Group CI Limited (2) Foresight Group LLP (3) and Foresight Fund Managers Limited (4) whereby Foresight Group CI Limited, through the agency of Foresight Group LLP, is appointed to act as the investment manager in respect of the C Share Fund on a discretionary basis for an initial five-year period and thereafter on 12 months' notice by either side in return for an annual management fee (payable quarterly in advance) of 1.75% (plus VAT, if any, at the applicable rate) of the net assets of the C Share Fund plus a performance incentive fee. The Company has agreed to indemnify Foresight Group CI Limited against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of

the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds. Foresight Group CI Limited retains the right to charge arrangement, exit and syndication fees to investee companies, and will be responsible for all costs of an investment that does not proceed. Foresight Fund Managers Limited will receive an annual fee of 0.3% of net funds raised under the C Share Offer (subject to a minimum of £60,000 per annum) index-linked for undertaking the secretarial and accounting requirements of the Company, attributable to the C Share Fund.

- 3.7 A carried interest agreement dated 15 February 2013 between the Company (1) and Foresight Group CI Limited (2) pursuant to which Foresight Group CI Limited is entitled to the performance incentive (in cash or new C Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 100p per C Share until total Distributions reach 120p per share and thereafter equal to 30% of Distributions over that level. No performance incentive will be distributed to Foresight Group CI Limited until C Shareholders have received Distributions of 100p per C Share.

*Material contracts to be entered into subject to Shareholder approval at the General Meeting*

- 3.8 An agreement dated 1 February 2016 between the Company (1) the Directors (2) Foresight Group CI Limited (3) Foresight Group LLP (4) and BDO LLP (5) ("**Sponsor and Promoter Agreement**"). BDO has agreed to act as sponsor to the Company and the Sponsor and Promoter Agreement provides that BDO's fees will be paid by Foresight. The Company and the Directors have given customary representations and warranties to, and in the case of the Company alone, an indemnity, to Foresight and BDO. The liability of each of the Directors under the warranties is limited to 150% of his annual director's fee. There are no value or time limits attached to the indemnity other than the statutory limit of six years. BDO may terminate the Sponsor and Promoter Agreement at any time prior to Admission if it becomes aware of any material breach of warranty prior to Admission.
- 3.9 The Sponsor and Promoter Agreement contains warranties given by the Company and the Directors to Foresight. Foresight will receive a fee of either 2.5% or 5.5% of the initial NAV per D Share dependent on the investor. All costs, charges and expenses of or incidental to the Offer including the fees of BDO LLP shall be paid by the Promoter from its Promoter's Fee. The Company shall pay to Foresight an annual trail fee 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.
- 3.10 An investment management agreement dated 1 February 2016 between the Company (1) Foresight Group CI Limited (2) Foresight Group LLP (3) and Foresight Fund Managers Limited (4) whereby Foresight Group CI Limited, through the agency of Foresight Group LLP, is appointed to act as the investment manager in respect of the D Share fund on a discretionary basis for an initial five-year period and thereafter on 12 months' notice by either side in return for an annual management fee (payable quarterly in advance) of 1.75% (plus VAT, if any, at the applicable rate) of the net assets of the D Share Fund plus a performance incentive fee. The Company has agreed to indemnify Foresight Group CI Limited against all or any actions, proceedings, losses, claims, demands and liabilities whatsoever arising out of the proper performance of the investment manager's duties. There are no value or time limits attached to the indemnity other than the statutory time limit of twelve years which applies to agreements signed as deeds. Foresight Group CI Limited retains the right to charge arrangement, exit and syndication fees to investee companies, and will be responsible for all costs of an investment that does not proceed. Foresight has agreed that it will reimburse the Company with the pro-rata proportion of fees paid to Foresight by any funds managed by Foresight Group CI Limited (or its associates) that the Company invests in, on a quarterly basis. Foresight Fund Managers Limited will receive an annual fee of 0.3% of net funds raised under the D Share Offer (subject to a minimum of £60,000 per annum) index-linked for undertaking the secretarial and accounting requirements of the Company, attributable to the D Share Fund.
- 3.11 A carried interest agreement dated 1 February 2016 between the Company (1) and Foresight Group CI Limited (2) pursuant to which Foresight Group CI Limited is entitled to the performance incentive (in cash or new D Shares in the Company issued at par) to a value equal to 20% of Distributions in excess of 100p per D Share until total Distributions reach 115p per share and

thereafter equal to 30% of Distributions over that level. No performance incentive will be distributed to Foresight Group CI Limited until D Shareholders have received Distributions of 100p per D Share.

4. BDO LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no one else in relation to this matter and will not be responsible to any other person for the protections afforded to clients of BDO LLP in relation to this advice. BDO LLP has given and not withdrawn its written consent to the inclusion in this document of its name in the form and context in which they appear.

*Documents available for inspection*

Copies of the following documents will be available for inspection during usual business hours on weekdays, Saturdays and public holidays excepted, at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG whilst the Offer is open:

- the Memorandum and Articles of the Company;
- the material contracts referred to above in this Appendix;
- the written consent referred to above in this Appendix;
- the annual report and accounts for the Company for the financial periods ended 30 June 2013, 2014 and 2015
- the Registration Document; and
- the Summary and Securities Note.

1 February 2016

## SECTION 2

### DEFINITIONS

In this Circular and the Notice attached the following expressions have the following meanings:

<b>the 2006 Act</b>	the Company Act 2006
<b>Admission</b>	the date on which the D 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
<b>Articles</b>	the articles of association of the Company as proposed to be amended pursuant to Resolution 6
<b>BDO</b>	BDO LLP, which is authorised and regulated by the FCA as a UKLA registered sponsor
<b>Board or Directors</b>	the board of directors of the Company
<b>Business Days</b>	any day (other than a Saturday) on which clearing banks are open for normal banking business in sterling
<b>Company</b>	Foresight Solar & Infrastructure VCT plc, (formerly Foresight Solar VCT plc) incorporated and registered in England and Wales on 18 June 2010 with limited liability as a public limited company under the Companies Act 2006 with registered number 7289280
<b>C Shares</b>	C ordinary shares of one penny each in the capital of the Company
<b>C Share Fund</b>	the aggregate of the capital raised by subscriptions for C Shares issued by the Company, all income and assets derived therefrom and all expenses and liabilities attributable thereto
<b>Distributions</b>	amounts paid by way of dividends or other distributions, share buy-backs, proceeds on a sale or liquidation of the Company and any other proceeds or value received, or deemed to be received, by Shareholders in respect of Ordinary Shares, or, as the context may require, D Shares, excluding any income tax relief on subscription
<b>D Shares or Offer Shares</b>	D ordinary shares of one penny each in the capital of the Company proposed to be issued pursuant to the Prospectus
<b>D Share Fund</b>	the aggregate of the capital raised by subscriptions for D Shares issued by the Company under the Offer, all income and assets derived therefrom and all expenses and liabilities attributable thereto
<b>Eligible Shares</b>	in relation to a company which is a Qualifying Company, means ordinary shares which carry no present or future preferential right to dividends or to the assets of the company on its winding up, and no present or future right to be redeemed
<b>Foresight</b>	Foresight Group CI Limited, the Company's investment manager, which is licensed by the Guernsey Financial Services commission
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>FCA</b>	the Financial Conduct Authority
<b>General Meeting</b>	the general meeting of the Company to be held on 7 March 2016
<b>Listing Rules</b>	the listing rules of the UKLA

<b>Meetings</b>	the General Meeting and/or the ordinary share class meeting and/or the C share class meeting, all to be held on 7 March 2016, as the context requires
<b>Offer or D Share Offer</b>	the offer for subscription to raise in aggregate up to £20 million by issues of D Shares by the Company pursuant to the Prospectus published on 1 February 2016 and prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FCA in accordance with FSMA
<b>Ordinary Shares</b>	ordinary shares of one penny each in the capital of the Company
<b>Ordinary Shares Fund</b>	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
<b>Proposals</b>	the proposals to effect the Offer and pass the Resolutions to be proposed at the Meetings
<b>Prospectus</b>	together the Registration Document, Securities Note and the Summary issued by the Company, each dated 1 February 2016, in connection with the Offer
<b>Qualifying Company</b>	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
<b>Qualifying Investments</b>	Shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
<b>Related Party Transactions</b>	(i) the appointment of Foresight Group LLP as promoter of the Offer on the terms set out in paragraph 3 of the Appendix to this document; (ii) the appointment of Foresight Group CI Limited as investment manager in respect of the D Shares Fund on the terms set out in paragraph 3 of the Appendix to this document; and (iii) the entry into performance incentive arrangement with Foresight Group CI Limited as investment manager in respect of the D Shares Fund on the terms set out in paragraph 3 of the Appendix to this document, each of which constitute related party transactions under the Listing Rules, as described on pages 6 and 7 of this document and the subject of Resolutions 4 and 5 to be proposed at the General Meeting
<b>Resolutions</b>	the resolutions to be proposed at the General Meeting (and each a “ <b>Resolution</b> ”)
<b>Shares</b>	Ordinary Shares or C Shares or D Shares as the context requires
<b>Shareholders</b>	the holders of Shares
<b>Shareholders’ Rights Regulations</b>	The Company (Shareholders’ Rights) Regulations 2009
<b>UKLA</b>	the UK Listing Authority, being the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>VCT</b>	a venture capital trust
<b>VCT Value</b>	the value of an investment calculated in accordance with Section 278 of the Tax Act

### SECTION 3

#### PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY TO GIVE EFFECT TO THE RIGHTS AND RESTRICTIONS ATTACHING TO THE D SHARES

**THAT:**

Article 2 be amended by the inclusion of the following definition:

**D Shares** means the separate class of shares of one pence each in the capital of the Company entitled "D Shares" which have the rights and are subject to the restrictions attributed to D Shares in these Articles;

**THAT:**

a new Article 6 be adopted in substitution for existing Article 6 to read as follows:

6 (a) The following provisions apply in respect of the Ordinary Shares, C Shares and D Shares:

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

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

"Manager" means the investment adviser or manager appointed by the Company from time to time;

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

"Statutes" means the Act as amended and supplemented by the Company Act 2006 and every other statute for the time being in force affecting the Company.

(b) Undertakings

The Company shall, without prejudice to its obligations under the Statutes (i) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the holders of Ordinary Shares, C Shares and D Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that a separate income and expenditure account (or if applicable, profit and loss account) balance sheet and cash flow account and such other separate accounts as may, in the opinion of the Directors, be desirable to ensure compliance by the Company with the provisions of section 259 of Part 6 of the Income Tax Act 2007 as amended, shall be created and maintained in the books of the Company for the assets attributable to the holders of Ordinary Shares, C Shares and D Shares, (ii) allocate to the assets attributable to the holders of Ordinary Shares and D Shares such proportion of the expenses and liabilities of the Company incurred or accrued as the Directors fairly consider to be allocable to the Ordinary Shares, C Shares and D Shares and (iii) give appropriate instructions to the Company's investment managers and advisers to manage the Company's assets so that such undertakings can be complied with by the Company.

(c) Voting rights

The Ordinary Shares, C Shares and D Shares shall rank pari passu as to rights to attend and vote at any general meeting of the Company.

(d) Dividends

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

- (i) the holders of Ordinary Shares shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the Ordinary Shares;
- (ii) the holders of C Shares shall be entitled to receive, in that capacity, any dividends paid out of the net income derived from the assets attributable to the C Shares;
- (iii) the holders of D Shares shall be entitled to receive in that capacity, any dividends paid out of the net income derived from the assets attributable to the D Shares; and
- (iv) at the discretion of the Board, acting in the interests of the Company as a whole, Shareholders of any class (the "**Recipient Class**") may additionally receive dividends paid from the net income derived from the assets attributable to one or more other share classes (the "**Paying Class(es)**") (or from the capital of such class(es) including amounts representing cancelled share premium), subject to the requirement that the Recipient Class account to the Paying Class(es) for any amount so distributed (plus interest thereon at a commercial rate to be determined by the Directors from time to time) no later than three years from the end of the accounting period in which the last allotment of shares of the Recipient Class took place. Until the relevant amount is accounted for, the Paying Class shall have first call on the revenue and capital profits (after expenses) of the Recipient Class.

(e) Distribution of assets on liquidation

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

- (i) the Ordinary Share Surplus shall be divided amongst the holders of the Ordinary Shares pro rata according to their holdings of Ordinary Shares;
- (ii) the C Share Surplus shall be divided amongst the holders of the C Shares pro rata according to their holdings of C Shares;
- (iii) the D Share Surplus shall be divided amongst the holders of D Shares pro rata according to their holdings of D Shares.

(f) Class consents and variation of rights

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

- (i) any alteration to the Memorandum or Articles of the Company; or
- (ii) any consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company; or
- (iii) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company other than pursuant to the exercise of subscription rights in accordance with the terms of the share options granted or to be granted to the Manager; or
- (iv) the selection of any accounting reference date other than 30 June.



## SECTION 4

### PROPOSED AMENDMENTS TO THE COMPANY'S INVESTMENT POLICY

The Company's existing policy is shown with proposed additions underlined.

#### 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 invests in a range of securities including, but not limited to, ordinary and preference shares, loan stock, convertible securities, and fixed-interest securities as well as cash. Unquoted investments are usually structured as a combination of ordinary shares and loan stock. Pending investment in unquoted and AIM listed securities, cash is primarily held in a range of interest bearing accounts as well as a range of non-qualifying investments. Non Qualifying Investments may include holdings in money-market instruments, short-dated bonds, unit trusts, OEICs, structured products, guarantees to banks or third parties providing loans or other investment into investee companies and other assets where Foresight believes that the risk/return portfolio is consistent with the overall investment objectives of the portfolio. The Company may invest in other funds managed by Foresight (or its associates).

#### UK companies

Investments are primarily made in companies which are substantially based in the UK. The companies in which investments are made must satisfy a number of tests set out in Part 6 of the Income Tax Act 2007 to be classed as VCT qualifying holdings.

#### Asset mix

The existing ordinary share and C share classes in the Company invest in unquoted companies that seek to generate solar electricity and benefit from long-term government-backed price guarantees. Investments may be made in companies seeking to generate renewable energy from other sources provided that these benefit from similar long-term government-backed price guarantees. The Board has ensured that at least 70% of net funds raised under the ordinary share and C share offers have been invested in companies whose primary business is the generation of solar electricity. Funds raised by the D share offer will, no later than three years following the close of the D share offer, be invested as to 70% in unquoted companies in the energy and infrastructure sectors including, but not limited to, companies which develop, build, own or operate smart data assets and solar or other infrastructure companies that generate attractive and sustainable returns. Any uninvested funds are held in cash, interest bearing securities or other investments.

#### Risk diversification and maximum exposures

Risk in the ordinary and C share portfolios is spread by investing in a number of different companies and by targeting a variety of separate locations for the solar power assets. The value of an investment is expected to increase over time as a result of trading progress and a continuous assessment is made of its suitability for sale. Solar projects can in aggregate exceed this limit but suitable structures are put in place so that individual corporate investments do not. Although risk is spread across different companies, concentration risk is fairly high, given that a significant portion are all UK Solar projects. Risk in the D share portfolio will be spread by investment in a number of different companies across the energy and infrastructure sector. The maximum amount invested by the Company in any one company is limited to 15% of the Company's investments by VCT Value (the value of an investment calculated in accordance with Section 278 of the Tax Act) 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. The underlying portfolio companies in which Foresight Solar & Infrastructure VCT plc invests may utilise bank borrowing or other debt arrangements to finance asset purchases but such borrowing would be non-recourse to Foresight Solar & Infrastructure VCT plc.

## SECTION 5

### NOTICES OF GENERAL MEETING AND CLASS MEETINGS

FORESIGHT SOLAR & INFRASTRUCTURE VCT PLC  
(THE "COMPANY")

#### NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Foresight Solar & Infrastructure VCT plc will be held at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, **London SE1 9SG on 7 March 2016 at 12 noon for the purposes of considering and, if thought fit, passing the following resolutions.**

Resolutions 1, 4, 5 and 7 will be proposed as ordinary resolutions of the members of the Company, that is to say, as resolutions to be passed by a simple majority.

Resolutions 2, 3, 6, and 8 will be proposed as special resolutions of the members of the Company, that is to say, as resolutions to be passed by a majority of not less than 75%.

Terms not otherwise defined herein shall bear the meanings given to them in the Circular published by the Company on 1 February 2016.

#### 1. Authority to allot Shares

THAT, subject to the passing of Resolutions numbered 2, 4, 5, 6 and 7 below, the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 ("the 2006 Act") to allot D Shares having the rights and being subject to the restrictions set out in the articles of association of the Company as proposed to be amended pursuant to Resolution number 5 below and to grant rights to subscribe for or to convert any security into D Shares in the Company up to an aggregate nominal amount of £350,000 provided that this authority shall expire on the fifth anniversary of the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require D Shares to be allotted or rights to subscribe for or to convert securities into D Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or to convert securities into D Shares in pursuance of such an offer or agreement as if the authority conferred hereby had not expired.

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

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

THAT, subject to the passing of Resolutions numbered 1, 4, 5, 6 and 7, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall:

- (a) be limited to the allotment of equity securities with an aggregate nominal value not exceeding £350,000 in connection with:
  - (i) an Offer for subscription of D Shares set out in the Prospectus dated 1 February 2016 ("the Offer");
  - (ii) an offer of securities by way of rights;
  - (iii) the allotment, subject to the passing of resolution number 5 below, of equity securities in connection with performance incentive arrangements to be granted to Foresight Group CI Limited in connection with its appointment as the investment manager in respect of the capital to be raised by the issue of D Shares);
  - (iv) the allotment of D Shares with an aggregate nominal value not exceeding £35,000 pursuant to any dividend investment scheme operated from time to time by the Company;

- (v) the allotment of D Shares with an aggregate nominal value of up to 14.99% of the issued D Share capital of the Company immediately following the close of the Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company's D Shares in the market; and
  - (vi) the allotment of equity securities from time to time with an aggregate nominal value of up to 5% of the issued D Share capital of the Company immediately following close of the Offer.
- (b) The power granted by this resolution will expire on the date falling fifteen months after the date of the passing of this resolution save that the Company may, before such expiry make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

This resolution is additional to and does not revoke or replace existing and unexercised powers previously granted to the Directors to allot equity securities as if section 561(1) of the 2006 Act did not apply.

### **3. Market purchase of D shares**

TO authorise the Company generally and unconditionally to make market purchases (within the meaning of section 693(4) of the 2006 Act) of D Shares of one penny each provided that:

- (a) the aggregate nominal amount of the D Shares to be purchased shall not exceed the 14.99% of the issued D Shares following the close of the Offer;
- (b) the minimum price (excluding expenses) which may be paid for each D Share is one pence;
- (c) the maximum price (excluding expenses) which may be paid for each D Share is the higher of:
  - (i) 105% of the average of the middle market quotation for D Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the D Shares are purchased; and
  - (ii) the value of a D Share calculated on the basis of the higher of the price quoted for: the last independent trade of, and the highest current independent bid for, any number of the Company's D Shares on the trading venue where the purchase is carried out;
- (d) the authority conferred by this resolution shall expire on the conclusion of the annual general meeting of the Company to be held in the year 2016 unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase D Shares under the authority conferred by this resolution prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of D Shares pursuant to such contract.

### **4. Arrangement with Foresight Group CI Limited**

THAT, subject to the passing of Resolutions numbered 1, 2, 5, 6 and 7, the proposed appointment of Foresight Group CI Limited as the investment manager in relation to the capital to be raised by the Offer on the terms described in the Circular accompanying this notice be and are hereby approved.

### **5. Arrangement with Foresight Group LLP**

THAT, subject to the passing of Resolutions numbered 1, 2, 4, 6 and 7, the proposed appointment of Foresight Group LLP as the promoter in relation to the Offer on the terms described in the Circular accompanying this notice be and are hereby approved.

### **6. Amendments to Articles**

THAT, subject to the passing of Resolutions numbered 1, 2, 4, 5, and 7, the articles of association of the Company be amended as set out in section 3 of the Circular accompanying this Notice.

#### **7. Amendments to Investment Policy**

THAT, subject to the passing of Resolutions numbered 1, 2, 4, 5, and 6, the investment policy of the Company be amended as set out in section 4 of the Circular accompanying this Notice.

#### **8. Cancellation of Share Premium Account**

THAT in accordance with Section 641 of the Act the Company be generally authorised to reduce its share premium account (created on the issue of the D Shares under the Offer) by up to 100% of the amount standing to the credit thereof immediately following the close of the Offer provided that any reduction pursuant to this resolution is confirmed by order of the Court and that the Company may not make a reduction that has the effect that there would no longer be any member of the Company holding shares other than redeemable shares.

By order of the Board  
Foresight Fund Managers Limited  
The Shard, 32 London Bridge Street  
London SE1 9SG  
ECA Court

Company Secretary  
1 February 2016

## **NOTICE OF ORDINARY SHARE CLASS MEETING**

**Notice is hereby given that a general meeting of the holders of Ordinary Shares in the capital Foresight Solar & Infrastructure VCT plc will be held at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG on 7 March 2016 at 12.30 p.m. for the purposes of considering and, if thought fit, passing the following resolution, to be proposed as a special resolution:**

### **Special Resolution**

The holders of the Ordinary Shares in the capital of the Company hereby sanction, approve and consent to:

a) the passing and carrying into effect, as ordinary and special resolutions of the Company, those Resolutions set out in the notice of general meeting of the Company convened for 12 noon on 7 March 2016 (a copy of which is produced to the meeting and signed by the Chairman for identification purposes); and

b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying effect of such resolutions may affect the rights and privileges.

By order of the Board  
Foresight Fund Managers Limited  
The Shard, 32 London Bridge Street  
London SE1 9SG  
ECA Court

Company Secretary  
1 February 2016

## **NOTICE OF C SHARE CLASS MEETING**

**Notice is hereby given that a general meeting of the holders of C Shares in the capital Foresight Solar & Infrastructure VCT plc will be held at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG on 7 March 2016 at 12.45 p.m. for the purposes of considering and, if thought fit, passing the following resolution, to be proposed as a special resolution:**

### **Special Resolution**

The holders of the C Shares in the capital of the Company hereby sanction, approve and consent to:

a) the passing and carrying into effect, as ordinary and special resolutions of the Company, those Resolutions set out in the notice of general meeting of the Company convened for 12 noon on 7 March 2016 (a copy of which is produced to the meeting and signed by the Chairman for identification purposes); and

b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying effect of such resolutions may affect the rights and privileges.

By order of the Board  
Foresight Fund Managers Limited  
The Shard, 32 London Bridge Street  
London SE1 9SG  
ECA Court

Company Secretary  
1 February 2016

## **NOTES TO THE NOTICE OF GENERAL MEETING AND CLASS MEETINGS OF FORESIGHT SOLAR & INFRASTRUCTURE VCT PLC**

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

1. All members registered on the Company's register of members at 6.00 pm on 3 March 2016 (or in the case of an adjourned meeting, 48 hours before the time for that meeting) shall be entitled to attend and vote at the General Meeting. Only those members registered as holders of Ordinary Shares at 6 pm on 3 March 2016 shall be entitled to attend and vote at the Ordinary Share Class Meeting. Only those members registered as holders of C Shares at 6 pm on 3 March 2016 shall be entitled to attend and vote at the C Share Class Meeting.

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

2. Information regarding the meeting, including the information required by section 311A of the Company Act 2006, is available from <http://www.foresightgroup.eu>.

### **Attending in person**

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

### **Appointment of proxies**

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

### **Appointment of proxy**

9. A form of proxy and reply paid envelope is enclosed. To be valid, it should be lodged with the Company's Registrar, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or the proxy must be registered electronically at [www.investorcentre.co.uk/eproxy](http://www.investorcentre.co.uk/eproxy), in each case, so as to be received no later than 48 hours (excluding non-working days) before the time appointed for holding the meeting or any adjourned meeting. To vote electronically, you will be asked to provide your Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically.

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

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

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

### **Changing proxy instructions**

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

### **Termination of proxy appointments**

12. In order to revoke a proxy instruction you will need to inform the Company by the following method: By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member, which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. The revocation notice must be received by Computershare Investor Services PLC at The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 12 noon on 3 March 2016. If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, your proxy appointment will remain valid. Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

### **Corporate representatives**

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

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

14. As at 31 January 2016, the Company's issued share capital comprised 38,290,862 Ordinary Shares of 1p each and 12,511,089 C Shares of 1p each. Each Ordinary Share and C Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 31 January 2016 is 50,801,951. The website referred to in note 2 will include information on the number of shares and voting rights. Each ordinary share carries the right to one vote at the ordinary share class meeting of the Company and each C share carries the right to one vote at the C share class meeting of the Company.

### **Questions at the Meeting**

15. Under section 319A of the Company Act 2006, the Company must answer any question asked by a Shareholder relating to the business being dealt with at the meeting unless: answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; the answer has already been given on a website in the form of an answer to a question; or it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

### **Communication**

16. Except as provided above, members who have general queries about the Meeting should call the Foresight shareholder helpline on 0203 667 8199.



**Notice of Adjourned Class Meeting**

17. Notice is hereby further given that the necessary quorum for each Class Meeting shall be holders of Shares of the relevant class present in person or by proxy holding not less than one-third of the paid up share capital of the relevant class and that if within half an hour from the time appointed for the above meeting a quorum is not present they shall be adjourned to 7 March 2016 at 1.00 p.m. for Ordinary Shareholders and 1.15 p.m. for C Shareholders respectively at the offices of Foresight Group LLP, The Shard, 32 London Bridge Street, London SE1 9SG or as soon thereafter as may be arranged and at such adjourned meetings the Ordinary Shareholders and C Shareholders (as the case may be) present in person or by proxy shall be a quorum regardless of the number of Shares held in the relevant class.

**Nominated persons**

18. If you are a person who has been nominated under section 146 of the Company Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

## EXPLANATION OF RESOLUTIONS

### **Resolutions 1 and 2: Grant of authority to allot Shares and Disapplication of pre-emption rights**

These resolutions are intended to enable the Board to issue D Shares and to do so without first offering them to existing Shareholders.

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

If passed, this resolution authorises the Directors to allot D Shares and to grant rights to subscribe for D Shares in accordance with section 551 of the 2006 Act up to a maximum nominal amount of £350,000. The authority granted by this resolution will expire on the fifth anniversary of the date of the passing of this resolution. The Directors intend to exercise this authority in order to allot D Shares as set out in the Prospectus. The Company does not hold Shares in Treasury. This resolution is additional and does not revoke the authority granted at the Company's last annual general meeting.

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

If passed, this resolution will give the Directors power, pursuant to the authority granted by resolution 1, to allot equity securities (as defined by section 560 of the 2006 Act) without first offering them to existing Shareholders in proportion to their existing holdings, up to a maximum nominal amount of £350,000 which would represent approximately 40.1% of the Company's issued Shares (excluding treasury shares) as at the date of this Circular.

The Directors intend to exercise this power in order to allot D Shares:

- i) pursuant to the Offer;
- ii) an offer by way of rights;
- iii) in connection with performance incentive arrangements with Foresight in connection with its appointment as the investment manager to the D Share Fund;
- iv) the issue of D shares pursuant to a dividend reinvestment scheme;
- v) where the proceeds of the allotment are to be used in whole or in part to purchase the Company's D Shares in the market; and
- vi) with an aggregate nominal value of up to 5% of the issued D Share capital of the Company immediately following the closing of the Offer.

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

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

#### **Resolution 3: Market purchase of D Shares**

This resolution seeks authority for the Company to make market purchases of its own D Shares. If passed, the resolution gives authority for the Company to purchase up to 14.99% of the issued D Shares following the close of the Offer.

The resolution specifies the minimum and maximum prices, which may be paid for any D Shares purchased under this authority.

The authority will expire on the conclusion of the annual general meeting of the Company to be held in the year 2016 unless such authority is renewed prior to such time.

The Directors will only exercise the authority to purchase D Shares where they consider that such purchases will be in the best interests of shareholders of D Shares generally.

The Directors currently intend to cancel all D Shares purchased under this authority.

The Company does not have any outstanding share warrants or options in respect of D Shares.

**Resolution 4: Arrangements with the Company's manager**

This resolution seeks approval of the appointment of Foresight Group CI Limited as the investment manager in respect of the capital to be raised pursuant to the Offer as described in the Circular.

**Resolution 5: Arrangement with Foresight Group LLP**

This resolution seeks approval of the appointment of Foresight Group LLP as the promoter of the Offer on the terms described in the Circular.

**Resolution 6: Amendments to the Company's Articles**

This resolution amends the Articles in order to set out the rights and restrictions attaching to the D Shares as summarised in Section 3 of this Circular.

**Resolution 7: Amendments to Investment Policy**

This resolution seeks approval to widen the Company's investment policy to allow for investment of the funds raised by the D Share Offer in infrastructure assets not limited to companies generating solar electricity.

**Resolution 8: Cancellation of share premium account**

This resolution authorises the Company to reduce the share premium account arising on the issue of D Shares under the Offer subject to confirmation by an order of the High Court. In order to comply with the VCT Rules, the Directors do not intend to return capital to Shareholders pursuant to this resolution for at least three years following the end of the accounting period in which the relevant shares were issued.

