

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT WHAT ACTION YOU SHOULD TAKE, YOU ARE RECOMMENDED TO SEEK YOUR OWN FINANCIAL ADVICE IMMEDIATELY FROM YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA").

This document is a registration document (the "**Registration Document**") issued by Foresight Infrastructure VCT plc (the "**Company**") dated 27 March 2017 and has been prepared in compliance with the prospectus rules made under section 84 of FSMA and has been approved by the Financial Conduct Authority ("**FCA**") in accordance with FSMA. The Company has also published additional information in a securities note (the "**Securities Note**") and a separate summary (the "**Summary**") written in non-technical language briefly setting out the essential characteristics and risks associated with the Company and the D ordinary shares of 1p each in the capital of the Company (the "**D Shares**") which are being offered for subscription which, together with this Registration Document, comprise a prospectus (the "**Prospectus**"). The Prospectus has been filed with the FCA 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 6) accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Registration Document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Offer for Subscription by
Foresight Solar & Infrastructure VCT plc
(formerly Foresight Solar VCT plc)
Registered in England and Wales under company number 07289280
to raise up to £1,000,000
by way of issue of D ordinary shares of 1p each in the Company

In connection with the Prospectus, 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 FCA.

In connection with the Prospectus, Foresight Group CI Limited ("**Foresight**"), the 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 CI Limited is licensed by the Guernsey Financial Services Commission.

Copies of this Registration Document, the Securities Note and the Summary are available (and any supplementary prospectus published by the Company will be available) free of charge from the offices of the Company's investment manager, Foresight, The Shard, 32 London Bridge Street, London SE1 9SG and the sponsor, BDO, Two Snowhill, Birmingham B4 6GA.

Your attention is drawn to the Risk Factors on pages 3 to 5. An investment in the Company is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss that might result from such investment.

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RISK FACTORS

Although the tax benefits available to investors in D 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 specifically to the D Shares, as opposed to the Company more generally, are set out in the Securities Note.

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 Company 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 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.

General unquoted investment risk factors

- The past performance of investments made by the Company or other funds managed or advised by Foresight should not be regarded as an indication of the performance of investments to be made by the Company.
- Although the Company may receive conventional venture capital rights in connection with its investments, as a minority investor it may not be in a position fully to protect its interests.
- Investment in smaller and unquoted companies is likely to involve a higher degree of risk than investment in larger companies and those traded on the main market of the London Stock Exchange. Smaller companies generally may have limited product lines, markets or financial resources and may be more dependent on their management or key individuals than larger companies. Markets for smaller companies may not be regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- The Net Asset Value of the Shares will reflect the values and performance of the underlying assets in the respective portfolios. The value of the investments and income derived from them can rise and fall. Realisation of investments in unquoted companies can be difficult and may take considerable time. There may also be constraints imposed on the realisation of investments in order to maintain the VCT status of the companies which may restrict the Company's ability to obtain maximum value from its investments or to achieve the intended timing of distributions.
- Although the Company's Shares will be listed, it is highly unlikely that a liquid market for these Shares will develop as the initial VCT income tax relief is only available to those subscribing for new shares and there may never be two competitive market makers. It may, therefore, prove difficult for Shareholders to sell their Shares. In addition, there is no guarantee that the market price of the Shares will fully reflect their underlying net asset value or the ability to buy and sell at that price. It should be noted that shares held in VCTs usually trade at a discount to the VCT's net asset value.

VCT and taxation risk factors

- In addition to the established restrictions on companies in which VCTs can invest, the changes in legislation concerning VCT Rules in the Finance No 2 Act 2015 place further restrictions on the range of investments into which the Company can deploy funds in the future. This may result in the Company having to invest in younger businesses, potentially exposing the Company to a higher risk profile. The changes may also limit the Company's ability to make further investments into existing portfolio companies, which may negatively impact the Company's ability to support portfolio companies. The penalty for breaching some of the proposed new rules is loss of VCT status, so the Company and its investors may face a higher risk of the loss of tax benefits than previously.
- The UK government has announced an intention to prohibit VCTs from making qualifying investments into companies which carry on the business of energy generation where these investments are made on after 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.
- Recent changes to the VCT Rules restrict the investments which can be made by VCTs and the use of the invested funds by investee companies. To be a qualifying VCT holding, investee companies must employ monies received from VCT for the purposes of promoting growth and development and the existing prohibition on employing VCT money on the purchase of shares was also extended to include business acquisitions structured as purchases of assets or goodwill. This may prohibit the Company from using funds raised by the Offer to purchase fully developed assets and result in increased focus on earlier stage projects with higher development risk profiles. A breach of this 'no business acquisition' prohibition can result in loss of VCT status with attendant adverse tax consequences for Shareholders including the claw back of VCT income tax relief already received.

- There is also a lifetime limit on the amount of risk-financed investment a single company can receive of £12 million. These changes will restrict the pipeline of potential investee companies available to the Company, the structure of those investments and the ability to make follow on investments in certain portfolio companies.
- 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.
- Interest income received by the Company 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.
- While it is the intention of the Directors that the Company will be managed so as to continue to qualify as a Venture Capital Trust, there can be no guarantee that this status will be maintained. A failure to meet the qualifying requirements could result in the loss of tax reliefs previously obtained, resulting in adverse tax consequences for investors, including a requirement to repay the income tax relief obtained, and could also cause the Company to lose its exemption from corporation tax on capital gains.

Risks relating to Investee Companies

- 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 PV installations, unavailability of grid connection, labour and other work interruptions and other unanticipated events that adversely affect operations.
- Investee Companies may be exposed to third party credit risk in several instances, including without limitation, to energy suppliers, equipment manufacturers, MAPs, MOPs, PPA counterparties and National Grid. In the event that such credit risk crystallises, whether due to insolvency or otherwise, the Investee Companies will seek to transfer services to another provider which may incur additional financial costs and delays potentially having an adverse impact on the investment returns. The performance of the D Share Fund is dependent on Foresight’s ability to identify suitable suppliers to assist in the procurement, installation and maintenance of infrastructure assets. The income from each Investee Company will depend on the revenues generated by that Investee Company which will include contracted and uncontracted revenue streams. It is possible that uncontracted revenues may be below forecast or in the worst case, not available in the future due to regulatory change or otherwise which may have an adverse impact on the investment returns. If a dispute with a counterparty arises, then an Investee Company may need to resort to the courts or another dispute resolution forum. The cost of this (or part of the cost) may fall on the Investee Company. During the period of any dispute, the Investee Company may incur losses as a result of a failure by a counterparty to perform its obligations. This loss may not be recoverable in full.
- Investee Companies are expected to benefit from warranties given by manufacturers of equipment however these will be subject to limitation periods and certain exclusions. In addition, manufacturers may be unable to meet their warranty obligations in respect of components, in whole or in part, due to production, economic or financial difficulties or other reasons. Such circumstances could cause the Investee Companies to experience increased costs that could have an adverse impact on returns. Foresight will seek to mitigate this risk by seeking to invest in companies that use market leading suppliers where this risk is considered to be lower.
- Investee Companies may incur unplanned costs and delays as a result of statutory and regulatory requirements, including those imposed by environmental, safety, labour and other regulatory and political authorities, or where construction operations do not proceed as planned, or where insurance is not adequate or as to which inadequate reserves had been established, risks arising out of the presence of certain construction materials, force majeure acts, terrorist events, or other operating risks.

Fund related risk factors

- 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 such 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.
- Although the D Shares Fund will be managed and accounted for separately from the Ordinary Shares Fund and the C Shares Fund, a number of company regulations and VCT requirements are assessed at company level and, therefore, the performance of one fund may impact adversely on the other fund and restrict the ability to make distributions, realise investments and/or meet requirements to meet VCT status. In particular, under the Company’s articles of association, dividends may be paid to the

shareholders of a particular class from the income and/or capital assets of another class provided that such amounts are accounted for no later than three years from the end of the accounting period in which the last allotment of shares of the former class took place. The Directors may, at their discretion, utilise this power to pay dividends to D Shareholders from the profits attributable to Ordinary and C Shareholders for the three years following the close of the Offer.

- Where more than one of the funds managed or advised by Foresight (a “**Foresight Fund**”) 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 Company may receive a greater or lesser allocation than would otherwise be the case under the normal co-investment policy.
- Where the Company invests in companies in which other Foresight Funds have invested or subsequently invest, conflicts of interest may arise. The Directors will exercise their independent judgement to manage any such conflicts for the benefit of the Company.

CORPORATE INFORMATION

Directors (Non-executive)

David Hurst-Brown (Chairman)
Mike Liston
Tim Dowlen

Registered Office and Head Office

Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Company Registration Number

07289280

Website

www.foresightgroup.eu

Telephone Number

020 3667 8100

Company Secretary

Foresight Fund Managers Limited
The Shard
32 London Bridge Street
London SE1 9SG

Registrars

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

Investment Manager & Administration provider

Foresight Group CI Limited
Ground Floor, Dorey Court
Admiral Park
St Peter Port
Guernsey GY1 2HT

Promoter

Foresight Group LLP
The Shard
32 London Bridge Street
London SE1 9SG

Solicitors and Arrangers

RW Blears LLP
29 Lincoln's Inn Fields
London WC2A 3EG

Broker

Panmure Gordon (UK) Limited
One New Change
London EC4M 9AF

Sponsor

BDO LLP
Two Snowhill
Birmingham B4 6GA

Receiving Agent

The City Partnership (UK) Limited
110 George Street
Edinburgh EH2 4LH

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

Auditors

KPMG LLP
15 Canada Square
London E14 5GL

DEFINITIONS

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

Admission	the date on which D Shares allotted pursuant to the Offer are listed on the Official List of the UK Listing Authority and admitted to trading on the London Stock Exchange's market for listed securities
AIM	the Alternative Investment Market
Articles	the articles of association of the Company, as amended from time to time
BDO	BDO LLP, which is authorised and regulated by the FCA as a UKLA registered 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
C Shares	the C ordinary shares of one penny each in the capital of the Company
C Share Fund	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
C Share Offer	the offer for subscription of C Shares described in a prospectus dated 19 February 2013
CA 2006 or the Act	the Companies Act 2006 (as amended)
Circular	the circular to Shareholders of the Company dated 1 March 2016
Close Period	as defined in paragraph 1(a) of the Model Code
Company	Foresight Solar & Infrastructure VCT plc
Companies Acts	the Companies Act 1985 and CA 2006
D Shares	the D ordinary shares of one penny each in the capital of the Company
D Share Fund	the aggregate of the capital raised by subscriptions for D Shares issued by the Company under the Offer and the Original Offer, all income and assets derived therefrom and all expenses and liabilities attributable thereto
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 FCA authorised firm upon the specific instructions of a client where the firm does not give advice relating to the merits of the transaction or make a personal recommendation
Foresight Group or Foresight	Foresight Group LLP, the promoter of the Offer, which is authorised and regulated by the FCA, or Foresight Group CI Limited, the Company's investment manager, which is licensed by the Guernsey Financial Services commission, as the context dictates
Foresight Funds	funds managed or advised by Foresight
Five year minimum	the period of five years for which investors must hold the D Shares allotted to

holding period	them in order to retain income tax relief under the VCT rules in respect of their investment
FCA	the Financial Conduct Authority
FSMA	the Financial Services and Markets Act 2000
Inside Information	as defined in section 118C of FSMA
Listing Rules	the listing rules of the UKLA
London Stock Exchange	London Stock Exchange plc
Memorandum	the memorandum of association of the Company
Model Code	the Model Code set out in LR9 Annex 1 of the Listing Rules
NAV or Net Asset Value	the net asset value attributable to the D Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation
Offer or D Share Offer	the offer for subscription to raise in aggregate up to £1,000,000 by issues of D Shares by the Company pursuant to the Prospectus published on 27 March 2017 and prepared in accordance with the prospectus rules made under Section 84 of FSMA and approved by the FCA in accordance with FSMA
Official List	the official list of the UK Listing Authority maintained in accordance with section 74(1) of FSMA
Ordinary Share 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
Ordinary Share 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
Original Offer	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
Professional Client Investor	an investor who applies for D Shares through their IFA where the IFA has classified that investor as an elective professional client for the purposes of FCA Rules and the 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 either or both of the Company
Prospectus	together this Registration Document, the Securities Note and the Summary
Prospectus Rules	the prospectus rules of the UK Listing Authority
Qualifying Company	an unquoted (including an AIM-listed) company which satisfies the requirements of Part 4 of Chapter 6 of the Tax Act
Qualifying Investments	shares in, or securities of, a Qualifying Company held by a venture capital trust which meets the requirements described in Parts 3 and 4 of Chapter 6 of the Tax Act
Receiving Agent	The City Partnership (UK) Limited
Registrar	Computershare Investor Services plc
Registration Document	this document
Reserve Power	the technology agnostic capacity to generate electricity that is fed into the national grid at short notice during times of peak energy demand

Securities Note	the securities note issued by the Company dated 27 March 2017 in connection with the Offer
Shareholder	a holder of Shares in the Company
Shares	D Shares and/or Ordinary Shares and/or C Shares as the context dictates
Smart Data Equipment	a gas or electricity meter that is capable of two-way communication. It measures energy consumption in the same way as a traditional meter, but has a communication capability that allows data to be read remotely and displayed on a device within the home, or transmitted securely externally. In the Industrial and Commercial market meters are known as Advanced Meters and in the residential market known as Smart Meters. For the purpose of this document both will be referred to as Smart Meters
Summary	the summary issued by the Company dated 27 March 2017 in connection with the Offer
Tax Act	the Income Tax Act 2007 (as amended)
UK Listing Authority or UKLA	the FCA in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000
UK	the United Kingdom
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 D Shares at a zero discount to their net asset value, less transaction costs payable to market makers and stockbrokers

THE DIRECTORS AND FORESIGHT GROUP

As required by the Listing Rules, the Directors are independent of Foresight except for Mike Liston who is considered non-independent by virtue of the fact that he is a director of another fund managed by Foresight.

(A) THE DIRECTORS

1. Directors of Foresight Solar & Infrastructure VCT plc

David Hurst-Brown (67) (Chairman)

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 and Leadhall Bay Limited.

Mike Liston OBE (65)

Mike Liston has more than 20 years' experience in the electricity industry and is currently 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, the Foresight European Solar Fund GP Limited. Mike is a Fellow of The Royal Academy of Engineering and is a Fellow of The Institution of Engineering and Technology.

Tim Dowlen (70)

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.

2. Current and Past Directorships

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

David Hurst-Brown	Current		Past 5 Years
	Foresight Solar & Infrastructure VCT plc Hargreave Hale AIM VCT 2 plc Leadhall Bay Limited		Ffastfill Limited Anite Limited Hargreave Hale AIM VCT 1 plc Imagination Technologies Group plc Keydata Income VCT 1 plc (Dissolved) Keydata Income VCT 2 plc (Dissolved) Acuity VCT 3 plc (Dissolved) Woodham School Limited (Dissolved)
Mike Liston	Current		Past 5 Years
	Foresight Solar & Infrastructure VCT plc Jersey Post International Ltd Jersey Electricity plc JTG Group Holdings plc Foresight European Solar Fund GP Limited		Renewable Energy Generation Ltd
Tim Dowlen	Current		Past 5 Years

(B) FORESIGHT GROUP LLP AND FORESIGHT GROUP CI LIMITED

Foresight Group LLP is a limited liability partnership registered in England and Wales under number OC300878 pursuant to the Limited Liability Partnerships Act 2000 and was formed on 25 October 2001 (telephone number: 020 3667 8100, registered office: The Shard, 32 London Bridge Street, London SE1 9SG). Foresight Group LLP is authorised and regulated by the Financial Conduct Authority to advise on investments, arrange deals in investments and to make arrangements with a view to transactions in investments. Foresight Group LLP is the promoter of the Offer.

Foresight Group CI Limited is a private company registered in Guernsey with registered number 51471 and whose registered office is La Plaiderie House, La Plaiderie, St Peter Port, Guernsey GY1 4HE. Foresight Group CI Limited is licensed by the Guernsey Financial Services Commission to undertake controlled investment business as defined in The Protection of Investors (Bailiwick of Guernsey) Law 1987. Foresight Group CI Limited is the investment manager to the Company.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The Companies Act 2006 (“CA 2006”) significantly reduced the constitutional significance of a company’s memorandum, providing that a memorandum will record only the names of subscribers and the number of shares each subscriber agreed to take in the company.

The material provisions of the Articles are as detailed below.

(a) Share rights

i. 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 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;

“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.

ii. 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.

iii. 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.

iv. 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.

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

vi. Class consents and variation of rights

The holders of Ordinary Shares as a class, the holders of C Shares as a class and the holders of the 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 the 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.

(b) Voting rights

i. Subject to any special terms as to voting which any Shares of the Company on which they may have been given or may for the time being be held, on a show of hands, every member who is present in person or by proxy at any general meeting of the Company shall have one vote and on a poll, every member shall have one vote for every Share of which he is the holder.

ii. The appointment of a proxy shall if in the form of an instrument be delivered to the registered office or at such other specified place in the UK or if in an electronic form be received at any specified address not less than 48 hours (during business hours) before the time appointed for holding the meeting.

iii. In respect of the Company no member shall, unless the Board otherwise determines, be entitled to vote, either personally or by proxy, or to be reckoned in a quorum at any general meeting or separate meeting of the holders of any class of shares in the capital of the Company unless all monies presently payable in respect of the member’s Share(s) have been paid.

(c) Variation of rights and alteration of capital

Unless expressly provided by the rights attached to any share or class of shares, the rights of any class of shares shall be deemed to be varied (if at any time the capital of the Company is divided into different classes of shares), by the reduction of the capital paid up on that share or class of shares (otherwise than by a purchase or redemption by the Company of its own shares). Without prejudice to any other restrictions on the variation of rights, under the CA 2006, rights attached to any share or class of shares in the Company may be varied with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class of the Company, or with the sanction of a special resolution passed at a separate meeting of the holders of such shares.

(d) Issue and transfer of Shares

i. The Board has general and unconditional authority to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the section 551 amount, for each prescribed period. The prescribed period means any period for which the authority conferred by the Articles is given by ordinary or special resolution stating the section 551 amount and/or the power conferred by the Articles is given by special resolution stating the section 561 amount. The section 551 amount means, for any prescribed period, the amount stated in the relevant special resolution. Under the CA 2006, the section 561 amount means, for any prescribed period, the amount stated in the relevant special resolution. The authority so given may at any time (subject to the said section 551) be renewed or further renewed for a further period not exceeding five years, revoked or varied by ordinary resolution of the Company in general meeting.

ii. The Board is empowered for each prescribed period to allot equity securities for cash pursuant to an authority conferred under the Articles as if section 561(1) of the CA 2006 did not apply to any such allotment provided that its power is limited to the allotment or deemed allotment of equity securities in connection with a preemptive issue and otherwise, the allotment of equity securities up to the section 561 amount.

iii. Subject to such of the restrictions of the Companies Acts as may be applicable, any member may transfer all or any of his Shares by an instrument of transfer in writing in any usual form or in any other form approved by the Board. Such instruments shall be signed by or on behalf of the transferor and (except in the case of a fully paid share) the transferee.

iv. The Board may decline to register any transfer unless the instrument of transfer, duly stamped, is lodged with the Company accompanied by the certificate for the Shares to which it relates together with such other evidence as the Board may reasonably require, and the transfer is in respect of only one class of share and, in the case of a transfer to joint holders, the number of joint holders does not exceed four.

v. The Shares of the Company are in registered form. All transfers of Shares in certificated form may be effected by a transfer in writing in any usual form or any other form approved by the Board. The instrument of transfer of any such certificated Shares shall be executed by or on behalf of the transferor and, in the case of partly paid Shares, by or on behalf of the transferee. The Board may refuse to register any transfer of a partly paid Share, provided that such refusal does not prevent dealings taking place on an open and proper basis. The Board may also refuse to register the transfer of a certificated share unless the instrument of transfer: (a) is lodged, duly stamped (if stampable), at the office or at another place appointed by the Board accompanied by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (b) is in respect of only one class of shares; and (c) is in favour of not more than four transferees. The Board may refuse to register the transfer of an uncertificated share in the circumstances set out in the uncertificated securities rules or in the event that the proposed transfer is in favour of more than four joint holders.

(e) Directors

i. Unless and until otherwise determined by ordinary resolution of the Company, the Directors of the Company (disregarding alternate Directors) shall be not more than seven nor less than three in number.

ii. Subject to the Articles and to any directions given by special resolution, the business of the Company shall be managed by the Board which may exercise all the powers of the Company, including, without limitation, the power to dispose of all or any part of the undertaking of the Company.

iii. The Board may authorise any matter which would otherwise involve a director breaching his duty under the Companies Acts to avoid conflicts of interest ("**Conflict**").

iv. A director seeking authorisation in respect of a Conflict shall declare to the Board the nature and extent of his interest in a Conflict as soon as is reasonably practicable. The director shall provide the Board with such details of the relevant matter as is necessary for the Board to decide how to address the Conflict together with such additional information as may be requested by the Board. Any director (including the relevant director) may propose that the relevant director be authorised in relation to any matter the subject of a Conflict. Such proposal may be proposed to and resolved upon by the Board save that: the relevant director and any other director with a similar interest shall not count towards the quorum nor vote on any resolution giving such authority; and the relevant director and any other director with a similar interest may, if the other members of the Board so decide, be excluded from any Board

meeting while the Conflict is under consideration.

v. Where the Board gives authority in relation to a Conflict: the Board may (whether at the time of giving the authority or subsequently): (A) require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to the Conflict; and (B) impose upon the relevant director such other terms for the purpose of dealing with the Conflict as it may determine; the relevant director will be obliged to conduct himself in accordance with any terms imposed by the Board in relation to the Conflict; the Board may provide that where the relevant director obtains (otherwise than through his position as a director of the Company) information that is confidential to a third party, the director will not be obliged to disclose that information to the Company, or to use or apply the information in relation to the Company's affairs, where to do so would amount to a breach of that confidence; the terms of the authority shall be recorded in writing (but the authority shall be effective whether or not the terms are so recorded); and the Board may revoke or vary such authority at any time but this will not affect anything done by the relevant director prior to such revocation in accordance with the terms of such authority.

vi. Where a director is or becomes a director of one or more other venture capital trust(s) managed by the same manager appointed by the Company and seeks Board approval for his other office(s) and a general authorisation in respect of the Conflict which might arise, if the Board gives its approval and authority, the Board may not subsequently require that the relevant director is excluded from the receipt of information, participation in discussion and/or the making of decisions (whether at meetings of the Board or otherwise) related to such Conflicts, nor impose upon the relevant director other terms for the purpose of dealing with the Conflicts.

vii. If a director is in any way directly or indirectly interested in a proposed contract with the Company or a contract that has been entered into by the Company, he must declare the nature and extent of that interest to the directors in accordance with the Companies Acts.

Provided he has declared his interest, a director may: be party to, or otherwise interested in, any contract with the Company or in which the Company has a direct or indirect interest; hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period and upon such terms, including as to remuneration, as the Board may decide; act by himself or through a firm with which he is associated in a professional capacity for the Company or any other company in which the Company may be interested (otherwise than as an auditor); be or become a director or other officer of, or employed by or otherwise be interested in any subsidiary company of the Company or any other company in which the Company may be interested; and be or become a director of any other company in which the Company does not have an interest and which cannot reasonably be regarded as giving rise to a Conflict at the time of his appointment as a director of that other company.

viii. A director shall not, by reason of his office or of the fiduciary relationship thereby established, be liable to account to the Company for any remuneration, profit or other benefit: which he derives from any matter which involves a Conflict if that Conflict has been authorised by the Board; or realised by reason of his having any type of interest authorised or permitted and no contract shall be liable to be avoided on the grounds of a director having any type of interest authorised or permitted.

ix. The ordinary remuneration of the directors who do not hold executive office for their services shall be such amount as the Board may from time to time determine and shall be divided among the non-executive directors in such proportion or manner as the Board may determine. The directors may be paid all travelling, hotel, and other expenses properly incurred by them in connection with their attendance at meetings of the Board or committees of the Board, general meetings or separate meetings of the holders of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties.

x. The Board may exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of any person who is or was: a director, officer, or employee of the Company, or anybody which is or was the holding company or subsidiary undertaking of the Company, or in which the Company or such holding company or subsidiary undertaking has or had any interest (whether direct or indirect) or with which the Company or such holding company or subsidiary undertaking is or was in any way allied or associated; including without limitation insurance against any liability incurred by such person in respect of any act or omission in the actual or purported execution or discharge of his duties or in the exercise or purported exercise of his powers or otherwise in relation to his duties, powers or offices in relation to the relevant body or fund.

xi. The Company may indemnify any director, officer or employee of the Company or of any associated company against any liability and may purchase and maintain for any director, officer or employee of the Company or of any associated company insurance against any liability. No director of the Company or of any associated company shall be accountable to the Company or the members for any such benefit and the receipt of any such benefit shall not disqualify any person from being or becoming a director of the Company.

(f) Borrowing Powers

i. The Board may exercise all the powers of the Company to borrow money, to guarantee, to indemnify, to mortgage or charge its undertaking, property, assets (present and future) and uncalled capital, and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

ii. The Board shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings, only so far as by the exercise of such rights or powers of control the Board can secure) that, save with the previous sanction of an ordinary resolution and subject as provided below, no money shall be borrowed 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 provided that prior to their publication such aggregate principal amount shall be limited to 90% of the amount paid up or credited as paid up (whether in respect of nominal value or premium) on the allotted or issued share capital of the Company.

(g) Dividends

i. The members of the Company may declare a final dividend in accordance with the respective rights of the members by passing an ordinary resolution at a general meeting of the Company. No such dividend may exceed the amount recommended by the directors.

The directors may at any time and in accordance with the Companies Acts:

(i) recommend to the shareholders that a final dividend be declared and recommend the amount of any such dividend; and

(ii) pay a distribution by way of an interim dividend out of the profits of the Company.

However no such recommendation shall be made or interim dividend paid unless it appears to the directors to be justified by the position of the Company in accordance with the respective rights of the members.

ii. The Company shall be entitled to cease sending dividend warrants and cheques by post or otherwise to a member if those instruments have been returned undelivered to, or left uncashed by, that member on at least two consecutive occasions, or, following one such occasion, reasonable enquiries have failed to establish the member's new address. Any dividend which has remained unclaimed for 12 years from the date when it became due for payment shall, if the Board so resolves and directs, be paid by the Company into an account separate from the Company's own account where it will be held on trust for and from time to time donated to such charitable causes as the Board may, in its absolute discretion, determine having regard, in particular, to the duties of directors under section 172(1) of the CA 2006. Alternatively, the Board may resolve that any dividend which has remained unclaimed for 12 years from the date when it became due for payment may be forfeited, shall cease to remain due for payment by the Company and shall constitute a windfall appropriated for the benefit of the Company.

(h) Distribution of Realised Capital Profits

At any time when the Company has given notice in the prescribed form (which has not been revoked) to the Registrar of Companies of its intention to carry on business as an investment company under section 833 of the CA 2006 (a "Relevant Period") distribution of the Company's capital profits shall be prohibited otherwise than by way of the redemption or purchase of any of the Company's own shares in accordance with Chapter 3 or 4 of Part 18 of the CA 2006. The directors shall establish a reserve to be called the capital reserve. During a Relevant Period, all surpluses arising from the realisation or revaluation of investments and all other monies realised on or derived from the realisation, payment off of or other dealing with any capital asset in excess of the book value thereof and all other monies which are considered by the directors to be in the nature of accretion to capital shall be credited to the capital

reserve. Subject to the provisions of the CA 2006, the directors may determine whether any amount received by the Company is to be dealt with as income or capital or partly one way and partly the other. During a Relevant Period, any loss realised on the realisation or payment off of or other dealing with any investments or other capital assets and, subject to the provisions of the CA 2006, any expenses, loss, liability (or provision therefor) which the directors consider to relate to a capital item or which the directors otherwise consider appropriate to be debited to the capital reserve, shall be carried to the debit of the capital reserve. During a Relevant Period, all sums carried and standing to the credit of the capital reserve may be applied for any of the purposes for which sums standing to the credit of any revenue reserves are applicable except and provided that notwithstanding any other provision of these Articles, during a Relevant Period no part of the capital reserve or any other money in the nature of accretion to capital shall be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (as defined by section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company. In any other period other than a Relevant Period any amount standing to the credit of the capital reserve may be transferred to the revenue reserves of the Company or be regarded or treated as profits of the Company available for distribution (subject to and as defined in section 830 (2) of the CA 2006) or be applied in paying dividends on any shares of the Company.

(i) Continuation Vote

In order for the term of the Company to be determined by the members the directors shall, provided they believe it is in the best interests of the Company, at the annual general meeting of the Company falling after the fifth anniversary of the last allotment (from time to time) of shares in the Company and thereafter at three yearly intervals, propose a resolution that the Company should be wound up and, if such a resolution is not passed by the members, invite the members to consider and debate the future of the Company (including, without limitation, whether the Company should be wound up, sold or unitised) and as soon as practicable following that meeting shall convene a general meeting to propose such resolution as the members attending the annual general meeting may by ordinary resolution require.

(j) Reduction of Share Premium Account of the Company

Under the CA 2006 the Company may by special resolution confirmed by the court reduce the amount standing to the credit of the share premium account at the time of such application. Such a reduction was carried out by the Company on 8 February 2012 and on 18 June 2015.

(k) General Meetings

i. Subject to the provisions of the Companies Acts, annual general meetings shall be held at such time and place as the Board may determine. General meetings may be convened by the Board whenever it thinks fit and by Shareholders in accordance with section 303 of the CA 2006.

ii. An annual general meeting shall be convened by not less than 21 clear days' notice in writing. All other general meetings shall also be convened by not less than 21 days' notice in writing unless conditions A to C of section 307A of the CA 2006 are complied with.

(l) Miscellaneous

i. There are no provisions in the Articles that would have the effect of delaying, deferring or preventing a change of control of the Company.

ii. Failure by any Shareholder to provide the Company with the information as requested by any notice served in accordance with section 793 of the CA 2006 (notice by company requiring information about interests in its shares) may result in that Shareholder being disenfranchised in respect of his shareholdings and, inter alia, the withholding of any dividends payable to him.

PART TWO

FORESIGHT SOLAR & INFRASTRUCTURE VCT PLC

(A) GENERAL INFORMATION

1 Incorporation and registered office

- 1.1 The legal and commercial name of the Company is Foresight Solar & Infrastructure VCT plc.
- 1.2 The Company was incorporated and registered in England and Wales as a public company with limited liability on 18 June 2010 with registered number 7289280 under the name Foresight Solar VCT plc. The Company was issued with a trading certificate under section 761 of CA 2006 on 20 July 2010. The Company changed its name to Foresight Solar & Infrastructure VCT plc by a resolution of the Board on 29 January 2016.
- 1.3 The principal legislation under which the Company operates is the CA 2006 and regulations made thereunder.
- 1.4 The Company's registered office and principal place of business is at The Shard, 32 London Bridge Street, London SE1 9SG. The Company is domiciled in England. The Company does not have nor has it had since incorporation, any subsidiaries or employees. The Company is not part of a group and does not hold, nor has it since its incorporation held, any shares in itself.
- 1.5 HM Customs & Revenue has provisionally approved the Company as a VCT under section 274 of the Tax Act and it is intended that the business of the Company be carried on so as to comply with that section.
- 1.6 Ernst & Young LLP had been the only auditor of the Company since its incorporation until 25 March 2014. Since then KPMG LLP has been the appointed auditor of the Company.
- 1.7 The Company has previously given notice to the Registrar of Companies pursuant to section 833 of CA 2006 of its intention to carry on business as an investment company. This notice was revoked in accordance with section 833(4) of the CA 2006 on 16 January 2013.
- 1.8 The Company's Ordinary Shares, C Shares and D Shares are admitted to the official list of the UK Listing Authority.
- 1.9 The Company is a "small registered UK AIFM" for the purposes of the Alternative Investment Fund Managers Regulations 2013, but is not otherwise regulated.

2. Share capital

- 2.1 On incorporation, twenty Ordinary Shares of one penny each were taken fully paid by the subscribers to its Memorandum.
- 2.2 By special resolutions passed on 6 July 2010, the Company authorised the Directors, in accordance with Section 551 of the CA 2006 to allot Redeemable Shares (as defined in the Company's Articles of Association) up to a maximum nominal amount of £50,000 to Foresight, such authority to expire at the first to occur of the conclusion of the Company's first annual general meeting and the expiry of 15 months from the passing of the resolution (unless previously revoked, varied or extended by the Company in general meeting) and that (pursuant to section 571(1) of the CA 2006) section 561 does not apply to this specific allotment of equity securities.
- 2.3 On 6 July 2010, the Company allotted 5,000,000 redeemable shares to Foresight for the purposes of applying for the certificate referred to in paragraph 1.2 above. The redeemable shares were subsequently redeemed after first admission of the Company's Ordinary Shares to the London Stock Exchange.
- 2.4 By special resolutions passed on 3 August 2010, the Company:
 - i. authorised the Directors, in accordance with Section 551 of the CA 2006 to allot Ordinary Shares up to a maximum nominal amount of £650,000 and disapplied the pre-emption provisions of section 561 of the CA

2006 in respect of any such allotment, such authority to expire at the first to occur of the conclusion of the Company's first annual general meeting and the expiry of 15 months from the passing of the resolution (unless previously revoked, varied or extended by the Company in general meeting) inter alia, in order to enable the Directors to make allotments under the C Share Offer; and pursuant to the carried interest agreement referred to in paragraph 5.2 below;

ii. authorised the Board for a period of 18 months to make occasional market purchases out of distributable profits or the proceeds of a fresh issue of shares up to a maximum 14.99% of the Ordinary Shares as are admitted to the Official List on final Admission at such price as they may determine but in any event being not less than 1p per Share and no more than 5% above the average of the middle market quotations of an Ordinary Share in respect of the Company as derived from the Official List for the five business days immediately preceding the date on which the Ordinary Shares are purchased; and

iii. authorised the amount standing to the credit of the share premium account of Foresight Solar & Infrastructure VCT plc immediately after the final closing date of the C Share Offer to be cancelled, subject to approval by the High Court of Justice.

- 2.5 Since its incorporation, the Company has allotted (and, where indicated, bought back) the following Ordinary Shares pursuant to the Ordinary Share Offer (and, where indicated, a top up offer dated 9 November 2011 (the "**Top Up Offer**")):

Date	Ordinary Shares allotted/bought back	Price per Share
1 November 2010	8,119,318	100p
13 January 2011	5,293,672	100p
7 March 2011	6,635,945	100p
22 March 2011	4,303,554	100p
5 April 2011	6,193,058	100p
30 June 2011	2,516,895	100p
3 August 2011	1,706,750	100p
30 August 2011	2,239,350	100p
14 October 2011	83,510 (shares bought back for cancellation)	93.5p
9 November 2011	1,462,220 (under the Top Up Offer)	100p
3 April 2012	21,000 (shares bought back for cancellation)	92p
26 June 2014	34,296 (bought back for cancellation)	105.5p
26 June 2015	15,000 (bought back for cancellation)	103.75p
18 December 2015	26,094 (bought back for cancellation)	104.5p
Total Ordinary Shares in issue as at the date of this document: 38,290,862		

- 2.6 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option. No shares of the Company represent anything other than capital. There are no convertible securities, exchangeable securities or securities with warrants attached to them currently in issue by the Company.
- 2.7 The following resolutions, inter alia, of the Company were passed, as an ordinary resolution and a special resolution respectively, at the Company's first annual general meeting held on 9 November 2011:
- 2.7.1 THAT in substitution for all existing authorities, the directors be and they are generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for, or to convert any security into, shares in the Company ("Rights") up to an aggregate nominal amount of £123,350 provided that this authority shall expire on the fifth anniversary of the date of passing of this resolution, save that the Company shall be entitled to make offers or agreements before the expiry of such authority which would or might require shares to be allotted or Rights to be granted after such expiry and the directors shall be entitled to

allot shares and grant Rights pursuant to any such offer or agreement as if this authority had not expired.

2.7.2 THAT in substitution for existing authorities, the directors be and they are empowered pursuant to Section 570 and Section 573 of the Companies Act 2006 to allot equity securities (within the meaning of Section 560 of that Act) for cash either pursuant to the authority conferred by Resolution 7 above or by way of a sale of treasury shares as if Section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:

- (a) the allotment of equity securities with an aggregate nominal amount of up to but not exceeding £55,513 pursuant to offer(s) for subscription;
- (b) the allotment (otherwise than pursuant to sub-paragraph (a) of this resolution) to any person or persons of equity securities with an aggregate nominal amount of up to but not exceeding 10% of the issued share capital from time to time

in each case where the proceeds may be used in whole or part to purchase shares in the capital of the Company, such authority to expire on the conclusion of the annual general meeting of the Company to be held in the year 2012, save that the Company shall be entitled to make offers or agreements before the expiry of such power which would or might require equity securities to be allotted after such expiry and the directors shall be entitled to allot equity securities pursuant to any such offers or agreements as if the power conferred hereby had not expired.

2.8 On 8 February 2012, the Companies Court approved the reduction of an amount of £36,638,457 standing in the credit of the share premium account of the Company (such cancellation being registered at Companies House on 21 February 2012) pursuant to the authority granted by the resolution of the Company noted at 2.4(iii) above.

2.9 The following resolutions, inter alia, of the Company were passed, as ordinary resolutions in the case of 2.9.1 and 2.9.2 and as a special resolution in the case of 2.9.3, at the Company's annual general meeting held on 18 December 2012:

2.9.1 TO authorise the Directors to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £200,000 (representing 52.1% of the current issued share capital of the Company at the date of signing) for the purposes listed under the authority requested under the resolution noted at 2.9.2. This includes authority to issue shares pursuant performance incentive fee arrangements with Foresight Group and top-up offers for subscription to raise new funds for the Company if the Board believes this to be in the best interests of the Company. Any offer is intended to be at an offer price linked to NAV. The authority and power conferred by this resolution will expire on the fifth anniversary of the passing of the resolution.

2.9.2 TO sanction, in a limited manner, the disapplication of pre-emption rights in respect of the allotment of equity securities (i) with an aggregate nominal value of up to £100,000 pursuant to offer(s) for subscription, (ii) with an aggregate nominal value of up to 10% of the issued share capital of the Company pursuant to performance incentive arrangements with Foresight Group and (iii) with an aggregate nominal value of up to 10% of the issued share capital of the Company for general purposes, in each case where the proceeds of such issue may in whole or part be used to purchase the Company's shares. This authority will expire at the conclusion of the Annual General Meeting to be held in 2015.

2.9.3 THAT, the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares provided that:

- (a) the aggregate number of shares to be purchased shall not exceed 5,751,101;
- (b) the minimum price which may be paid for a share is 1 penny (the nominal value thereof);
- (c) the maximum price which may be paid for shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the shares are purchased, and (2) the amount stipulated by Article 5(1) of the Buyback and Stabilisation Regulation 2003;
- (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 2015 unless such authority is renewed prior to such time.

2.10 The following resolutions, inter alia, of the Company were passed, as ordinary resolutions in the case of 2.10.1, 2.10.4 and 2.10.5 and as a special resolution in the case of 2.10.2, 2.10.3, 2.10.6 and 2.10.7, at the Company's annual general meeting held on 25 March 2013:

2.10.1 THAT, conditionally upon the passing of resolutions noted at 2.10.2 and 2.10.6 below, the Directors be generally and unconditionally authorised pursuant to section 551 of the Company Act 2006 ("the 2006 Act") to allot C 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 6 below and to grant rights to subscribe for or to convert any security into C Shares in the Company up to an aggregate nominal amount of £650,000 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 C Shares to be allotted or rights to subscribe for or to convert securities into C Shares to be granted after such expiry and the Directors may allot shares or grant rights to subscribe for or to convert securities into C 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.

2.10.2 THAT, subject to the passing of the resolution noted as 2.10.1 granting authority to allot C Shares, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by the resolution noted as 2.12.1 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 £650,000 in connection with
 - (i) an Offer for subscription of C Shares published in February 2013;
 - (ii) an offer of securities by way of rights;
 - (iii) the allotment, subject to the passing of resolution number 2.10.5 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 C Shares);
 - (iv) the allotment of C Shares with an aggregate nominal value not exceeding £10,000 pursuant to any dividend investment scheme operated from time to time by the Company;
 - (v) the allotment of C Shares with an aggregate nominal value of up to 14.99% of the issued C Share capital of the Company immediately following the close of the C Share Offer where the proceeds of the allotment are to be used in whole or in part to purchase the Company's C 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 C Share capital of the Company immediately following close of the C Share 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.

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

- (a) the aggregate nominal amount of the C Shares to be purchased shall not exceed the lesser of £29,980 and 14.99% of the issued C Shares following the close of the C Share Offer;
- (b) the minimum price (excluding expenses) which may be paid for each C Share is one penny;
- (c) the maximum price (excluding expenses) which may be paid for each C Share is the higher of:
 - (i) 105% of the average of the middle market quotation for C Shares taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the C Shares are purchased; and
 - (ii) the value of a C 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 next annual general meeting of the Company unless such authority is renewed prior to such time; and
- (e) the Company may make a contract to purchase C 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 C Shares pursuant to such contract.

2.10.4 THAT, conditionally upon the passing of resolutions noted at 2.10.1 and 2.10.6, the proposed appointment of Foresight Group CI Limited as the investment manager in relation to the capital to be raised by the C Share Offer on the terms described in the circular to shareholders dated 15 February 2013 be approved.

2.10.5 THAT, conditionally upon the passing of resolutions noted at 2.10.1 and 2.10.6, the proposed appointment of Foresight Group LLP in its capacity as the promoter of the C Share Offer pursuant to the terms of the Sponsorship and Promotion Agreement dated 15 February 2013 in relation to the capital to be raised by the C Share Offer on the terms described in the circular to shareholders dated 15 February 2013 be approved.

2.10.6 THAT the articles of association of the Company be amended as set out in section 3 of the circular to shareholders dated 15 February 2013.

2.10.7 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 C Shares under the C Share Offer) by up to 100% of the amount standing to the credit thereof immediately following the close of the C Share 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.

2.11 Since its incorporation, the Company has allotted the following C Shares pursuant to the C Share Offer:

Date	C Shares allotted	Price per Share
30 August 2013	109,736	100p
30 September 2013	448,151	100p
6 November 2013	462,978	100p
3 December 2013	821,967	100p
17 December 2013	282,653	100p
15 January 2014	467,195	100p
14 February 2014	1,576,992	100p
18 February 2014	860,119	100p
18 March 2014	583,885	100p

31 March 2014	364,953	100p
4 April 2014	148,153	100p
7 April 2014	38,700	100p

Total C Shares in issue as at the date of this document: **12,509,245**

- 2.12 On 17 June 2015, the Companies Court approved the reduction of an amount of £10,700,000 standing in the credit of the share premium account of the Company (such cancellation being registered at Companies House on 24 June 2015) pursuant to the authority granted by the resolution of the Company noted at 2.10.7 above.
- 2.13 Save as set out in this paragraph 2 and in paragraph 5 below, since the date of incorporation no share or loan capital of the Company has been issued or agreed to be issued or is now proposed to be issued, for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital except as disclosed herein. The Company has no contingent liabilities.
- 2.14 The Company will be subject to the continuing obligations of the Listing Rules with regard to the issue of securities for cash and the provisions of Section 561 of the Act (which confers on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) will apply to the capital of the Company which is not subject to the disapplication referred to in paragraph 2.15 below.
- 2.15 The following resolutions, inter alia, were passed as ordinary (2.15.1, 2.15.3 and 2.15.4) and special (2.15.2 and 2.15.6) resolutions at a general meeting of the Company held on 7 March 2016:
- 2.15.1 THAT, conditionally upon the passing of Resolutions noted at 2.15.2 and 2.15.4 below, the Directors be generally and unconditionally authorised pursuant to section 551 of the Company 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 4 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.
- 2.15.2 THAT, subject to the passing of the resolution noted as 2.15.1 granting authority to allot D Shares, the Directors be and hereby are given the general power to allot equity securities (as defined by section 560 of the 2006 Act) for cash pursuant to the authority conferred by the resolution noted as 2.15.1 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 published on 1 February 2016;
- (ii) an offer of securities by way of rights;
- (iii) the allotment, subject to the passing of resolution number 2.15.5 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 £25,000 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 D Share 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 D Share 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.

- 2.15.3 THAT, conditionally upon the passing of resolutions noted at 2.15.1 and 2.15.5, the proposed appointment of Foresight Group CI Limited as the investment manager in relation to the capital to be raised by the D Share Offer on the terms described in the Circular be approved.
- 2.15.4 THAT, conditionally upon the passing of resolutions noted at 2.15.1 and 2.15.5, the proposed appointment of Foresight Group LLP in its capacity as the promoter of the D Share Offer pursuant to the terms of the Sponsorship and Promotion Agreement dated 7 March 2016 in relation to the capital to be raised by the D Share Offer on the terms described in the Circular be approved.
- 2.15.5 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 D Share Offer) by up to 100% of the amount standing to the credit thereof immediately following the close of the D Share 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.
- 2.16 The following resolutions, inter alia, of the Company were passed as ordinary (2.16.1) and special (2.16.2 and 2.16.3) resolutions at the Company's annual general meeting held on 8 December 2016:
- 2.16.1 That, in substitution for all existing authorities, the directors be and they are authorised to allot relevant securities generally, in accordance with Section 551 of the Companies Act 2006, up to a nominal amount of £200,000 (representing approximately 37.5% of the current issued share capital) provided that the authority and power conferred by this Resolution 6 will expire on the fifth anniversary of the passing of this resolution.
- 2.16.2 That, in substitution for all existing authorities, the directors be and they are empowered pursuant to section 570 and section 573 of the Companies Act 2006 to allot equity securities (within the meaning of section 560 of that Act) pursuant to the authority conferred by Resolution 6 as if section 561(1) of that Act did not apply to any such allotment, provided that this power shall be limited to:
- (i) the allotment of equity securities with an aggregate nominal value of up to £100,000 by way of issue of ordinary shares of 1p each ("Ordinary Shares") and/or £100,000 by way of issue of C ordinary shares of 1p each ("C Shares") and/or £100,000 by way of issue of D Ordinary Shares of 1p each ("D Shares"), in each case pursuant to offer(s) for subscription;
 - (ii) the allotment of equity securities with an aggregate nominal value of up to £10,000 by way of issue of C Shares pursuant to any dividend investment scheme operated by the Company from time to time;

- (iii) the allotment of equity securities with an aggregate nominal value of up to 10% of the issued share capital of the Company by way of an issue of Ordinary Shares and/or C Shares and/or D Shares pursuant to the performance incentive arrangements with Foresight Group CI Limited; and
- (iv) the allotment of equity securities with an aggregate nominal value of an amount up to or equal to 10% of the issued Ordinary Share capital of the Company and/or 10% of the issued C Share capital of the Company and/or 10% of the issued D Share capital of the Company from time to time,

in each case where the proceeds of such issue may in whole or part be used to purchase the Company's shares.

The above authority will expire at the conclusion of the Annual General Meeting to be held in 2017.

2.16.3 That, in substitution for all existing authorities the Company be empowered to make market purchases (within the meaning of Section 693(4) of the Companies Act 2006) of its own shares provided that:

- (i) the aggregate number of shares to be purchased shall not exceed 5,739,800 Ordinary Shares, 1,875,136 C Shares and 347,267 D Shares or, if lower such number of shares rounded down to the nearest whole share as shall equal 14.99% of the Company's; Ordinary Shares and C Shares in issue at the date of passing this resolution;
- (ii) the minimum price which may be paid for a share is 1 pence (the nominal value thereof);
- (iii) the maximum price which may be paid for shares is the higher of (1) an amount equal to 105% of the average of the middle market quotation for shares taken from the London Stock Exchange daily official list for the five business days immediately preceding the day on which the shares are purchased, and (2) the amount stipulated by Article 5(1) of the BuyBack and Stabilisation Regulation 2003;
- (iv) the authority conferred by this resolution shall expire on the conclusion of the Annual General Meeting of the Company to be held in the year 2017 unless such authority is renewed prior to such time; and
- (v) the Company may make a contract to purchase 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 shares pursuant to such contract.

2.17 Since its incorporation, the Company has allotted the following D Shares pursuant to the D Share Original Offer:

Date	D Shares allotted	Base Price per Share
5 April 2016	1,620,951	100p
2 June 2016	376,740	100p
12 August 2016	499,090	100p
31 October 2016	541,539	99.4p
21 December 2016	439,851	98.1p
30 January 2017	781,765	98.1p
31 January 2017	425,993	98.1p

2.18 Following the issue of D Shares pursuant to the Offer, assuming full subscription, the issued share capital of the Company is expected to be approximately as follows:

Number	£
38,290,862	382,908.62

Ordinary Shares

C Shares	12,509,247	125,092.47
D Shares	5,685,929	56,859.29

Other than as disclosed in this document, there have been no changes in the share capital of the Company since incorporation.

- 2.19 Save in connection with the Offer or as set out in paragraph 2.15, no material issue of D Shares (other than pro rata to existing holdings) will be made within one year from the date of this document without the approval of the D Shareholders in general meeting.
- 2.20 Subject to any special rights or restrictions attaching to any shares or any class of shares issued by the Company in the future, the holders of fully paid D Shares will be entitled *pari passu* amongst themselves in proportion to the number of D Shares held by them to share in the whole of the profits of the Company attributable to the D Share Fund which are paid out as dividends and in the whole of any surplus attributable to the D Shares in the event of a liquidation of the Company.
- 2.21 The D Shares are a separate class of Share from the Company's existing Ordinary Share class and C Share class. All investments and cash attributable to existing share classes will be kept separate from the D Share Fund.
- 2.22 The D Shares are/will be in registered form and no temporary documents of title will be issued. The Company is registered with CREST, a paperless settlement system and those Shareholders who wish to hold their D Shares in electronic form may do so. The D Shares will be freely transferable.
- 2.23 Save as mentioned in paragraph 2.15 above, the provisions of section 561 of the 2006 Act (which, to the extent not disapplied, confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are or are to be paid in cash) apply to the issue of shares in the capital of the Company.
- 2.24 Except as disclosed in paragraphs 5.2 and 5.7 below and except for commission payable to certain authorised financial intermediaries in connection with the Ordinary Share Offer, the Top Up Offer, the C Share Offer and the D Share Offer, no share or loan capital of the Company has been issued for cash or for a consideration other than cash, no such share or loan capital is proposed to be issued, no commission, discount, brokerage or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital.
- 2.25 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.

3. Directors' and other interests

- 3.1 The Board comprises three non-executive directors, two of whom are independent of Foresight, the exception being Mike Liston. The Board has substantial experience of venture capital and technology-based businesses and has overall responsibility for the Company's affairs, including its investment policy.
- 3.2 The Directors' interests in the share capital of the Company as at the date of this document was as follows:

Director	Ordinary Shares	C Shares
David Hurst-Brown	52,000	-
Mike Liston	-	-

- 3.3 Biographical details for each of the Directors are set out on page 10 of this document.
- 3.4 Prashant Mehta and Roger Blears resigned as directors of the Company on 6 July 2010. Lord Maples of Stratford upon Avon served as chairman of the Company from 6 July 2010 until his death on 9 June 2012.
- 3.5 By letters dated 31 August 2010, Mike Liston and Tim Dowlen agreed to act as non-executive directors of the Company and on 6 August 2012, David Hurst-Brown agreed to act as non-executive chairman of the Company. Mike Liston and Tim Dowlen were appointed on 6 July 2010 as directors of the Company. David Hurst-Brown was appointed as a director of the Company on 6 August 2012. None of the Directors has a service contract and may resign at any time by giving six months' notice in writing to the Board or by mutual consent. All Directors are subject to retirement by rotation. Their appointment does not confer any right to hold office for any period nor any right to compensation if they cease to be directors. The total annual remuneration receivable by David Hurst-Brown as chairman of the Company for the year ended 30 June 2016 is £28,250. The total annual remuneration receivable by each of Mike Liston and Tim Dowlen for the year ended 30 June 2016 is £22,500. The office of non-executive director of the Company is not pensionable. Directors' emoluments in respect of qualifying services for the year ended 30 June 2016 amounted to £73,250 (plus applicable VAT). The Directors estimate that the total amount payable to them by the Company for the year ending 30 June 2017 will be £73,250 (plus applicable VAT).
- 3.6 Mike Liston is a director of the general partner of Foresight Group's first solar power fund, Foresight European Solar Fund GP Limited. Other than this, there are no potential conflicts of interest between any duties to the Company of the Directors and their private interests and other duties.
- 3.7 Except as stated in paragraph 3.6 above, no Director is or has been interested in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company and which was effected by the Company in the period since its incorporation and remains in any respect outstanding or unperformed.
- 3.8 No loan or guarantee has been granted or provided by the Company to or for the benefit of any of the Directors.
- 3.9 The Company has taken out directors' and officers' liability insurance for the benefit of its directors, which is renewable on an annual basis. There is no cover against fraudulent or dishonest activities.
- 3.10 The Directors are currently or have been within the last 5 years, a member of the administrative, management or supervisory bodies or partners of the companies and partnerships as set out on page 10 of this document.
- 3.11 No Director has any convictions in relation to fraudulent offences during the previous 5 years.
- 3.12 None of the Directors has, during the previous five years, been associated with any bankruptcies, receiverships or liquidations in relation to an entity for which they have been acting as members of the administrative, management or supervisory bodies or were a partner with unlimited liability (in the case of a limited partnership with share capital), founder or a senior manager who was relevant to establishing that entity had the appropriate expertise and experience for the management of its business.
- 3.13 There has been no official public incrimination and/or sanction of any Director by statutory or regulatory authorities (including designated professional bodies) and no Director has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of a company or from acting in the management or conduct of the affairs of any company during the previous 5 years.
- 4. Management and administration**
- 4.1 The Company will, at all times, invest and manage its assets in a way which is consistent with its objective of spreading investment risk and in accordance with this published investment policy. This investment policy is in line with Chapter 15 of the Listing Rules and Part 6 of the Tax Act. The Company will not make material changes to this investment policy without shareholder approval. The Company will be subject to and will

comply with the restrictions regarding investments for closed ended investment funds that are contained in the Listing Rules.

- 4.2 The Company is not required to be, and is therefore not, regulated by the Financial Conduct Authority. In order to obtain venture capital trust status, the Company must, however, be approved by HM Revenue & Customs. The conditions which must be satisfied to obtain and retain such status are set out in full in Part 3 and they include the following:
- (i) at least 70% by value of the Company's investments (including any uninvested funds held) must be represented by shares or securities in Qualifying Holdings, of which at least 70% by value must be represented by holdings of ordinary shares; additionally at least 10% by value of investments in single companies or groups must be in ordinary shares which carry no preferential rights on a return of capital but may carry preferential rights to dividends which are neither cumulative nor discretionary; and
 - (ii) not more than 15% by value of the Company's investments can (at the time of investment) be held in a single company or group (other than a VCT) and the Company must not control the companies in which it invests in such a way as to render them subsidiary undertakings.
- 4.3 The Company has no present intention of incurring any borrowings.
- 4.4 The Company is regulated by Part 6 of the Tax Act in respect of the investments it makes. The Company has appointed RW Blears LLP as its VCT status adviser. RW Blears LLP will report twice yearly to the Company in its annual and interim reporting obligations. In respect of any breach of the VCT rules, the Company will report the matter immediately to HMRC.
- 4.5 The Company will not invest more than 15% in any single company or other listed closed-ended investment fund nor will the Company control the companies in which it invests in such a way as to render them subsidiary undertakings until it has obtained approval as a VCT from HMRC.
- 4.6 Foresight is responsible for the determination and calculation of the net asset value of the Company. The net asset value of the Company will be determined quarterly in accordance with the International Private Equity and Venture Capital Association ("IPEVC") valuation guidelines. The value of investments will be determined according to their listing status. Quoted securities will be valued at bid price unless the investment is subject to restrictions or the holding is significant in relation to the share capital of a small quoted company, in which case a discount may be appropriate as per the IPEVC guidelines. Unquoted investments will normally be valued on a cost basis in the first year and reviewed subsequently on the basis of the progression of the business. The net asset value of the Company will be communicated to investors through a Regulatory Information Service provider at the same frequency as the determinations. In the event of any suspension valuations are held at the suspended price and a view is taken with consideration to best market practice and information from advisers.
- 4.7 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.
- 4.8 The Company does not intend to appoint an external custodian and its assets (other than the non-Qualifying Investments) will be held in certificated form.
- 4.9 The Directors do not anticipate any circumstances arising under which the calculation of the net asset value may be suspended. Should the determination of net asset value differ from that set out above then this will be communicated to investors in the Company through a Regulatory Information Service provider.
- 4.10 The Company will not conduct any significant trading activity.
- 4.11 RW Blears LLP receives usual hourly rates or fees as agreed with the Directors in connection with VCT tax and legal advice and assistance.

- 4.12 RW Blears LLP receives an annual fee of £12,000 plus VAT for providing legal advice and assistance in relation to the maintenance of the VCT status of the Company and, if requested by the Company, will review prospective investments to ensure that they are qualifying venture capital investments and carry out reviews of the investment portfolio of the Company to ensure continuing compliance.
- 4.13 The Company has and will continue to have custody of its own assets:
- the Company's monetary assets will be held in bank accounts and/or money market accounts in the Company's own name; and
 - the Company's investments in both quoted and unquoted investments and the corresponding share certificates will also be held in the Company's own name.
- 4.14 Where the circumstances are appropriate, the Directors propose that an appropriate and reasonable proportion of the management expenses of the Company, to be determined after consultation with the Company's auditors, but not to exceed 75%, will be charged to capital.
- 4.15 At the date of this document the Company complies with the principles of the UK Code of Corporate Governance save as set out at 4.16 below.
- 4.16 As a result of the death of Lord Maples of Stratford upon Avon on 9 June 2012, the Company only had two directors for a period of 57 days until the appointment of David Hurst-Brown as Chairman of the Board on 6 August 2012. For the duration of this period, the Company was technically in breach of provision B.1.2 of the Corporate Governance Code which requires that a smaller company, namely one which is below the FTSE 350, has at least two independent non-executive directors. Of the two directors of the Company during this period, Mike Liston would not be deemed to be independent due to his position on the management team of the Foresight European Solar Fund GP Limited. David Hurst-Brown, however, together with Tim Dowlen, would in the view of the Board be deemed to be independent as neither has any relationships or circumstances which are likely to or could effect their judgement as directors of the Company. As such, the Company has complied with provision B.1.2 since the appointment of David Hurst-Brown.
- 4.17 The Company has no employees (other than the Directors). The Company has an Audit Committee, composed of the Directors who are independent of Foresight, which meets at least twice each year and is responsible for making recommendations to the Board on the appointment of the auditors and the audit fee, for reviewing the conduct and control of the annual audit and for reviewing the operation of the internal financial controls. It also has responsibility for the proper reporting of the financial performance of the Company and for reviewing financial statements prior to publication.
- 4.18 The Company has a Remuneration Committee, comprising David Hurst-Brown, Mike Liston and Tim Dowlen, which intends to meet at least annually to consider the composition and balance of skills, knowledge and experience of the Board and to make nominations to the Board in the event of a vacancy. New Directors are required to resign at the annual general meeting following appointment and then every three years by rotation.
- 4.19 The Company's Management Engagement & Remuneration Committee (which has responsibility for reviewing the remuneration of the Directors) comprises David Hurst-Brown, Mike Liston and Tim Dowlen and meets at least annually to consider the levels of remuneration of the Directors, specifically reflecting the time commitment and responsibilities of the role. The Management Engagement & Remuneration committee also undertakes external comparisons and reviews to ensure that the levels of remuneration paid are broadly in line with industry standards. The Management Engagement & Remuneration Committee also reviews the appointment and terms of engagement of the Manager.
- 4.20 The Board must be able to demonstrate that it will act independently of Foresight, its investment manager. In particular, a majority of the Board (including the Chairman) must not be:
- (a) directors, employees, partners, officers or professional advisers of or to Foresight or any other company in the same group as Foresight;

(b) directors, employees or professional advisers of or to any other VCT managed by Foresight or any other company in the same group as Foresight. Any Director who falls within (a) above or (b) is subject to annual re-election by Shareholders.

- 4.21 The Company does not assume responsibility for the withholding of tax at source.
- 4.22 The Company confirms that it has taken all reasonable steps to ensure that its auditors, KPMG LLP, being a member firm of the Institute of Chartered Accountants in England & Wales, are independent of it and has obtained written confirmation from the auditors that they comply with the guidelines on independence issued by their national accounting and auditing bodies.
- 4.23 Definitive share certificates for the D Shares to be allotted under the D Share Offer will be issued in registered form and are to be dispatched to Shareholders within ten Business Days of allotment. The Company has applied to Euroclear for the D Shares to be admitted to CREST as a participating security. It is expected that the admission of the D Shares to CREST as a participating security will be effective from Admission. Shareholders who are direct or sponsored members of Euroclear will then be able to dematerialise their D Shares in accordance with the rules and practices instituted by Euroclear. The Company will not issue temporary documents of title.
- 4.24 Foresight and RW Blears LLP have each given and not withdrawn their written consents to the issue of the Prospectus with the inclusion herein of their names in the form and context in which they appear.
- 4.25 The results of the D Share Offer will be announced through a Regulatory Information Service.
- 4.26 Save as mentioned above, as at the date of this document, there are believed to be no governmental, economic, monetary, political or fiscal policies and factors which have or could materially affect the Company's operations.
- 4.27 Since the date of incorporation of the Company and up to the date of this document save as mentioned in paragraph 7 below there have been no related party transactions.

5 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.

- 5.1 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.
- 5.2 Carried Interest Agreement dated 31 August 2010 between the Company (1) and Foresight Group LLP pursuant to which Foresight Group LLP will be entitled to the 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 Ordinary 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 LLP until shareholders have received

Distributions of 100p per Ordinary Share.

- 5.3 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 as more particularly detailed at paragraph 4.4 above.
- 5.4 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 5.1 above were novated to Foresight Group CI Limited.
- 5.5 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 5.1 above.
- 5.6 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.
- 5.7 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.
- 5.8 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.
- 5.9 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 other costs, charges and expenses of or incidental to the Offer including the fees of BDO LLP shall be paid by Foresight 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 D 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.
- 5.10 An investment management agreement dated 7 March 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.

- 5.11 A carried interest agreement dated 7 March 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.

6.1 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. 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 co-invest with other funds managed by Foresight Group.

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 the Income Tax Act 2007 to be classed as VCT qualifying holdings.

Asset mix

The 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. No investments of this nature have been made to date. 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. Any uninvested funds are held in cash, interest bearing securities or other investments. 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 infrastructure sector including, but not limited to, companies which own and operate smart data assets and other infrastructure companies that generate attractive and sustainable returns and in UK-headquartered companies which generate solar energy from installations overseas including in Italy and the United States. 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 maximum amount invested by the Company in any one company is limited to 15% of the portfolio at the time of investment. 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 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 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.

6.2 Company undertakings

- i. The Company's income is intended to be derived wholly or mainly from shares or other securities, as this phrase is interpreted by HM Revenue and Customs.
- ii. The Company will not conduct a trading activity which is significant in the context of its group as a whole.
- iii. Not more than 10% in aggregate of the value of the total assets of the Company at the time of Admission will be invested in other closed-ended investment funds.
- iv. It is the intention of the Directors that the Company will pay dividends or make distributions from revenue profits and profits realised from the sale of investments.
- v. The Company intends to direct its affairs in respect of each of its accounting periods so as to qualify as a venture capital trust. Accordingly:
 - it will not control the companies in which it invests in such a way as render them subsidiary undertakings;
 - none of the investments will represent more than 15% by VCT Value of the Company's investments; and
 - not more than 20% of the Company's gross assets will at any time be invested in the securities of property companies.
- vi. Foresight personnel has and will have sufficient and satisfactory relevant experience in advising on investments of the size and type in which the Company proposes to make. The Directors will also ensure that the board of the Company and any additional or replacement investment advisers have and will have sufficient and satisfactory experience in advising on such investments.
- vii. In the event of a breach of the investment restrictions which apply to the Company as described in paragraph 6.1 above, shareholders will be informed by means of the interim and/or the annual report or through a public announcement.

- viii The Directors act and will continue to act independently of Foresight. No majority of the Directors will be directors or employees of, or former directors or employees of, or professional advisers to Foresight or any other company in the same group as Foresight.
- ix. The investment policy set out above, in the absence of unforeseen circumstances, will be adhered to by the Company for at least three years following the date of close of the Offer. Any material change to the Company's investment policy in any event (in respect of the Ordinary Share Fund and/or the C Share Fund and/or the D Share Fund) will only be made with the approval of the Shareholders, and separately of the relevant class of Shareholders, of the Company by ordinary resolution.

7 Related Party Disclosures

The following related party transactions have taken place since 31 August 2010 to date:

7.1 Foresight Group CI Limited is regarded as a related party insofar as:

- a) it receives fees in respect of the investment management arrangements as described in paragraph 5.1 above. Foresight receives an annual management fee of 1.5% of the net assets of the Ordinary Share Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon. In respect of the C Share Fund, Foresight receives an annual management fee of 1.75% of the net assets of the C Share Fund, calculated and payable quarterly in advance, together with any applicable VAT thereon. In respect of the D Share Fund, Foresight will receive an annual management fee of 1.5% of the net assets of the D Share Fund, calculated and payable quarter in advance together with any applicable VAT thereon;
- b) it is entitled to the performance incentives set out at paragraphs 5.2, 5.7 and 5.11 and received fees of 5.5% of the amount subscribed in relation to the Old Offer and the Top Up Offer as promoter to those offers, from which all the costs of those offers were paid. Foresight Group received fees as promoter to the C Share Offer of 2.5% (or 5.5% in respect of direct investors) of the initial NAV of each C Share and an annual trail fee of 0.5% of net asset value out of which all trail commissions to the advisers of Professional Client Investors and Execution-Only Investors were paid. As promoter to the D Share Offer, Foresight will receive fees of 2.5% (or 5.5% in respect of direct investors) of the initial NAV of each D Share as set out in paragraph 5.8 and an annual trail fee of 0.5% of net asset value out of which all trail commissions to the advisers of Professional Client Investors and Execution-Only Investors will be paid.
- c) Foresight received fees of £803,000, £821,000 and £808,000 in each case plus VAT where appropriate during the financial periods ended 30 June 2014, 30 June 2015 and 30 June 2016.

7.2 Foresight Group LLP is regarded as a related party insofar as it receives fees in respect of the company secretarial and custody arrangements as described in paragraph 5.1, 5.6 and 5.10 above. Foresight Group LLP received £167,000, £167,000 and £170,000 during the financial periods ended 30 June 2014, 30 June 2015 and 30 June 2016 respectively in respect of the secretarial and administrative work carried out by its subsidiary Foresight Fund Managers Limited, which acts as company secretary to the Company.

7.3 RW Blears LLP was regarded as a related party until the resignation of Roger Blears on 6 July 2010 as a director of the Company. RW Blears LLP receives annual fees as the Company's solicitors and VCT status adviser as described in paragraph 5.3 above of £12,000 for VCT status monitoring plus usual hourly rates or fixed fee as agreed with the Directors in respect of other legal and VCT advice. RW Blears LLP received £12,000 for each of the financial periods ended 30 June 2014, 30 June 2015 and 30 June 2016.

7.4 The transactions referred to in paragraphs 7.1 to 7.3 are (or were) conducted on an arm's length basis. Save for these arrangements, the Directors are not aware of any other arrangements into which the Company has entered with a related party.

7.5 Further related party transactions with Foresight in respect of the D Share Fund, being those material contracts listed at 5.8 to 5.11 above.

8 Overseas investors

- 8.1 No person receiving a copy of the Prospectus or accompanying application form in any territory other than the UK may treat it as constituting an offer or invitation to him to subscribe for or purchase D Shares in the Company.
- 8.2 No action has been taken to permit the distribution of this document in any jurisdiction outside the United Kingdom where such action is required to be taken. All applicants under the Offer will be required to warrant that they have observed all the laws of their relevant territory in connection with the Offer.

9 Taxation

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

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

10 Miscellaneous

- 10.1 There has been no significant change in the financial or trading position of the Company since 31 December 2016, the date of the latest unaudited interim financial statements of the Company.
- 10.2 The Board believes that the Offer will result in a significant change to the Company, including an increase in its earnings and in the net assets of an amount equivalent to the net proceeds received under the Offer, expected to be approximately £945,000 assuming full subscription made exclusively by Execution-Only and Professional Client Investors.
- 10.3 Foresight Group LLP is the promoter of the Offer and Foresight Group CI Limited is the investment manager to the Company and, save as disclosed in paragraphs 5.1, 5.2 and 5.6 to 5.11 above, no amount of cash, securities or benefits has been paid by the Company, issued or given to the promoter or the investment manager and none is intended to be paid, issued or given by the Company.
- 10.4 There are no governmental, legal or arbitration proceedings (including any such proceedings which are or were pending or threatened of which the Company is aware) during the period from the incorporation of the Company which may have or had in the recent past significant effects on the Company's financial position or profitability.
- 10.5 The issue costs payable by the Company under the Offer (including irrecoverable VAT and sales commissions) has been fixed by the Directors at 5.5% of total funds subscribed (but excluding annual trail commission in respect of applications from Professional Client Investors and Execution-Only Investors). Foresight Group has agreed to indemnify the Company in respect of any excess over 5.5% of the gross proceeds of the issue of D Shares under the Offer. The net proceeds for the Company from the Offer, assuming full subscription at a NAV of 98.1p per D Share, will therefore amount to approximately £945,000.
- 10.6 The issue premium for the D Shares will be the difference between the issue price of the D Shares under the Offer and their nominal value of 1 penny. The Offer is not underwritten.

- 10.7 The Company has paid dividends amounting to 26.0p per Ordinary Share (equivalent) and 12.5p per C Share since incorporation to date.
- 10.8 The Company's capital resources are restricted insofar as they may be used only in putting into effect the investment policies described in paragraph 6 above.
- 10.9 The Company does not have any major shareholders and no shareholders have different voting rights. To the best of the knowledge and belief of the Directors, the Company is not directly controlled by any other party and at the date of the Prospectus, there are no arrangements in place that may, at a subsequent date, result in a change of control of the Company.
- 10.10 The typical investor for whom investment in the Company is designed is a retail investor who is an individual higher rate tax payer aged 18 or over, with an investment range of £5,000 and £200,000, who is capable of understanding and is comfortable with the risks of VCT investment, and who is resident in the United Kingdom.
- 10.11 Foresight Group is responsible for the determination and calculation of the Company net assets value, which will be prepared quarterly for approval by the Directors.
- 10.12 KPMG LLP act as auditors to the Company. KPMG LLP is registered to carry on audit work and is authorised to carry on investment business by the Institute of Chartered Accountants in England and Wales.

(B) ANALYSIS OF THE D SHARE INVESTMENT PORTFOLIO

All of the Company's investments as at the date of this document within the D Share Fund, extracted from the unaudited management accounts of the Company are analysed below, are valued in sterling and are all in the solar energy sector.

Investment	Category	Current	Prior Year	Movement	Current %
Shaftesbury Solar I Limited	Ordinary Shares	1,133,957	1,133,957	-	70.00%
	Loan Stock	485,981	485,981	-	30.00%
Shaftesbury Solar I Limited Total		1,619,938	1,619,938	-	100.00%
Grand Total		1,619,938	1,619,938	-	100.00%

(C) FINANCIAL INFORMATION

Audited financial information on the Company is published in its annual reports for the last three financial years as set out below (together, the "Audited Financial Statements") and unaudited half yearly information for the period ended 31 December 2016 is also set out below ("Interim Financial Statements") :

The Audited Financial Statements and Interim Financial Statements were all prepared in accordance with UK generally accepted accounting practice (GAAP), the fair value rules of the CA 2006 and in accordance with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" January 2009 (SORP). Ernst & Young LLP, Registered Auditor, of 1 More London Place, London SE1 2AF, reported without qualification and without statements under section 498 in respect of the statutory accounts for the year ended 30 June 2013. In respect of the statutory accounts for the years ended 30 June 2014, 30 June 2015 and 30 June 2016, KPMG LLP, Registered Auditor of 15 Canada Square, London E14 5GL have reported without qualification and without statements under section 498 of the CA 2006.

The Company confirms that the annual financial statements of the Company for the year ended 30 June 2016 were prepared under UK GAAP reflecting the adoption of FRS 102. The Company confirms that these Audited Financial Statements and Interim Financial Statements have been presented and prepared in a form which is consistent with that which will be adopted in the next annual financial statements to be published (which will be prepared under the new UK GAAP reflecting the adoption of FRS 102) having regard to accounting standards, policies and legislation

applicable to such annual financial statements, in so far as there are no material differences between the financial statements for this year prepared under these two accounting frameworks.

The Audited Financial Statements and Interim Financial Statements include the information set out below on the pages specified in the tables below, which are being incorporated into the document by reference can be accessed at the Foresight website (www.foresightgroup.eu) and are also available for inspection at the national storage mechanism accessed at www.hemscott.com/nsm.do. It should be noted that other sections of such documents that are not incorporated herein by reference are either not relevant to investors and others or are covered elsewhere in this Prospectus.

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

Description	2014 Annual Report	2015 Annual Report	2016 Annual Report	2016 Interim Report
Balance Sheet	Page 34	Page 36	Page 37	Page 15
Income Statement (or equivalent)	Page 32	Page 34	Page 35	Page 14
Statement showing all changes in equity (or equivalent)	Page 33	Page 35	Page 36	Page 15
Cash Flow Statement	Page 35	Page 37	Page 38	Page 16
Accounting Policies and Notes	Page 36	Page 38	Page 39	Page 17
Auditor's Report	Page 30	Page 32	Page 33	N/A

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

Such information also includes operating/financial reviews as follows:

Description	2014 Annual Report	2015 Annual Report	2016 Annual Report	2016 Interim Report
Financial Highlights	Page 1	Page 1	Page 1	Page 1
Results & Dividend	Page 2	Page 2	Page 2	Page 2
Portfolio review	Page 10	Page 10	Page 10	Page 5
Valuation Policy	Page 9	Page 9	Page 9	N/A
Outlook	Page 4	Page 2	Page 4	Page 4, 6
Investment Summary	Page 12	Page 13	Page 14	Pages 7-10

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

	2014 Annual Report	2015 Annual Report	2016 Annual Report	2016 Interim Report
Investment income	£1,041,000	£1,155,000	£973,000	£438,000
Profit before taxation	£(2,971,000)	£5,580,000	£(1,786,000)	£2,873,000
Revenue return/ (loss) per Ordinary Share	1.0p	1.0p	0.7p	0.4p
Capital return / (loss) per Ordinary Share	(8.3)p	13.9p	(3.4)p	3.9p
Revenue return/ (loss) per C Share	(0.6)p	0.2p	(0.3)p	(0.2)p

Capital return / (loss) per C Share	(1.3)p	(1.2)p	(0.3)p	10.4p
Revenue return/ (loss) per D Share	N/A	N/A	(0.3)p	(0.4)p
Capital return / (loss) per D Share	N/A	N/A	(0.3)p	(0.6)p
Dividends per Ordinary Share	6.0p	6.0p	6.0p	3.0p
Dividends per C Share	2.5p	5.0p	5.0p	2.5p
Dividends per D Share	N/A	N/A	-	-
Total net assets	£51,312,000	£53,588,000	£50,606,000	£53,393,000
NAV per Ordinary Share	101.9p	109.9p	100.7p	101.7p
NAV per C Share	98.0p	91.7p	80.5p	88.1p
NAV per D Share	N/A	N/A	99.4p	98.9p

As at 31 December 2016 the unaudited net asset value per Ordinary Share was 101.7p, the unaudited net asset value per C Share was 88.1p and the unaudited net asset value per D Share was 98.9p.

Effect of the Offer

As at 31 December 2016, the date to which the most recent unaudited interim financial statements of the Company has been drawn up, the Company had net assets of £53.4 million. The Company is now seeking to raise up to £1,000,000 through the Offer for which the associated expenses will not exceed 5.5% of the gross proceeds. The impact of the Offer on the Company's earnings should be accretive to the extent, if any, that interest earned on the proceeds will exceed expenses. The net assets of the Company will be increased by the net proceeds of the Offer.

(D) FORESIGHT SOLAR & INFRASTRUCTURE VCT PLC PORTFOLIO

Set out below are investments with a value of greater than 5% of the Company's total investments by value and an aggregate value greater than 50% of the Company's portfolio, including at least the ten largest investments, as at the date of this document. The investment and portfolio information in this part (D) have been sourced from the Company's unaudited interim financial statements for the period ended 31 December 2016, these being the most recent valuations of the relevant companies. In respect of the information on investee companies' sales, profits and losses and net assets, these have been taken from the latest financial year end accounts published (unless otherwise stated) by those investee companies as referred to in this part (D) and such information is, for the purpose of this paragraph, "Third Party Information". The Third Party Information has been accurately reproduced and, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Ordinary Shares Fund

	31 December 2016			30 June 2016	
	Amount	Valuation	Valuation Methodology	Amount	Valuation
	Invested			Invested	
	£	£		£	£
Kent Solar Project					
Canopus Solar Limited	507,976	1,727,992	Discounted cashflow	561,324	1,645,921
Vega Solar Limited	711,564	1,725,945	Discounted cashflow	781,523	1,645,620
	1,219,540	3,453,937		1,342,847	3,291,541
Puriton & Bridgewater Solar Projects					
Altair Solar Limited	508,595	2,203,335	Discounted cashflow	531,610	2,098,283
Capella Solar Limited	555,848	2,245,822	Discounted cashflow	580,081	2,146,791

	1,064,443	4,449,157		1,111,691	4,245,074
Malmesbury Solar Project					
Hadar Solar Limited	93,733	1,596,962	Discounted cashflow	100,680	1,526,858
Rigel Solar Limited	499,637	3,164,343	Discounted cashflow	523,322	3,031,234
	593,370	4,761,305		624,002	4,558,092
Turweston Solar Project					
Altair Solar Limited	2,919,331	4,051,774	Discounted cashflow	3,051,435	3,993,822
Canopus Solar Limited	2,837,535	4,041,624	Discounted cashflow	3,135,535	3,984,171
Capella Solar Limited	2,848,336	3,987,786	Discounted cashflow	2,972,513	3,931,380
Hadar Solar Limited	1,200,903	2,050,416	Discounted cashflow	1,289,907	2,025,251
Rigel Solar Limited	2,937,062	4,071,012	Discounted cashflow	3,076,290	4,012,103
Vega Solar Limited	2,659,033	3,759,130	Discounted cashflow	2,920,461	3,706,437
	15,402,200	21,961,742		16,446,141	21,653,164
Greenersite Limited	325,878	364,600	Discounted cashflow	325,878	364,600
	325,878	364,600		325,878	364,600
Total UK					
	18,605,431	34,990,741		19,850,559	34,112,471
Italian Solar Project					
Foresight VCT (Lux) 1 S.a.r.l	4,236,926	5,322,017	Discounted cashflow	4,236,926	5,140,244
Foresight VCT (Lux) 2 S.a.r.l	10,854	10,854	Cost	10,854	10,854
	4,247,780	5,332,871		4,247,780	5,151,098
Spanish Solar Project					
Foresight Luxembourg Solar 2 S.a.r.l.	-	-	Sold	2,325,786	856,958
	-	-		2,325,786	856,958
	22,853,211	40,323,612		26,424,125	40,120,527
C Shares Fund					
New Kaine Solar Project					
Solekra Limited	1,627,279	1,853,930	Discounted cashflow	1,728,528	1,749,746
	1,627,279	1,853,930		1,728,528	1,749,746
Saron Solar Project					
Avior Solar Limited	3,951,055	3,917,145	Discounted cashflow	3,951,055	3,368,232
	3,951,055	3,917,145		3,951,055	3,368,232
EOSOL Solar Project					
Skibo Solar III Limited	950,000	1,129,365	Discounted cashflow	950,000	950,000
	950,000	1,129,365		950,000	950,000
Marchington Solar Project					
Scorpii Solar Limited	1,859,960	2,169,539	Discounted cashflow	3,855,877	3,855,877
Adriou Limited	100	1,996,835	Net assets	—	—
	1,860,060	4,166,374		3,855,877	3,855,877
	8,388,394	11,066,814		10,485,460	9,923,855
D Shares Fund					
Shaftesbury Solar I Limited	1,619,938	1,619,938	Cost	1,619,938	1,619,938
	1,619,938	1,619,938		1,619,938	1,619,938

	1,619,938	1,619,938	
			1,619,938
			1,619,938

The company also holds two investments totaling £200 in two seeded companies.

Ordinary Share Portfolio

Kent Solar

Kent solar farm is located in Kent in South East England and has a nominal capacity of 4,850kW. Kent solar farm was connected to the grid and has been producing energy since July 2011.

First investment	August 2011	Year ended	31 March 2016 £'000
Voting rights within each project investment vehicle	49%	Income	3,075
Dividend and interest income receivable by the VCT in the year	£7,762	Loss before tax	(61)
Equity at cost	£545,332	Retained profit	648
Loan stock at cost	£674,208	Net assets	137
Equity and loan stock at fair value at 31 December 2016	£3,453,937		

Puriton Solar

Puriton solar farm is located in Puriton, Sedgemoor, in South West England, and has a nominal capacity of 3,451 kW. Puriton solar farm was connected to the grid in two phases. Phase I has been producing energy since July 2011 and phase II has been producing energy since October 2011.

First investment	February 2012	Year ended	31 March 2016 £'000
Voting rights within each project investment vehicle	49%	Income	2,280
Dividend and interest income receivable by the VCT in the year	£4,730	Profit before tax	30
Equity at cost	£331,130	Retained loss	(1,326)
Loan stock at cost	£422,075	Net liabilities	(1,531)
Equity and loan stock at fair value at 31 December 2016	£3,144,267		

Bridgewater Solar

Bridgewater solar farm is located in Summerway Drove, Bridgewater, in South West England, and has a nominal capacity of 1,743 kW. Bridgewater solar farm was connected to the grid in two phases. Phase I has been producing energy since July 2011 and phase II has been producing energy since November 2011.

First investment	February 2012	Year ended	31 March 2016 £'000
Voting rights within each project investment vehicle	49%	Income	1,175
Dividend and interest income receivable by the VCT in the year	£1,955	Profit before tax	54
Equity at cost	£136,826	Retained loss	(1,088)
Loan stock at cost	£174,412	Net liabilities	(1,105)
Equity and loan stock at fair value at 31 December 2016	£1,304,890		

Malmesbury Solar

Malmesbury solar farm is located in Malmesbury, Wiltshire, and has a nominal capacity of 5,000 kW. Malmesbury solar farm was connected to the grid and has been producing energy since July 2011.

First investment	December 2011	Year ended	31 March 2016 £'000
Voting rights within each project investment vehicle	49%	Income	2,647
Dividend and interest income receivable by the VCT in the year	£2,480	Profit before tax	132
Equity at cost	£268,816	Retained loss	(2,560)
Loan stock at cost	£324,554	Net liabilities	(2,507)
Equity and loan stock at fair value at 31 December 2016	£4,761,305		

Turweston Solar

Turweston solar farm is located in Westbury, Wiltshire, in South West England, and has a nominal capacity of 12,800 kW. Turweston solar farm was connected to the grid in December 2014. The plant has performed slightly above the expected level of production in 2016.

First investment	December 2014	Year ended	31 December 2016 £'000
Voting rights	49%	Income	2,018
Dividend and interest income receivable by the VCT in the year	£257,394	Profit before tax	38
Equity at cost	£6,924,631	Retained profit	71
Loan stock at cost	£8,477,569	Net Assets	87
Equity and loan stock at FV as at 31 December 2016	£21,961,742		

Greenersite Limited

Greenersite solar farm is located in Hereford, Herefordshire, in West Midlands, and has a nominal capacity of 96 kW. Greenersite solar farm was connected in April 2011.

First investment	March 2013	Year ended	31 March 2016 £'000
Voting rights	100%	Income	27
Dividend and interest income receivable by the VCT in the year	—	Profit before tax	(6)
Equity at cost	£325,878	Retained loss	(714)
Loan stock at cost	—	Net assets	277
Equity and loan stock at fair value at 31 December 2016	£364,600		

Italian Solar

These plants are a joint venture with VEI Capital, an investment fund owned by five Italian institutions including Generali, Intesa and CDC, the French infrastructure investor.

First investment	June 2011	Year ended	31 March 2016 €'000
% Equity/voting rights within each project investment vehicle	7.8%	Income	1,021

Dividend and interest income receivable by the VCT in the year	£89,224	Profit before tax	54
Equity at cost (including Foresight VCT (Lux) 1)	£63,131	Retained loss	(499)
Loan stock at (including Foresight VCT (Lux) 2)	£4,184,649	Net liabilities	(319)
Equity and loan stock at fair value at 31 December 2016	£5,332,874		

C Shares Portfolio

The C Shares fund has invested in the below projects via the investment vehicles listed on page 39 above.

New Kaine Solar

New Kaine solar farm is located in Kent in South East England and has a nominal capacity of 1,692kW. New Kaine Solar Farm was connected to the grid and has been producing energy since March 2015. Since acquisition in March 2015 the plant performed above the expected level of production.

First investment	March 2015	Year ended	31 December 2016 £'000
Voting rights	49%	Income	194
Dividend and interest income receivable by the VCT in the year	£7,491	Loss before tax	(51)
Equity at cost	£1,400,000	Retained loss	(21)
Loan stock at cost	£227,279	Net liabilities	(57)
Equity and loan stock at FV as at 31 December 2016	£1,853,930		

Saron Solar

Saron solar farm is located in Carmarthenshire in South Wales and has a nominal capacity of 5,565.60 kW. Saron Solar Farm was connected to the grid and has been producing energy since March 2015. Since acquisition in March 2015 the plant performed above the expected level of production.

First investment	March 2015	Year ended	31 March 2016 £'000
Voting rights	49%	Income	645
Dividend and interest income receivable by the VCT in the year	£29,013	Loss before tax	(187)
Equity at cost	£2,800,000	Retained profit	105
Loan stock at cost	£1,151,055	Net liabilities	(185)
Equity and loan stock at FV as at 31 December 2016	£3,917,145		

EOSOL Solar

EOSOL is a 3.6MWdc solar farm located in California, USA. It was acquired in September 2015.

First investment	September 2015	Year ended	31 December 2015 \$'000
Voting rights	55%	Income	1,071
Dividend and interest income receivable by the VCT in the year	-	Profit before tax	314
Equity at cost	£950,000	Retained profit	17
Loan stock at cost	£-	Net assets	2,702

Equity and loan stock at FV as at 31 December 2016	£1,129,365
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Marchington Solar

Marchington Solar farm is located in Staffordshire in the West Midlands and has a nominal capacity of 4,180kW. Marchington Solar farm was connected to the grid and has been producing energy since March 2016

First investment	July 2016	Year ended	30 September 2016 £'000
Voting rights	-	Income	339
Dividend and interest income receivable by the VCT in the year	£25,107	Profit before tax	359
Equity at cost	£1,400,100	Retained profit	184
Loan stock at cost	£459,960	Net assets	359
Equity and loan stock at FV as at 31 December 2016	£4,166,374		

D Shares Portfolio

The D Shares fund has not yet invested into any projects via the investment vehicle noted on page 36.

PART THREE

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, 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 in paragraph 5 of Section (A) of Part Two;
- the annual accounts and reports of the Company for the financial periods ended 30 June 2014, 2015 and 2016 and the interim financial statements of the Company for the six month period ended 31 December 2016;
- this Registration Document;
- the Securities Note; and
- the Summary.

27 March 2017