

THIS DOCUMENT IS IMPORTANT AND REQUIRES IMMEDIATE ATTENTION. If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take you are recommended to seek your own financial advice immediately from a stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000 ("**FSMA**"). If you have sold or otherwise transferred all of your Shares, please pass this document together with all accompanying documents to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass them to the person who now owns the Shares.

CIRCULAR TO SHAREHOLDERS

of

FORESIGHT 4 VCT PLC

(Incorporated in England and Wales under the Companies Act 1985 with registered number 03506579)

and

NOTICE OF GENERAL MEETING

and separate class meetings of the Company to be held at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU on 28 March 2013 at 10 a.m. in connection with proposals seeking Shareholders' approval to implement

an offer to Existing Ordinary Shareholders and Existing C Shareholders of an

ENHANCED BUYBACK

whereby Substitution Shares will be issued at a price of approximately 103% of NAV (rounded up to the nearest 0.1p per Share) in batches of 97 Substitution Shares for every 100 Existing Shares sold back to the Company at a price equal to approximately 100% of NAV (rounded down to the nearest 0.1p per Share) and

under which, subject to their personal circumstances, 30% VCT income tax relief will be available on the amount subscribed for Substitution Shares by Existing Shareholders.

IMPORTANT NOTICE

The Company's Existing Shares are traded on the London Stock Exchange's market for listed securities. The Substitution O Shares will rank *pari passu* in all respects with the Existing Ordinary Shares and the Substitution C Shares will rank *pari passu* in all respects with the Existing C Shares from the date of issue. It is expected that listing on the Official List will be effective and dealings in the Substitution Shares will commence five Business Days following allotment. The Substitution Shares will be in registered form and no temporary documents of title will be issued. Shareholders who hold their Existing Shares in certificated form on the Record Date will be allotted Substitution Shares in certificated form and certificates are expected to be dispatched with ten Business Days of allotment. The Existing Shares have been admitted to CREST, a paperless system, so that Shareholders who wish to hold their Shares in electronic form may do so.

Whether or not you plan to attend the General Meetings, please complete and submit the relevant proxy forms in accordance with the instructions printed on the enclosed forms. The proxy forms must be received by 10 a.m. 26 March 2013. No person has been authorised to give any information or representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been so authorised. Neither the delivery of this document hereunder nor any subsequent subscription or sale made for Shares shall, under any circumstances, create any implication that the information contained in this document is correct as of any time subsequent to the date of this document.

This document contains information relating to an offer to Existing Shareholders only to subscribe up to 18,333,353 Substitution O Shares and 9,091,198 Substitution C Shares (representing approximately 48.5% of the Company's issued share capital in each share class) at a price of approximately 103% of NAV (rounded up to the nearest 0.1p per Share) financed by the sale back to the Company of 100 Existing Shares for every 97 Substitution Shares subscribed at a price equal to approximately 100% of NAV (rounded down to the nearest 0.1p per Share) pursuant to an open offer and a tender offer (the "**Enhanced Buyback**") under which, subject to their personal circumstances, 30% VCT income tax relief will be available on the amount subscribed for Substitution Shares.

This document, which constitutes a financial promotion under section 21 of FSMA, is issued by Foresight 4 VCT plc and approved, for the purposes of that section only, by Foresight Group LLP ("**Foresight**"), an authorised person within the meaning of FSMA (FSA number: 198020) whose registered office is at ECA Court, 24 - 26 South Park, Sevenoaks, Kent TN13 1DU. This document does not constitute a prospectus as defined in the Prospectus Regulations 2005 (the "**Regulations**") and has not been prepared in accordance with the requirements of the Regulations. This document has been vetted by the UKLA.

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PART ONE

LETTER FROM THE CHAIRMAN OF FORESIGHT 4 VCT PLC

Directors

Philip Stephens (Chairman)
Peter Dicks
Raymond Abbott

Registered Office

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

5 March 2013

Dear Shareholder,

Introduction

The Board would like to make available to Existing Shareholders (both of Ordinary Shares and C Shares) an enhanced buyback (the "**Enhanced Buyback**"), further details of which are set out below. I am writing to you now to explain the mechanics of the Enhanced Buyback and to seek your approval of the proposal, in accordance with the Companies Act 2006 ("**CA 2006**"), the Listing Rules and the Articles, at the General Meetings of the Company to be held on 28 March 2013, convened in accordance with the notices at the back of this document.

The Enhanced Buyback

The Board proposes two offers:

ORDINARY SHAREHOLDERS

To Ordinary Shareholders only of 18,333,353 Substitution O Shares (representing approximately 48.5% of the Company's issued Ordinary Shares) to be issued at a price of approximately 103% of NAV (rounded up to the nearest 0.1p per Share) in batches of 97 Substitution O Shares for every 100 Ordinary Shares sold back to the Company at a price equal to approximately 100% of NAV (rounded down to the nearest 0.1p per Share). Subject to their personal circumstances, 30% VCT income tax relief will be available on the amount subscribed for Substitution O Shares.

C SHAREHOLDERS

To C Shareholders only of 9,091,198 Substitution C Shares (representing approximately 48.5% of the Company's issued C Shares) to be issued at a price of approximately 103% of NAV (rounded up to the nearest 0.1p per Share) in batches of 97 Substitution C Shares for every 100 Existing C Shares sold back to the Company at a price equal to approximately 100% of NAV (rounded down to the nearest 0.1p per Share). Subject to their personal circumstances, 30% VCT income tax relief will be available on the amount subscribed for Substitution C Shares.

Explanation of the Enhanced Buyback

The Enhanced Buyback allows a participating Shareholder to:

- subscribe for Substitution Shares pro rata to his existing rights (subject to an overall cap of 50% of the entire issued share capital of the Company being rolled over and at a small premium to their NAV to cover the costs of the Enhanced Buyback);
- claim additional VCT tax relief of up to 30% of the amount subscribed for his Substitution Shares, subject to his personal circumstances; and
- finance his subscription for Substitution Shares by selling Existing Shares back to the Company at their current NAV.

Existing Shares may be sold back to the Company under the Enhanced Buyback at a price equal to approximately 100% of the most recently published NAV of an Existing Share (rounded down to the nearest 0.1p per Share). Substitution Shares may be subscribed under the Enhanced Buyback at a price equal to approximately 103% of the most recently published net asset value of a share rounded up to the nearest 0.1p per Share. A Shareholder who wishes to apply to subscribe for Substitution Shares must apply for Substitution Shares in batches of 97 Substitution Shares for every 100 Existing Shares sold back to the Company. A Shareholder is not entitled to sell Existing Shares back to the Company without applying to subscribe for a number of Substitution Shares in this batched ratio.

Ordinary Shareholders may only participate in the Enhanced Buyback by substituting Existing O Shares for Substitution Ordinary Shares and Existing C Shareholders may only participate by substituting Existing C Shares for Substitution C Shares.

An enhanced buyback thus:

- significantly increases the price at which a market sale of VCT shares can usually be achieved; VCT shares are normally sold in the market at a more significant discount to their net asset value;
- rewards Shareholder loyalty with additional VCT tax relief for reinvesting in the Company; and
- from the VCT's perspective, ensures that participating Shareholders remaining invested in the Company for a further five years.

The number of Substitution Shares available for subscription under the Enhanced Buyback is limited to 18,333,353 Ordinary Shares and 9,091,198 C Shares, representing approximately 48.5% of the Existing Shares in issue in each class. On this basis HMRC has confirmed that, in accordance with the current VCT Rules and their interpretation, VCT tax reliefs, including 30% income tax relief, will be available on the total amount subscribed for Substitution Shares, subject to Shareholders' personal circumstances.

Substitution Shares can be allotted in either tax year 2012/13 or 2013/14

Shareholders who successfully apply under the Enhanced Buyback can elect to have their Substitution Shares allotted in either the 2012/13 tax year or the 2013/14 tax year allowing for efficient tax planning. Applicants may also specify that their entitlement be split between the two tax years in any ratio they choose. Applicants who wish to have any of their Substitution Shares allotted in the 2012/13 tax year must ensure their Applications Form are returned by **3 p.m. on 3 APRIL 2013**.

Participation in the Enhanced Buyback will **NOT** be advisable for all Shareholders and/or in respect of all the Shares they hold. **IN PARTICULAR, PARTICIPATION WILL NOT BE SUITABLE IN RESPECT OF SHARES HELD FOR LESS THAN FIVE YEARS.**

- Shareholders who purchased new shares for cash under the top up offer held in March 2012 should not participate in respect of those shares.
- Shareholders who participated in the enhanced buyback held in March 2012 should not participate in respect of those substitution shares they received under that offer.
- Those Ordinary Shareholders who received their Shares following the recent merger completed in February 2012, having previously been shareholders in Foresight Clearwater VCT plc, will not yet have held their shares for a sufficient length of time to participate in the Enhanced Buyback.
- Former shareholders of Foresight 5 VCT plc and Acuity VCT 3 plc, however, provided they originally purchased their shares prior to 4 April 2008 and did not roll those shares over under the previous enhanced buyback held in March 2012, will most likely be able to participate without suffering adverse tax consequences, subject to their personal circumstances.

Shareholders with deferred capital gains should still consider carefully whether to dispose of Existing Shares under the Enhanced Buyback as this could trigger a charge to CGT.

Minimum subscription and scale back in the event of oversubscription

The Enhanced Buyback is not conditional on a minimum subscription of Substitution Shares being achieved. Shareholders may participate in the Enhanced Buyback by tendering all or a proportion of their holdings of Existing Shares. The Enhanced Buyback is open to all Shareholders on the Company's share register on 21 March 2013. Fractions of Substitution Shares will not be issued and will be rounded down to the nearest whole number.

If applications are received from Existing Shareholders for a number of Substitution Shares which in aggregate exceeds the respective thresholds of 18,333,353 Substitution O Shares and/or 9,091,198 Substitution C Shares then each application will be scaled back pro-rata to the number of Substitution Shares applied for.

The full terms and conditions of the Enhanced Buyback are set out in Part Two of this document.

How can Shareholders apply to participate in the Enhanced Buyback?

Shareholders can apply to roll over all or part of their existing shareholding for Substitution Shares by completing the enclosed Application Form which will be sent to all Shareholders who are not resident in an Excluded Jurisdiction.

All other Existing Shareholders who are interested in participating in the Enhanced Buyback but who do not receive an Application Form can nonetheless request an Application Form from Foresight.

Participating Shareholders who hold their Existing Shares in CREST will need to rematerialize their Existing Shares into certificated form if they wish to participate in the Enhanced Buyback. All participating Shareholders will need to include their share certificate(s) with their completed Application Form. New share certificates will be issued to participating Shareholders in respect of their Substitution Shares.

If you have lost your share certificate(s) you should contact to the Company's registrars Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or call the Computershare helpline on 0870 703 6385. There will be a small administration charge for the supply of a replacement.

As described in more detail in the box above, Shareholders who own Existing Shares purchased after 4 April 2008 will lose any "front end" income tax relief which they have obtained if they sell them under the Enhanced Buyback and therefore will most likely not want to participate in the Enhanced Buyback.

Please note that the relevant date on which Shares were first issued will NOT be the date of the merger (7 March 2012).

Financial effects of the Enhanced Buyback on the assets, liabilities and earnings of the VCT

As at 30 September 2012 the Company had net assets of approximately £53.5 million. As the Enhanced Buyback is a 'cashless' transaction, it will have no material impact on the net assets of the Company because:

- (i) the net assets of the Company will not be increased by the amount subscribed, net of costs, under the Enhanced Buyback for Substitution Shares as that amount will be applied in the repurchase by the Company of Existing Shares under the Enhanced Buyback; and
- (ii) notwithstanding the reduction in net assets of the Company occasioned by the 3% costs of the Enhanced Buyback, the NAV per Existing Share will not materially reduce because the number of Ordinary Shares in issue will decrease by 3% of the number of Existing Shares sold under the Enhanced Buyback.

The Company will not incur any liabilities as a result of the Enhanced Buyback save for the professional and administrative costs of making it available which, in any case, are not material.

General meeting - Resolution approving the Enhanced Buyback

The Enhanced Buyback needs to be approved by Shareholders in order to proceed. Accordingly a general meeting and two separate class meetings of the Company (the "Meetings") have been convened from 10 a.m. on 28 March 2013 at the offices of Foresight, ECA Court, 24 - 26 South Park, Sevenoaks, Kent TN13 1DU. The notices of meeting and a detailed explanation of the resolutions to be proposed appear in Part Four of this document. In summary Shareholders' approval is being sought to:

1. authorise the Company to allot Ordinary Shares and C Shares pursuant to the Open Offer element of the Enhanced Buyback; this Resolution is conditional on the passing of Resolutions 2, 3 and 4;
2. authorise the Company to allot Ordinary Shares and C Shares pursuant to Resolution 1 without first offering them to existing holders of such shares in accordance with the pre-emption rights set out in the CA 2006; this Resolution is conditional on the passing of Resolution 1;
3. authorise the Company, pursuant to a tender offer, to buy back existing Ordinary Shares from Ordinary Shareholders; this Resolution is conditional on the passing of Resolutions 1 and 2; and
4. authorise the Company, pursuant to a tender offer, to buy back existing C Shares from C Shareholders; this Resolution is conditional on the passing of Resolutions 1 and 2.

All Shareholders are entitled to vote on the Resolutions, not just those who intend to participate in the Enhanced Buyback.

Applications will be accepted under the Enhanced Buyback from today but will not be processed until, and will be conditional upon, the passing of the Resolutions by the Shareholders.

Separate Class Meetings

Immediately following the close of the General Meeting, separate class meetings for the Ordinary Shareholders and the C Shareholders will be held to approve the resolutions passed at the General Meeting.

Notices of all the Meetings are set out at the back of this document and proxy forms (and pre-addressed envelopes for the return of the proxy forms) are enclosed.

Recommendations

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

Accordingly the Board unanimously recommends that Shareholders vote in favour of all the Resolutions to be proposed at the Meetings as they intend to do in respect of their own beneficial shareholdings which represent 0.13% of the total voting rights exercisable by the holders of Ordinary Shares (48,496 Ordinary Shares).

Action to be taken

Attached to this document are forms of proxy for use at the General Meetings. Shareholders are asked to complete and return the forms of proxy for the General Meeting and the class meeting relevant to their holding in the Company to the Registrars, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY so as to be received as soon as possible, and in any event to arrive no later than 48 hours before the time of the relevant General Meeting.

Completion and return of a form of proxy will not affect a Shareholder's right to attend and vote at the General Meeting or relevant class meeting should he or she wish to do so.

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

Yours faithfully

Philip Stephens

Chairman of Foresight 4 VCT plc

Registered Office:

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

Appendix to the Chairman's letter

Additional Information

The Company is not aware of any person who, at the date of this Circular, is interested directly or indirectly 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.

There has been no significant change in the Company's financial or trading position since 30 September 2012, the date of the latest unaudited interim report.

Foresight and RW Blears LLP have each consented to the issue of this circular with the inclusion of references to their names appearing in the form and context in which they appear.

The Company does not currently hold any shares in treasury.

The Directors shareholdings in the Company are as set out below:

Name of Director	Number of Shares as at 5 March 2013	Percentage of Shares in Issue as at 5 March 2013
P Stephens	14,930 Ordinary Shares	0.04 %
P Dicks	34,050 Ordinary Shares	0.09 %
R Abbott	-	-

Documents available for inspection

Copies of the following documents will be available for inspection during usual business hours on weekdays, Saturdays and public holidays excepted, at the offices of Foresight Group LLP whilst the Enhanced Buyback is open:

- the Memorandum and Articles of the Company;
- the annual report and accounts for the Company for the three years ended 28 February 2010 and 31 March 2011 and 2012, and the half-yearly report for the periods ended 30 September 2011 and 2012.

5 March 2013

RISK FACTORS

Existing and prospective investors should consider carefully the following risk factors in addition to the other information presented in this document. If any of the risks described below were to occur, it could have a material effect on the Company's businesses, financial condition or results of operations. The risks and uncertainties described below are not the only ones the Company or investors in the Shares will face. Additional risks which are 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.

- Investment in smaller and unquoted companies, such as those in which the Company will invest, involves 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 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 company securities may be less regulated and are often less liquid, and this may cause difficulties in valuing and disposing of equity investments in such companies.
- The value of Shares and the income from them can fluctuate and investors may not get back the amount they invested. In addition, there is no certainty that the market price of Shares will fully reflect the underlying Net Asset Value or that Shareholders will be able to realise their shareholding or that dividends will be paid. Investment in the Company should be seen as a long-term investment.
- The past performance of funds managed by individual members of the Board or by Foresight, is not necessarily an indication of the future performance of the Company.
- The Net Asset Value of the Shares will reflect the values and performance of the underlying assets in the Company's portfolio. The value of the investments and income derived from them can rise and fall.
- Although the Shares issued by the Company have been (and it is anticipated that the Substitution Shares will be) admitted to the Official List of the UKLA and traded on the London Stock Exchange's market for listed securities, it is unlikely that there will be a liquid market as there is a limited secondary market for VCT shares and investors may find it difficult to realise their investments. The market price of the Shares may not fully reflect, and will tend to be at a discount to, the underlying net asset value. Such a discount may be exacerbated by the availability of income tax relief on the issue of new VCT shares. If the Company lacks sufficient cash reserves to purchase its own Shares, and during prohibited periods when the Company is unable to purchase its own shares, the market price of Shares may not fully reflect, and will tend to be at a discount to, their underlying net asset value.
- 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 30% income tax relief obtained; loss of income tax relief on dividends paid (or subsequently payable) by the Company; loss of tax relief previously obtained in relation to corporation tax on capital gains made by the Company; a liability to capital gains tax on the disposal of Shares; and the loss of the Company's listing on the Official List. The conditions to be met by VCTs are set out in Part Three of this document.
- 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.
- All Existing Shareholders, except those resident in Excluded Jurisdictions, may participate in the EBB but should consult with their professional tax advisers as to whether it is appropriate for them to do so.
- If an investor subscribes for any Substitution Shares and subsequently disposes of those Shares within five years, the investor is likely to be subject to claw back by HM Revenue & Customs of any income tax relief originally obtained on subscription.

TIMETABLE AND STATISTICS

Enhanced Buyback opens	The date of this document
Record Date	21 March 2013
General Meeting of the Company	28 March 2013, 10 a.m.
Class Meeting of the Ordinary Shareholders	28 March 2013, 10.10 a.m.
Class Meeting of the C Shareholders	28 March 2013, 10.15 a.m.
Closing Date (for allotments in tax year 2012/13)	3 April 2013
Closing Date* (for allotments in tax year 2013/14)	30 June 2013
First Allotment of Substitution Shares and settlement by way of set off of amounts due to and owed by Shareholders under the EBB	4 April 2013
Announcement of the outcome of the EBB in respect of the 2012/2013 tax year	4 April 2013
Second Allotment of Substitution Shares and settlement by way of set off of amounts due to and owed by Shareholders under the EBB	30 June 2013
Announcement of the outcome of the EBB in respect of the 2013/2014 tax year	30 June 2013
Effective date for the listing of Substitution Shares and the commencement of dealings	within five Business Days of allotment
Share certificates and tax certificates (if applicable) to be dispatched	within ten Business Days of allotment
Maximum number of Substitution Shares to be issued	18,333,353 Substitution O Shares 9,091,198 Substitution C Shares
Maximum number of Existing Shares to be bought back	18,900,364 Ordinary Shares 9,372,370 C Shares
Offer Price per Substitution Share under the EBB	approximately 103% of the most recently published NAV of a Share (rounded up to the nearest 0.01p) per Share

* May be extended at the Directors' discretion

DEFINITIONS

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

"Articles"	the articles of association of the Company
"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
"CA 2006" or "the Act"	Companies Act 2006
"C Shareholder"	a holder of C Shares
"C Shares"	C ordinary shares of 1p each in the capital of the Company (ISIN GB00B7173K99)
"Company" or "Foresight 4"	Foresight 4 VCT plc
"Enhanced Buyback" or "EBB"	the combined Open Offer and Tender Offer
"Excluded Jurisdictions"	the United States of America, Canada, Australia, Japan, New Zealand, Switzerland, Thailand, France, Barbados and South Africa and any other jurisdiction where the extension or availability of the EBB would breach any applicable law;
"Existing Shareholders"	Ordinary Shareholders and C Shareholders on the Company's register at the Record Date;
"Existing Shares"	the Ordinary Shares and C Shares in issue at the Record Date;
"Foresight"	Foresight Group LLP
"FSA"	the Financial Services Authority or its successor regulator;
"FSMA"	the Financial Services and Markets Act 2000;
"General Meeting(s)" or "Meeting(s)"	the general meeting of Shareholders, and class meetings, convened in accordance with the notices enclosed with this circular;
"HMRC"	HM Revenue & Customs;
"Listing Rules"	the listing rules of the UKLA;
"NAV" or "Net Asset Value"	the most recently published net asset value attributable to the Existing Shares calculated in accordance with the Company's normal accounting policies in force at the date of calculation;
"Offer Price"	approximately 103% of the Net Asset Value of a Share prior to the date of allotment (rounded up to the nearest 0.1p per Share);
"Open Offer"	the offer to subscribe for Substitution Shares pro rata to existing rights on the terms set out in this document;
"Ordinary Shareholder"	a holder of Ordinary Shares;
"Ordinary Shares"	ordinary shares of 1p each in the capital of the Company;
"Proposals"	the proposals to effect the Enhanced Buyback and to pass the Resolutions to be proposed at the General Meetings;
"Receiving Agent" or "The City Partnership"	The City Partnership (UK) Limited
"Record Date"	the date on which Shareholders' entitlements to the Open Offer and to participate in the Tender Offer will be assessed against the Company's share register, expected to be close of business on 21 March 2013;
"Registrar" or "Computershare"	Computershare Investor Services PLC;
"Resolution(s)"	the resolutions to be proposed at the General Meetings;

“Shareholders”	holders of Existing Shares whose names are entered on the Company’s register of members as at the Record Date;
“Shares”	Ordinary Shares and/or C Shares (as the context dictates);
“Substitution C Shares”	those C Shares (representing, in aggregate, approximately 48.5% of the Company’s Existing C Shares) to be issued in batches of 97 C Shares for every 100 Existing C Shares sold back to the Company pursuant to the EBB;
“Substitution O Shares”	those Ordinary Shares (representing, in aggregate, approximately 48.5% of the Company’s Existing Ordinary Shares) to be issued in batches of 97 Ordinary Shares for every 100 Existing Ordinary Shares sold back to the Company pursuant to the EBB;
“Substitution Shares”	Substitution C Shares and/or Substitution O Shares, as the context dictates;
“the Tax Act”	the Income Tax Act 2007 (as amended);
“Tender Offer”	the conditional offer made by the Company to buy back Existing Shares on the terms set out in this document
“UKLA”	the UK listing authority, being the FSA acting in its capacity as the competent authority for the purposes of Part VI of FSMA;
“VCT Relief”	the reliefs from taxation described in the VCT Rules;
“VCT Rules”	the legislation, rules and HMRC interpretation and practice regulating the establishment and operation of Venture Capital Trusts; and
“Venture Capital Trust” or “VCT”	a venture capital trust as defined in Section 259 of the Tax Act.

PART TWO

TERMS AND CONDITIONS OF THE ENHANCED BUYBACK

General terms of the Enhanced Buyback

1. Subject to the approval of the Shareholders at the General Meeting of the Company to be held on 28 March 2013 (and the separate approval at separate Class Meetings of the Ordinary Shareholders and C Shareholders to be held immediately thereafter), this Enhanced Buyback is structured as an unconditional open offer to subscribe for Substitution Shares and a conditional tender offer by the Company to purchase Existing Shares.
2. The terms of the Open Offer are set out on pages 15-18 of this document and the terms of the Tender Offer are set out on pages 19-23 of this document.
3. The Open Offer provides the opportunity for Existing Shareholders to buy Substitution Shares in the Company in the ratio of 97 Substitution Shares for every 100 Existing Shares sold under the Tender Offer subject to an aggregate limit of 18,333,353 Substitution O Shares and 9,091,198 Substitution C Shares, with the benefit of VCT Relief, including income tax relief of up to 30% of the amount subscribed. Shareholders cannot sell their Open Offer entitlements.
4. The Tender Offer provides the means for Shareholders to finance their purchase of Substitution Shares under the Open Offer.
5. Shareholders can choose to sell all of their Existing Shares (provided they subscribe in the ratio of 97 Substitution Shares for every 100 Existing Shares sold) or to sell only some of their Existing Shares (on the same basis).
6. Shareholders who do not want to take up or apply for any Substitution Shares under the Open Offer must take no action and must not complete or return the Application Form and cannot participate under the Tender Offer.
7. The Tender Offer is open to all Existing Shareholders, but is subject to the condition that Shareholders must buy at a ratio of 97 Substitution Shares under the Open Offer for every 100 Existing Shares which they sell under the Tender Offer. This condition ensures that (other than in respect of the costs of the Enhanced Buyback) the Enhanced Buyback does not lead to a reduction in the reserves of the Company. The Tender Offer is treated as a tender offer under the Listing Rules notwithstanding this conditionality.
8. Shareholders who satisfy this condition may participate in the Tender Offer by tendering all or a proportion of their holdings of Existing Shares.
9. Ordinary Shareholders may only participate in the Enhanced Buyback by purchasing Substitution O Shares and C Shareholders may only participate in the Enhanced Buyback by purchasing Substitution C Shares. Shareholders who have holdings in both classes will receive separate application forms in respect of each holding and may participate in respect of both.
10. No cash is required from Shareholders in order for them to participate in the Enhanced Buyback (see paragraph 13 below).
11. Substitution Shares will be sold under the Open Offer at a price equal to approximately 103% of the most recently published Net Asset Value of an Existing Share (rounded up to the nearest 0.1p per Ordinary Share).
12. Existing Shares will be bought under the Tender Offer at a price equal to approximately 100% of the most recently published Net Asset Value of an Existing Share (rounded down to the nearest 0.1p per Share).
13. Settlement of the consideration owed by an Existing Shareholder for Substitution Shares issued under the Open Offer ("Amounts Owed") will be made by way of setting off the Amounts Owed by him against amounts due to that Existing Shareholder in respect of his sale of Existing Shares under the terms of the Tender Offer ("Amounts Due") in accordance with procedures agreed between the Company and HMRC.
14. Panmure Gordon (UK) Limited will act as agent for Existing Shareholders for the purpose of setting off all Amounts Owed from all Amounts Due.

15. The Receiving Agent will process applications to sell Existing Shares under the Tender Offer first so that contractual obligations in respect of Amounts Due under the Tender Offer will crystallise before contractual obligations under the Open Offer but this will be done subject to the condition subsequent that the Existing Shareholder's application to subscribe at least 97 Substitution Shares under the Open Offer for every 100 Existing Shares to be sold under the Tender Offer is also accepted as valid by the Company. This ensures that the Company does not have to buy Existing Shares from the Existing Shareholder unless the Existing Shareholder is also successful in his application to acquire Substitution Shares under the terms of the Open Offer.
16. Contemporaneously with an acceptance by the Company of an application from an Existing Shareholder to subscribe Substitution Shares under the Open Offer, Amounts Owed by that Shareholder will be automatically reduced by Amounts Due to him under the Tender Offer.
17. All Substitution Shares will be issued credited as fully paid.
18. Authorised financial intermediaries who return valid Application Forms on behalf of their clients bearing the intermediary's address and FSA number, provided those Application Forms are accepted by the Company and where the clients in question are Execution-Only Investors, will be paid 0.375% annual trail commission for a period of six years on the Net Asset Value of their clients' subscription for Substitution Shares under the Enhanced Buyback.

TERMS AND CONDITIONS OF THE OPEN OFFER TO ACQUIRE SUBSTITUTION SHARES (UTILISING FUNDS AVAILABLE UNDER THE TENDER OFFER)

- 1 Subject to the terms and conditions set out below, Shareholders (other than those with a registered address in, or who are citizens or nationals of or are located in any of the Excluded Jurisdictions) are entitled to apply for any number of Substitution Shares at the Offer Price (payable in full on application and free of all expenses subject to paragraph 3 below) although they must apply for Substitution Shares in the ratio of **97 Substitution Shares for every 100 Ordinary Shares** registered in their names, save that applications may be scaled back under paragraph 3 below.
- 2 The total number of Substitution Shares available for subscription under the Enhanced Buyback is limited to 18,333,353 Substitution O Shares and 9,091,198 Substitution C Shares representing approximately 48.5% of the Existing Shares in issue in each class at the date of this document. On this basis HMRC has confirmed that, in accordance with the current VCT Rules and their interpretation, VCT tax reliefs, including 30% income tax relief, will be available on the total amount subscribed for Substitution Shares, subject to Shareholders' personal circumstances.
- 3 If, at the Closing Date, applications are received from Existing Shareholders for a number of Substitution Shares which in aggregate exceeds, in a particular class, the threshold noted at paragraph 2 above then each application for Substitution Shares of the particular class will be scaled back pro rata to the number of Substitution Shares applied for. This scale back procedure will apply regardless of the tax year in which applicants request their Substitution Shares be allotted.
- 4 Completed Application Forms should be posted to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF so as to be received by no later than 3.00 p.m. on 3 April 2013 where applications specify that Substitution Shares be allotted in the 2012/2013 tax year and by no later than 3.00 p.m. on 30 June 2013 in respect of applications which specify that all Substitution Shares be allotted in the 2013/2014 tax year.
- 5 Shareholders should note that applications, once made, will be irrevocable. Receipt of Application Forms will be acknowledged by email where an email address is provided. If an Application Form is being sent by first-class post in the UK, Shareholders are recommended to allow at least four Business Days for delivery.
- 6 If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement through a Regulatory Information Service giving details of the revised dates.
- 7 Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating Open Offer entitlements under the Open Offer, as will holdings under different designations and in different accounts.
- 8 Valid applications by Shareholders will be satisfied in full up to the maximum amount of their individual Open Offer entitlement subject to being scaled back as described at 3 above.
- 9 Shareholders may apply to subscribe for fewer Shares than their Open Offer entitlement should they so wish. Applications by Shareholders under the Open Offer will be rounded down to the nearest whole number of Substitution Shares.
- 10 The Open Offer is not a rights issue. Accordingly, Application Forms are not negotiable documents and may not be assigned, transferred or split, except to satisfy bona fide market claims up to 3.00 p.m. on the day prior to the relevant Closing Date.
- 11 Applications to subscribe for Subscription Shares may only be made on the personalised Application Form and may only be made by the Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Shares through the market prior to the date upon which the Existing Shares will be marked "ex" the entitlement to participate in the Open Offer.
- 12 A Shareholder who has sold or otherwise transferred all or part of their holding of Existing Shares, should consult their broker or other professional adviser as soon as possible, as the invitation to subscribe for Substitution Shares under the Open Offer may be a benefit which may be claimed by the transferee.

- 13 Shareholders who have sold or otherwise transferred all of their registered holdings should immediately send the Application Form (together with this document) to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee in accordance with the instructions set out in the Application Form.
- 14 Shareholders who have sold or otherwise transferred part only of the Shares shown in Box 1B on the Application Form prior to the date of this document should contact Foresight for an updated Application Form and pass on the details of the stockbroker, bank or other agent through whom the partial sale or transfer was effected to the Receiving Agent.
- 15 The Substitution Shares will rank *pari passu* in all respects with the Existing Shares (in the relevant class) including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.
- 16 The Substitution Shares are not being made available in whole or in part to the public.
- 17 The Open Offer is not conditional on a minimum subscription being achieved.
- 18 Application will be made to the UKLA for the Substitution Shares to be listed on the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission is expected to occur within three Business Days of allotment, when dealings in the Substitution Shares are expected to commence.
- 19 Shareholders who hold their Existing Shares in CREST (other than Overseas Shareholders with a registered address in, or who are citizens or nationals of or are located in any of the Excluded Territories) may apply for any number of Substitution Shares up to the maximum to which they are entitled under the Open Offer by using the Application Form provided but should particularly note clauses 21 and 22 below.
- 20 Shareholders who hold their Existing Shares in certificated form on the Record Date will be allotted Substitution Shares in certificated form and share certificates are expected to be dispatched by post within ten Business Days of allotment. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk.
- 21 Please note that tax certificates will not be issued in the name of a nominee or companies. If Existing Shares are held in CREST by a nominee/company on behalf of an individual these shares will need to be rematerialised back into the individual's name to enable the individual to qualify for VCT Relief. Shareholders who wish to do this should contact their broker as soon as possible.
- 22 Shareholders who hold their Shares in a nominee or personal (i.e. which is in their own name and not in the name of a company or nominee) CREST account will need to contact their CREST sponsor to arrange for their Shares to be rematerialised before being able to participate in the Enhanced Buyback.
- 23 The Company reserves the right (but shall not be obliged) in consultation with Foresight and the Receiving Agent, to treat an Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer.
- 24 Multiple applications, if each is valid, can be accepted.
- 25 All documents sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.
- 26 By completing and delivering an Application Form, the applicant:
 - 26.1 represents and warrants to the Company and Foresight that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise their rights, and perform his obligations under any contracts resulting therefrom and that they are not a person otherwise prevented by legal or regulatory restrictions from applying for Substitution Shares or acting on behalf of any such person on a non-discretionary basis;

- 26.2 agrees with the Company and Foresight that all applications under the Open Offer and any contracts resulting therefrom shall be governed by, and construed in accordance with, the laws of England and Wales;
- 26.3 confirms to the Company that in making the application they are not relying on any information or representation in relation to the Company other than that contained in (or incorporated by reference in) this document, and the applicant Shareholder accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, they will be deemed to have had notice of all information in relation to the Company contained in this document (including information incorporated by reference);
- 26.4 confirms to the Company that no person has been authorised to give any information or to make any representation concerning the Company or the Substitution Shares (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Foresight;
- 26.5 represents and warrants to the Company that they are the Shareholder originally entitled to their Open Offer entitlement or that they received such Open Offer entitlement by virtue of a bona fide market claim;
- 26.6 represents and warrants to the Company that, if they have received some or all of their Open Offer Entitlement from a person other than the Company, they are entitled to apply under the Open Offer in relation to such Open Offer entitlement by virtue of a bona fide market claim;
- 26.7 requests that the Substitution Shares, to which they will become entitled, be issued to them on the terms set out in this document and the Application Form, subject to the Articles;
- 26.8 subject to certain exceptions by express agreement with the Company, represents and warrants to the Company that they are not, nor are they applying on behalf of any person who is, a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Substitution Shares is prevented by law and they are not applying with a view to re-offering, re-selling, transferring or delivering any of the Substitution Shares which are the subject of their application to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which an application for Substitution Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that they are able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Substitution Shares under the Open Offer; and
- 26.9 represents and warrants to the Company that they are not, and nor are they applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986.
- 27 Receipt of this document and an Application Form will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Application Form must be treated as sent for information only and should not be copied or redistributed.
- 28 The Company shall, in agreement and after consultation with its financial and legal advisers, be entitled to amend the dates that Application Forms are dispatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA.

- 29 Certain statements regarding United Kingdom taxation in respect of the Substitution Shares and the Open Offer are set out in Part Three of this document as guidance only and Shareholders should consult and rely only on their own suitable professional adviser.
- 30 If at any time prior to the Closing Date there shall occur any change in the financial position or prospects and/or circumstances of the Company or there shall occur any change in national or international, financial, economic, political, fiscal, or market conditions, or any change in the rules governing VCT Relief or HMRC's interpretation thereof which, in the opinion of the Company (acting in its absolute discretion), renders the Open Offer and/or the Tender Offer temporarily or permanently impracticable or inadvisable the Company shall be entitled to determine that the Open Offer is terminated and that no Substitution Shares applied for under the Open Offer shall be issued. If it is determined that the Open Offer is terminated, it shall cease and determine absolutely and the Company shall as soon as practicable thereafter notify Shareholders in writing.
- 31 The terms and conditions of the Open Offer are as set out in this document and the Application Form only. No other terms apply.
- 32 The courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Open Offer, this document or the Application Form. By taking up Substitution Shares in accordance with the instructions set out in this document and, where applicable, the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 33 All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Kate Henderson of Foresight at KHenderson@foresightgroup.eu or The City Partnership (UK) Limited On 0131 243 7210 and queries regarding lost share certificates to Computershare, the Registrar on 0870 703 6385. Please note that neither Foresight, the Receiving Agent nor the Company can or will provide financial or legal advice relating to the merits of the Open Offer or the Tender Offer or advice as to whether applicants should participate in the Enhanced Buyback.

TERMS AND CONDITIONS OF THE TENDER OFFER TO SELL EXISTING SHARES (WITH FUNDS BEING UTILISED TO SUBSCRIBE UNDER THE OPEN OFFER)

Shareholders who do not want to take up or apply for any Substitution Shares under the Open Offer must take no action in respect of the Tender Offer and should not complete or return the Enhanced Buyback Application Form.

- 1 Shareholders are invited to tender Existing Shares on the terms and subject to the conditions set out in this document and the accompanying Application Form.
- 2 The Tender Offer is open to all Shareholders (excepting those resident in Excluded Jurisdictions) on the Company's share register on the Record Date, and Shareholders may participate by tendering all or a proportion of their holdings of Existing Shares provided that they buy in the ratio of 97 Substitution Shares (in the same class) under the Open Offer for every 100 Existing Shares they sell under the Tender Offer.
- 3 The Tender Price will be the most recently published Net Asset Value per Existing Share prior to the relevant Closing Date (rounded down to the nearest 0.1p per Existing Share).
- 4 Existing Shares purchased pursuant to the Tender Offer will be acquired free of all liens, charges, restrictions, claims equitable interests and encumbrances and together with all rights attaching thereto. Existing Shares purchased by the Company will be cancelled and will not be available for reissue.
- 5 Different procedures apply for Existing Shares in certificated form and those held in CREST.
- 6 If you hold Existing Shares in certificated form:
 - 6.1 you may only tender such Existing Shares by completing and returning the Application Form in accordance with the instructions set out in paragraphs 9 and 10 below; and
 - 6.2 if they are held under different designations and/or you hold both Ordinary Shares and C Shares, you should complete a separate Application Form in respect of each designation and/or class. Additional Application Forms are available from Foresight.
- 7 If you hold Shares in CREST (where the CREST account is not in your personal name):
 - 7.1 you may only tender such Shares in accordance with the procedure set out in paragraph 17 below; and
 - 7.2 as tax certificates will not be issued in the name of a nominee or companies, if Shares are held in CREST by a nominee/company on behalf of an individual these shares will need to be rematerialised back into the Shareholder's name to enable the Shareholder to qualify for VCT Relief in respect of Substitution Shares subscribed under the Open Offer. If you hold shares in CREST you will need to contact your CREST sponsor to instruct them to rematerialise the shares you wish to tender.
- 8 If you hold Existing Shares in both certificated and uncertificated form, you should ensure your uncertificated holdings are rematerialised into your own name and enclose a valid share certificate for such holdings when sending your Application Form to the Receiving Agent. **Please note this process may take several days to complete.** You should then complete a separate Application Form in respect of your certificated holdings. In addition you should complete separate Application Forms for Existing Shares held in certificated form but under different designations. Additional Application Forms can be obtained from Foresight.
- 9 If you wish to participate in the Tender Offer you should complete the relevant boxes on the Application Form in accordance with the instructions printed on it and sign the Application Form (in the presence of a witness) where indicated. Tenders may only be made on the Application Form, which is personal to the Shareholder(s) named on it and may not be assigned or transferred. The Application Form represents a right to tender Existing Shares. It is not a document of title.
- 10 If you wish to participate in the Tender Offer, the completed and signed Application Form, together with your share certificates and/or other documents of title in respect of your Existing Shares tendered, should be returned to The City Partnership (UK) Limited, Thistle House, 21-23 Thistle Street, Edinburgh EH2 1DF as soon as possible and in any event so as to be received not later than

3.00 p.m. on 3 April 2013 if you are applying for Substitution Shares to be allotted in the 2012/2013 and/or the 2013/2014 tax year or 30 June 2013 if you are applying for ALL of your Substitution Shares to be allotted in the 2013/2014 tax year. The receipt of documents will be acknowledged by email where this is provided on the Application Form. The instructions printed on the Application Form shall be deemed to form part of the terms of the Tender Offer.

- 11 Box 1B of the accompanying Application Form shows your entire registered holding of Existing Shares in the Company, on the last practicable date before the date of this document, under the name and address specified in Section 1. You should only tender those Shares you have held for more than five years.
- 12 To accept the Tender Offer, Section 2 must be completed. If you wish to tender all of your Existing Shareholding shown in Section 1, tick Box 2A. If you wish to tender less than the total of your Existing Shareholding shown in Section 1, leave Box 2A blank and state the number of Shares you wish to tender in Box 2B.
- 13 All Application Forms are issued only to the addressees and are specific to the classes of security and the unique designated accounts printed on the Application Forms. These personalised forms are not transferable between (i) account holders; (ii) classes of security; or (iii) uniquely designated accounts. The Company, Foresight, the Receiving Agent and Computershare accept no responsibility for any instruction that does not comply with these instructions.
- 14 If your Existing Shares are in certificated form but your share certificates and/or other documents of title is/are not readily available or are lost, the Application Form should nevertheless be completed, signed and returned as described in sub-paragraph (i) above so as to be received not later than 3.00 p.m. on 3 April 2013 (or 30 June 2013 where your application specifies Substitution Shares only be allotted in the 2013/2014 tax year).
- 15 If you have lost your share certificates and/or other documents of title, you should write to the Company's registrars at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ or call the Computershare helpline on 0870 703 6385. There may be a small administration charge for supplying a replacement share certificate.
- 16 You should note that no settlement of the Tender Offer will be made until satisfactory documentation has been received as described above.
- 17 If the Existing Shares that you wish to tender are in uncertificated form you should undertake (or procure your agent to undertake) the rematerialisation of such holdings into your own name. Please then follow the procedure for making an application under the Enhanced Buyback as set out at 9 and 10 above and on page 24 of this document, ensuring, when you send your Application Form to the Receiving Agent, that you include the certificate you received when your CREST holdings were rematerialised. If you have any doubts concerning rematerialisation you should consult your financial adviser, broker or Computershare.
- 18 If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action.
- 19 Settlement of the consideration owed by a Shareholder for Substitution Shares issued under the Open Offer ("Amounts Owed") will be made by way of setting off the Amounts Owed by him against amounts due to that Shareholder in respect of his sale of Existing Shares under the terms of the Tender Offer ("Amounts Due") in accordance with the general terms of the Enhanced Buyback (pages 13-14) of this document and in accordance with procedures agreed between the Company and HMRC.
- 20 Unless the Tender Offer becomes void or is terminated or is extended, the outcome of the Tender Offer will be announced no later than two Business Days after each Closing Date.
- 21 The settlement of the consideration for Existing Shares purchased pursuant to the Tender Offer as described in clause 19 above will crystallise only after timely receipt by the Receiving Agent of share certificates and/or other documents of title, a properly completed and duly executed Application Form and any other documents required by the Application Form.
- 22 If any tendered Existing Shares are not purchased by the Company pursuant to the terms of the Tender Offer, relevant share certificates evidencing any such Existing Ordinary Shares and/or other documents of title will be returned or sent as promptly as practicable without expense to, but at the risk of, the tendering Shareholder.

- 23 If the Tender Offer is terminated or void, all documents lodged pursuant to the Tender Offer will be returned promptly by post not later than ten Business Days after such date. In these circumstances, Application Forms will cease to have any effect.
- 24 Shareholders will not be obliged to pay brokerage fees and commissions or transfer taxes or duty in the UK on the sale of Existing Shares in relation to the Tender Offer.
- 25 The delivery of share certificates for Existing Shares and all other required documents and all remittances will be at the risk of the Shareholder participating in the Tender Offer.
- 26 All trade reporting and transaction reporting in respect of the purchases and sales of Shares in relation to the Tender Offer will be executed by Panmure Gordon (UK) Limited as agent for the Company.
- 27 If you are in any doubt as to the procedure for acceptance, please contact the Receiving Agent. You are reminded that, if you are a CREST sponsored member, you should contact your CREST sponsor before taking action.
- 28 Each Shareholder by whom, or on whose behalf, the Application Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Company so as to bind such holder and their personal or legal representatives, heirs, successors and assigns to the following effect:
 - 28.1 that the execution of the Application Form shall constitute an irrevocable offer to sell the total number of Existing Shares inserted or deemed to be inserted in Box 1B or 2B of the Application Form on and subject to the terms and conditions set out or referred to in this document and the Application Form;
 - 28.2 that such Shareholder has full power and authority to tender, sell, assign or transfer the Existing Shares in respect of which such irrevocable offer is accepted (together with all rights attaching thereto) and, when the same are purchased by the Company, the Company will acquire such Existing Shares free and clear from all liens, charges, restrictions, claims, equitable interests and encumbrances and together with all the rights attaching thereto and such representation and warranty will be true in all respects at the time the Company purchases such Existing Shares as if it had been entered into anew at such time and shall not be extinguished by such purchase;
 - 28.3 that the execution of the Application Form will, upon acceptance of such irrevocable offer, constitute the irrevocable appointment of any director of, or other person nominated by the Company or Foresight as such Shareholder's attorney and agent ("attorney"), and an irrevocable instruction to the attorney, to complete and execute all or any contracts and / or other documents at the attorney's discretion in relation to the purchase of Existing Shares by the Company and to do all such other acts and things as may in the opinion of such attorney be necessary or expedient for the purpose of, or in connection with, the Tender Offer;
 - 28.4 that such Shareholder agrees to ratify and confirm each and every act or thing that may be done or effected by the Company or its broker or any of its directors or any person nominated by the same in the proper exercise of its or his or her powers and/or authorities hereunder;
 - 28.5 that in respect of the tendered Existing Shares held in certificated form, such Shareholder will deliver to the Receiving Agent their share certificates and/or other documents of title in respect of the tendered Existing Shares, or an indemnity acceptable to the Company in lieu thereof, or will procure the delivery of such documents to such person as soon as possible after and, in any event, before the close of the Tender Offer;
 - 28.6 that such Shareholder shall do all such acts and things as shall be necessary and execute any additional documents deemed by the Company to be desirable to complete the purchase of the tendered Existing Shares and/or to perfect any of the authorities expressed to be given here under;
 - 28.7 that the execution of an Application Form constitutes, subject to the Tender Offer becoming unconditional, irrevocable authorisations and requests (if the Existing Shares concerned are in certificated form) to the Company to procure that settlement occurs on the basis described in clauses 12 - 16 of the general terms of the Enhanced Buyback (pages 13-14); and
 - 28.8 that such Shareholder is not resident or ordinarily resident in, or a citizen of, or a corporation, partnership or other entity created or organised under the laws of countries

other than the United Kingdom or a person who is a nominee of or custodian, trustee or guardian for citizens, residents in or nationals of, countries other than the United Kingdom.

- 29 The failure of any person to receive a copy of this document or the Application Form shall not invalidate any aspect of the Tender Offer. Additional copies of this document and Application Forms can be obtained from Foresight.
- 30 All powers of attorney and authorities conferred by or referred to in this document are given by way of security for the performance of the obligations of the Shareholders and are in accordance with Section 4 of the Powers of Attorney Act 1971.
- 31 The Tender Offer and all Application Forms and all contracts resulting therefrom shall be governed by and construed in accordance with English law. Execution on behalf of a Shareholder of an Application Form constitutes his or her submission, in relation to all matters arising out of or in connection with the Tender Offer and the Application Form, to the jurisdiction of the English courts.
- 32 References in this paragraph to a holder of Existing Shares or a Shareholder shall include references to the person or persons executing an Application Form and, in the event of more than one person executing a Application Form, the provisions of this paragraph shall apply to them jointly and to each of them.
- 33 The provisions of this part and/or any other terms of the Tender Offer relating to overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Receiving Agent in their absolute discretion.
- 34 The Company and Foresight reserve the absolute right to inspect (either themselves or through their agents) all Application Forms, and may consider void and reject any Application Form that does not in the sole judgment of the Company and Foresight meet the requirements of the Tender Offer. None of the Company, Foresight, the Receiving Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or correct any liability for failure to give any such notification. The Company and the Receiving Agent reserve the right, in their sole discretion, to treat as valid in whole or in part any Application Form that is not entirely in order or that is not accompanied by the relevant share certificates and/or other documents of title. In that event, however, settlement will only occur when the Application Form is entirely in order, and the relevant share certificates and/or other documents of title or indemnity (to the satisfaction of the Company and the Receiving Agent) have been received.
- 35 All Application Forms received in respect of Existing Shares held in certificated form must be made on an Application Form delivered to the Receiving Agent.
- 36 An Application Form which is received in respect of Existing Shares held in uncertificated form will not constitute a valid tender and will be disregarded. Holders of Existing Shares in uncertificated form who wish to tender any Existing Shares should note that they must first arrange for their holdings (or such portion of their holdings that they wish to tender) to be rematerialised into their own name and provide a valid share certificate along with their Application Forms as set out in paragraph 4 above.
- 37 The Tender Offer will close at 3.00 p.m. on the Closing Date and no tenders that are received after that time will be accepted unless the Company and Foresight, in their sole and absolute discretion, shall have extended the period during which the Tender Offer is open, in which event the term "Closing Date" shall mean the latest time and date at which the Tender Offer, as so extended by the Company and Foresight, shall close. Foresight shall notify the Receiving Agent of any extension of the Closing Date by oral or written notice and shall notify the holders of Existing Shares of such extension by public announcement not later than 3.00 p.m. on the next Business Day following the original Closing Date.
- 38 If at any time prior to the Closing Date there shall occur any change in the financial position or prospects and/or circumstances of the Company or there shall occur any change in national or international, financial, economic, political, fiscal, or market conditions, or any change in the rules governing VCT Relief or HMRC interpretation thereof which, in the opinion of the Company (acting in its absolute discretion), renders the Tender Offer and/or the Open Offer temporarily or permanently impracticable or inadvisable (taking into account the background to and reasons for the Tender Offer) the Company shall be entitled to determine that the Tender Offer is terminated

and that no Shares tendered under the Tender Offer shall be acquired. If it is determined that the Tender Offer is terminated, it shall cease and determine absolutely and the Company shall, as soon as practicable thereafter, notify Shareholders in writing.

- 39 The terms and conditions of the Tender Offer are as set out in this document and the Application Form only. No other terms apply.
- 40 The courts of England and Wales have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Tender Offer, this document or the Application Form including, without limitation, disputes relating to any non-contractual obligations arising out of or in connection with the Tender Offer, this document or the Application Form. By tendering Existing Ordinary Shares in accordance with the instructions set out in this document and, where applicable, the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.
- 41 All enquiries in connection with the procedure for application and completion of the Application Form should be addressed to Kate Henderson of Foresight at KHenderson@foresightgroup.eu or The City Partnership (UK) Limited, the Receiving Agent, on 0131 243 7210 and queries regarding lost share certificates to Computershare, the Registrar, on 0870 703 6385. Please note that neither Foresight, the Receiving Agent nor the Company can or will provide financial or legal advice relating to the merits of the Open Offer or the Tender Offer or advice as to whether applicants should participate in the Enhanced Buyback.

APPLICATION PROCEDURE FOR THE ENHANCED BUYBACK

Existing Shareholders can apply to participate in the Enhanced Buyback by completing the Application Form which each Shareholder will receive in respect of each class of Share they hold, in addition to this document, as set out below. Existing Shareholders whose Shares are held in CREST (where their CREST account is not in their own name) and who wish to participate must first arrange for their Shares to be transferred back into certificated form (as explained at paragraph 7 of the terms of the Tender Offer in the previous section of this document) and then apply using the Application Form as set out below.

The explanation below describes how the Enhanced Buyback works by reference to the Sections on the Application Form which will be received by each Existing Shareholder together with a copy of this document.

SECTION 1

This section is pre-filled with the Existing Shareholder's name and address. Box 1B shows the total number of Shares held by the Shareholder as at 1 March 2013.

SECTION 2

If the Shareholder wants to exercise the EBB to its fullest extent and tender ALL his Shares he must tick in Box 2A. Shareholders should NOT exercise this option if they hold Shares which were originally subscribed for cash less than five years ago.

If the Shareholder wants to exercise the EBB to a limited extent he must write "No" in Box 2A and write the number of Shares he wishes to participate in the EBB in Box 2B (this number must be less than his total shareholding).

If a Shareholder completes Section 2 he will be treated as wanting to tender the number of Shares indicated in Box 1B or 2B and to buy the number of Substitution Shares calculated on the following basis:

97 Substitution Shares for every 100 Shares tendered

The amount which the Company owes the Shareholder for the Shares which he sells will be set off automatically from the amount which the Shareholder owes the Company for the Substitution Shares.

This means that there is no need for the Shareholder to send any money to the Company.

Shareholders who wish to participate in the Enhanced Buyback must enclose their share certificate with the Application Form.

SECTION 3

All Shareholders who wish to participate in the EBB must sign where indicated in Section 3 in the presence of a witness who must also sign and include their name. The witness must be a person who is over 18 years of age. The witness can be your spouse but must not be another joint holder of Shares and the same witness may witness on behalf of all or any registered holders.

SECTION 4

Shareholders should include an email address and telephone number so the Receiving Agent can acknowledge receipt of their application by email and contact them by telephone in case of any queries.

PART THREE

TAXATION CONSIDERATIONS FOR INVESTORS

1. Introduction

- 1.1 The following statements are based upon current UK tax law and what is understood to be the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. The statements are intended only as a general guide and may not apply to certain Shareholders, such as dealers in securities, insurance companies, collective investment schemes or Shareholders who have (or are deemed to have) acquired their Shares by virtue of an office or employment, who may be subject to special rules. They apply only to Shareholders resident and ordinarily resident for UK tax purposes in the UK (except in so far as express reference is made to the treatment of non-UK residents), who hold Shares as an investment rather than trading stock and who are the absolute beneficial owners of those Shares.
- 1.2 The information contained in this document relating to taxation matters is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders and is based upon the law and published practice currently in force and is subject to changes therein. All potential investors, and in particular those who are in any doubt about their tax position, or who are resident or otherwise subject to taxation in a jurisdiction outside the UK, should consult their own professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Shares under the laws of their country and/or state of citizenship, domicile or residence.

2. Tax Reliefs

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

3. Relief from income tax on investment

An investor subscribing for Substitution Shares will be entitled to claim income tax relief on amounts subscribed up to a maximum of £200,000 in any tax year. To obtain relief an investor must subscribe on his own behalf although any Substitution Shares he receives may subsequently be transferred to a nominee. The relief is given at the rate of 30% on the amount subscribed regardless of whether the investor is a higher rate or basic rate tax payer, provided that the relief is limited to the amount which reduces the investor's income tax liability to nil. Investments to be used as security for or financed by loans may not qualify for relief, depending on the circumstances.

4. Dividend relief

- 4.1 An investor who acquires in any tax year VCT shares (including Substitution Shares) having a value of up to a maximum of £200,000 will not be liable to income tax on dividends paid on those shares and there is no withholding tax thereon.
- 4.2 An individual purchaser of second-hand Substitution Shares in the market will be entitled to claim dividend relief (as described in paragraph 4.1 above) but not relief from income tax on investment (as described in paragraph 3 above).

5. Withdrawal of income tax relief

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

6. Relief from capital gains tax on the disposal of Substitution Shares

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

7. Purchasers in the market

- 7.1 An individual purchaser of Substitution Shares in the market will be entitled to claim relief from capital gains tax on disposal (as described in paragraph 6 above).
- 7.2 If a company which has been granted approval as a VCT subsequently fails to comply with the conditions for approval, approval as a VCT may be withdrawn or treated as never having been given. In these circumstances, relief from income tax on the initial investment is repayable unless loss of approval occurs more than five years after the issue of the relevant VCT shares. In addition, relief ceases to be available on any dividend paid in respect of profits or gains in any accounting period ending when VCT status has been lost and any gains on the VCT shares up to the date from which loss of VCT status is treated as taking effect will be exempt, but gains thereafter will be taxable.

8. Withdrawal of capital gains tax relief

Relief from UK capital gains tax on the disposal of VCT Shares (including Substitution Shares) will be withdrawn if the VCT Shares are disposed of (other than between spouses) within five years of issue or if the VCT loses its approval within this period.

9. Obtaining tax reliefs

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

10. Investors not resident in the UK

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

11. Tax consequences of the Tender Offer

- 11.1 The Board has been advised that, under current UK legislation and HMRC practice, the taxation consequences of a purchase by the Company of its Shares from Existing Shareholders are broadly as outlined below.
- 11.2 This summary is not exhaustive and, among other issues, it does not consider the position of any Shareholder not resident or ordinarily resident in the UK or overseas or who holds his shares otherwise than as an investment. This summary is based on current UK tax law and the current practice of HMRC, both of which are subject to change, possibly with retrospective effect. Any Shareholder who is in any doubt as to his tax position should consult his professional adviser.
- 11.3 When the Company purchases Shares from Existing Shareholders, it will be treated as repaying all the amount of capital that is treated as paid up on each Share for tax purposes. To the extent that the amount paid by the Company for the purchase of a share exceeds this amount, the Company will be treated as making a distribution for tax purposes of the amount of the excess.
- 11.4 Stamp duty at the rate of 0.5% of the purchase price will be payable by the Company in respect of the repurchase of Shares held in certificated form (rounded up to the nearest £5).
- 11.5 In the same way as the Company is treated as partly repaying capital and partly making a distribution, so an individual Shareholder will be treated as receiving partly a capital sum for the disposal of Shares equal to the amount treated as paid up on each Share and partly a distribution to the extent of any excess. The whole payment, including the distribution element, may be treated as a capital receipt where the Shareholder is a company.

CONDITIONS TO BE MET BY VENTURE CAPITAL TRUSTS

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

1. Qualification as a VCT

To qualify as a VCT, a company must be approved as such by HMRC. To obtain such approval, subject to paragraph 6 below it must:

- (a) not be a close company;
- (b) have each class of its ordinary share capital quoted on an EU regulated market;
- (c) derive its income wholly or mainly from shares or securities;
- (d) have at least 70% by VCT Value of its investments in shares or securities in qualifying holdings, of which 70% by VCT Value must be in eligible shares which may be defined as any shares including those carrying a preferential right to dividend provided (a) that the amount of any dividends payable pursuant to the right or the date or dates on which they are payable does not depend to any extent on a decision of the company, the holders of the shares or any other person; and (b) that the amount of any dividends that become payable at any time pursuant to the right does not include any amount that has become payable at any earlier time pursuant to the right but has not been paid (i.e. the preferential right cannot be cumulative);
- (e) have at least 10% by VCT Value of each qualifying holding in eligible shares;
- (f) not have more than 15% by VCT Value of its investments in a single company or group at the time of investment (other than a VCT or a company which would, if its shares were listed, qualify as a VCT); and
- (g) not retain more than 15% of its income derived from shares and securities in any accounting period.

2. A qualifying holding consists of shares or securities first issued to the VCT (and held by it ever since) by a company satisfying the conditions set out in Parts 3 and 4 of Chapter 6 of the Tax Act. The conditions are detailed but include that the company must be a Qualifying Company, have gross assets not exceeding £15 million immediately before and not exceeding £16 million immediately after the investment, applies the money raised for the purposes of a qualifying trade within certain time periods and it is not controlled by another company. In certain circumstances, an investment in a company by a VCT can be split into a part which is a qualifying holding and a part which is a non-qualifying holding. In addition, to be qualifying holdings, investee companies must have no more than 250 full time (equivalent) employees. Investee companies may not receive more than £5 million (including the VCT's) investment from any State Aided, risk capital investment source in the 12 month period up to and including the date of the VCT's investment.

3. A Qualifying Company must be unquoted (for VCT purposes this includes a company whose shares are traded on PLUS-traded or PLUS-quoted markets and AIM) and must carry on a qualifying trade. For this purpose certain activities are excluded (such as dealing in land or shares or providing financial services). The qualifying trade must either be carried on by, or be intended to be carried on by, the Qualifying Company or by a qualifying subsidiary at the time of the issue of shares or securities to the VCT (and at all times thereafter). Qualifying Companies must not be in difficulty, must have a permanent establishment in the UK from which it must carry on activities which are more than a 'preparatory or auxiliary character'. A company intending to carry on a qualifying trade must begin to trade within two years of the issue of shares or securities to the VCT and continue it thereafter. A Qualifying Company may have no subsidiaries other than qualifying subsidiaries which must, in most cases, be at least 51% owned.

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

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

CORPORATE INFORMATION

Directors

Philip Stephens (Chairman)
Peter Frederick Dicks
Raymond Abbott

Registered Office

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

Company Secretary and Custodian

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

Company Registration Number

03506579

Website

www.foresightgroup.eu

Telephone Number

01732 471 800

Investment Manager

Foresight Group CI Limited
La Plaiderie House
La Plaiderie
St Peter Port
Guernsey GY1 1WF

Receiving Agent

The City Partnership (UK) Limited
Thistle House
21-23 Thistle Street
Edinburgh EH2 1DF

Broker

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

Solicitors and Listing Agent

RW Blears LLP
125 Old Broad Street
London EC2N 1AR

Auditors

KPMG Audit plc
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Registrar

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

Bankers

Barclays Bank plc
54 Lombard Street
London EC3P 3AH

PART FOUR
FORESIGHT 4 VCT PLC
NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Foresight 4 VCT plc will be held at the offices of Foresight, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU on **28 March 2013** at **10 a.m.** for the purposes of considering and, if thought fit, passing the following resolutions.

The Resolutions will be proposed as ordinary resolutions and special resolutions (that is to say, as resolutions to be passed by a majority of not less than 75%) of the members of the Company as indicated. Expressions defined in the Circular which precedes this Notice bear the same meaning when used herein.

1. Authority to allot Substitution Shares (ordinary resolution)

THAT, conditionally upon the passing of Resolutions 2, 3 and 4 below, in addition to existing authorities, the Directors be, and hereby are generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot Ordinary Shares and C Shares, each with a nominal value of one penny, and to grant rights to subscribe for or to convert any security into Ordinary Shares and C Shares in the Company up to an aggregate nominal amount of £183,333.53 Ordinary Shares and £909,119.80 C Shares, representing approximately 48.5% of the Company's issued Ordinary Share capital and C Share capital respectively ("**Substitution Shares**"), provided that this authority shall expire fifteen months from the date of the passing of this resolution save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares and/or C Shares to be allotted or rights to subscribe for or convert securities into Ordinary Shares and/or 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 Ordinary Shares and/or 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 to convert securities into shares.

2. Disapplication of pre-emption rights in respect of Substitution Shares (special resolution)

THAT, conditionally upon the passing of Resolution 1 granting authority to allot Substitution 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 Resolution 1 as if section 561(1) of the 2006 Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities with an aggregate nominal value not exceeding £183,333.53 in respect of Ordinary Shares and £909,119.80 in respect of C Shares, pursuant to the offer for subscription to shareholders set out in this document.

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 section 561(1) of the 2006 Act did not apply.

3. Enhanced Buyback - Ordinary Shares (special resolution)

THAT, conditionally upon the passing of Resolution 1 and 2 above, in addition to existing authorities, the Company be generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of Ordinary Shares by means of a tender offer to all holders of Ordinary Shares to purchase up to 18,900,364 Ordinary Shares (representing approximately 50% of the issued Ordinary Share capital of the Company) at a fixed price equal to the most recently published Net Asset Value per Ordinary Share prior to the date of purchase and rounded down

to the nearest 0.1p per Ordinary Share (which fixed price shall, for the purposes of section 701(3)(b) of the Companies Act 2006 constitute both the maximum and the minimum price that may be paid for the Ordinary Shares purchased).

4. Enhanced Buyback - C Shares (special resolution)

THAT, conditionally upon the passing of Resolution 1 and 2 above, in addition to existing authorities, the Company be generally and unconditionally authorised pursuant to section 701 of the Companies Act 2006 to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of C Shares by means of a tender offer to all holders of C Shares to purchase up to 9,372,370 C Shares (representing approximately 50% of the issued C Share capital of the Company) at a fixed price equal to the most recently published net asset value per C Share prior to the date of purchase and rounded down to the nearest 0.1p per C Share (which fixed price shall, for the purposes of section 701(3)(b) of the Companies Act 2006 constitute both the maximum and the minimum price that may be paid for the C Shares purchased).

The authority conferred by this resolution shall expire on the first anniversary of the date of the passing of this resolution save that the Company may, before such expiry, make offers or agreements which would or might require C Shares to be allotted and purchased and the Directors may allot and purchase C Shares in pursuance of such offers or agreements notwithstanding that the authority conferred by this resolution has expired.

Any Shares bought back under this authority may be cancelled or held in treasury as may be determined by the Board.

By order of the Board

Foresight Fund Managers Limited
Company Secretary

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

5 March 2013

EXPLANATION OF RESOLUTIONS

Resolution 1: Grant of authority to allot Substitution Shares

If passed, this Resolution authorises the Directors to allot Ordinary Shares and C Shares and to grant rights to subscribe for Ordinary Shares and C Shares in accordance with section 551 of the 2006 Act up to a maximum nominal amount of £183,333.53 Ordinary Shares and £909,119.80 C Shares, each representing approximately 48.5% of the Company's current issued share capital in each class as at the last practicable date before the publication of this Circular. The authority granted by this resolution will expire fifteen months from the date of the passing of this resolution. The Directors intend to exercise this authority in order to allot Substitution Shares pursuant to the Enhanced Buyback. This Resolution is additional and does not revoke any previous authority granted by the Company. This Resolution is conditional on the passing of Resolutions 2, 3 and 4.

Resolution 2: Disapplication of pre-emption rights

If passed, this resolution will give the Directors power, pursuant to the authority granted by Resolution 1, to allot equity securities (as defined by section 560 of the 2006 Act) without first offering them to existing Shareholders in proportion to their existing holdings, up to a maximum nominal amount of £183,333.53 Ordinary Shares and £909,119.80 C Shares representing approximately 48.5% of the Company's issued shares in each class as at the last practicable date before the publication of this Circular. The price for the issue of Substitution Shares will be at a price per Ordinary Share (or C Share as the case may be) equal to the most recently published Net Asset Value per Share as at close of business two days prior to the date of allotment divided by 0.97 (rounded up to the nearest 0.1p per Ordinary Share).

The Directors intend to exercise this power in order to allot Substitution Shares pursuant to the Enhanced Buyback. The power granted by this resolution will expire on the date falling fifteen months from 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 either section 89(1) of the Companies Act 1985 or section 561(1) of the 2006 Act did not apply but without prejudice to any allotment of equity securities already made or agreed to be made pursuant to such authorities. This Resolution is conditional on the passing of Resolution 1.

Resolutions 3 and 4: The Enhanced Buyback (Ordinary Shares and C Shares)

These Resolutions authorise the Board to offer its Shareholders the opportunity to sell their Existing Shares back to the Company at a fixed price equal to the most recently published Net Asset Value per Ordinary Share (or C Share as the case may be) prior to the date of purchase and rounded down to the nearest 0.1p per Share.

No net cash payment will be required from a Shareholder participating in the Enhanced Buyback as the Substitution Shares applied for under the arrangement would be paid for out of the proceeds of Existing Shares purchased by the Company under the Enhanced Buyback. These Resolutions are conditional on the passing of Resolutions 1 and 2.

FORESIGHT 4 VCT PLC

NOTICE OF SEPARATE CLASS MEETING OF ORDINARY SHAREHOLDERS

Notice is hereby given that a separate meeting of the holders of Ordinary Shares of 1p each in the capital of Foresight 4 VCT plc will be held at the offices of Foresight Group LLP, ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU on **28 March** 2013 at **10.10 a.m.** for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

The holders of the Ordinary Shares of 1p each in the capital of the Company hereby sanction, approve and consent to:

- a) the passing and carrying into effect, as ordinary and special resolutions of the Company, Resolutions 1 to 4 set out in the notice of general meeting of the Company convened for 10 a.m. on 28 March 2013 2013 (a copy of which is produced to the meeting and signed by the Chairman for identification purposes); and
- b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the Ordinary Shares which will, or may, result from the passing and carrying into effect of the said resolutions and notwithstanding that the passing and carrying effect of such resolutions may affect the rights and privileges.

By order of the Board

Company Secretary
Foresight Fund Managers Limited

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

5 March 2013

FORESIGHT 4 VCT PLC

NOTICE OF SEPARATE CLASS MEETING OF C SHAREHOLDERS

Notice is hereby given that a separate meeting of the holders of C Shares of 1p each in the capital of Foresight 4 VCT plc will be held at the offices of Foresight Group LLP at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU on **28 March 2013** at **10.15 a.m.** for the purposes of considering and, if thought fit, passing the following resolution which will be proposed as a special resolution.

The holders of the C Shares of 1p each in the capital of the Company hereby sanction, approve and consent to:

- a) the passing and carrying into effect, as ordinary and special resolutions of the Company, Resolutions 1 to 4 set out in the notice of general meeting of the Company convened for 10 a.m. on 28 March 2013 (a copy of which is produced to the meeting and signed by the Chairman for identification purposes); and
- b) any effect on, variation, abrogation, dealing with and/or deemed variation or abrogation of the rights and privileges attached to the C Shares which will, or may, result from the passing and carrying into effect of the said Resolutions and notwithstanding that the passing and carrying effect of such Resolutions may affect the rights and privileges.

By order of the Board

Company Secretary
Foresight Fund Managers Limited

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

5 March 2013

NOTES TO THE NOTICES OF GENERAL MEETING AND CLASS MEETINGS OF FORESIGHT 4 VCT PLC

Entitlement to attend and vote

1. Only those members on the Company's register of members at: 6 p.m. 26 March 2013; or, if any general meeting is adjourned, at 6 p.m. on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the General Meeting and the relevant Class Meeting.

The Foresight website provides information regarding the meeting

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

Attending in person

3. All Shareholders on the register of members as set out in note 1 above are entitled to attend and vote the General Meeting and the relevant Class Meeting.

Appointment of proxies

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

Appointment of proxy using hard copy proxy form

9. The notes to the proxy form explain how to direct your proxy how to vote on the resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be: completed and signed; sent or delivered to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY; and be received by the Registrar no later than 10 a.m. on 26 March 2013.

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

Appointment of proxy by joint members

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

Changing proxy instructions

11. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Computershare on 0870 703 6385.

Electronic proxy appointment

12. You may appoint a proxy electronically at www.investorcentre.co.uk/eproxy. To appoint a proxy electronically, you will be asked to provide the Control Number, Shareholder Reference Number and PIN which are detailed on your proxy form. This is the only acceptable means by which proxy instructions may be submitted electronically and all electronic proxy appointments must be received no later than 48 hours before the date of the relevant general meeting or class meeting.

Termination of proxy appointments

13. In order to revoke a proxy instruction you will need to inform the Company by the following method: by sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

Corporate representatives

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

Issued shares and total voting rights

15. As at 5 March 2013, the Company's issued share capital comprised 37,800,729 Ordinary Shares of 1p each and 18,744,740 C Shares of 1p each. Each Ordinary Share and each C Share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 5 March 2013 is 56,545,469. The website referred to in note 2 will include information on the number of shares and voting rights.

Questions at the meeting

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

Communication

17. Except as provided above, members who have general queries about the meeting should call our shareholder helpline on 0870 703 6385.

Nominated persons

18. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights (Nominated Person): You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the General Meeting. If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights. Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the

Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

Quorum at Class Meetings and notice of adjourned Class Meetings

19. Notice is hereby further given that the necessary quorum for each Class Meeting shall be Ordinary Shareholders or C Shareholders (as the case may be) present in person or by proxy holding not less than one-third of the paid up share capital of the relevant class and that if within half an hour from the time appointed for the above meeting a quorum is not present they shall be adjourned to 29 March 2013 at 10 a.m. and 10.05 a.m. respectively at ECA Court, South Park, Sevenoaks, Kent, TN13 1DU or as soon thereafter as may be arranged and at such adjourned meetings the Ordinary Shareholders or C Shareholders (as the case may be) present in person or by proxy shall be a quorum regardless of the number of Shares held in the relevant class.

