

You have probably just received the Annual Report and Proxy Voting forms for the Annual General Meeting of Foresight Technology VCT. One point worth noting is that the remuneration of the directors has increased substantially in the last year (see page 19 of the report). The Chairman's salary has increased by over 40% and the other directors by similar large amounts. The levels of remuneration now exceed those of most Venture Capital Trusts, which are generally relatively small companies in terms of net assets. The new levels are more similar to those of much larger investment trusts. For example, if you compare Foresight Technology VCT with other large general investment trusts, here are some sample figures for directors salaries in the last full year:

Company	Net Assets (£m)	Chairman's Salary	Other Directors Salaries
Dunedin Inc. Growth	361	18,000	12,000
City of London	456	24,750	16,500
Second Alliance	496	15,000	9,000
Foresight Technology	46	25,000	19,000 to 15,000

The new levels of remuneration certainly breach by a wide margin the UKSA guidelines for VCT directors salaries which can be seen on our web site at: http://www.uksa.org.uk/UKSA_VCT_Guidelines.pdf (our suggested total remuneration for all directors is £50,000 whereas the Foresight total is now £92,750).

You may like to bear that in mind when you vote on Resolution 3 (The Approval of the Director's Remuneration Report). I would also encourage you to attend the Annual General Meeting of the company on the 4th of May in London, when we presumably might receive some explanation for these increases.

Roger Lawson
 Communications Director
 UK Shareholders Association
 BM UKSA
 London
 WC1N 3XX
 Phone: 0870-70-60-600
 Email: uksa@uksa.org.uk
 Web: www.uksa.org.uk