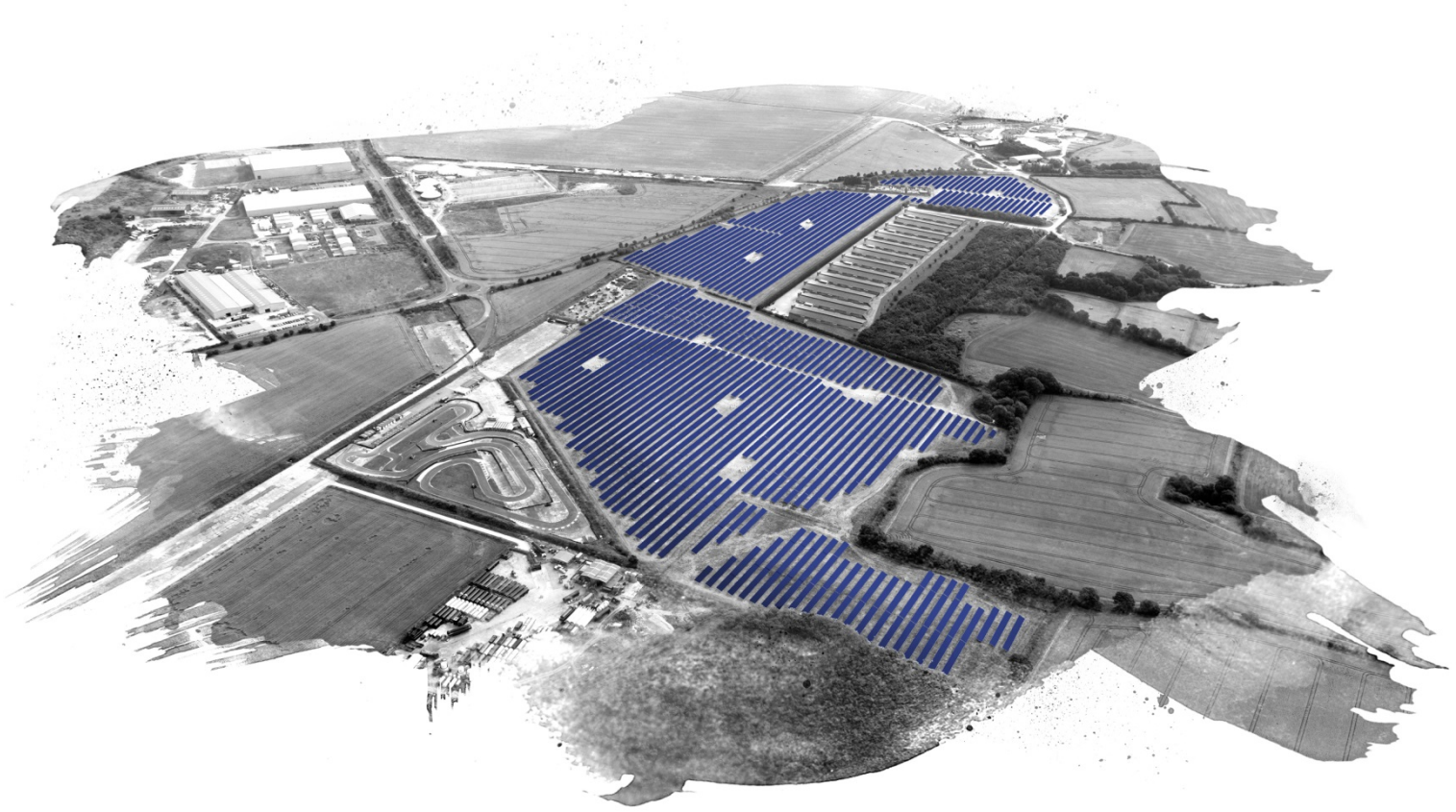
NEXTENERGY
SOLAR FUND



PLACING PROGRAMME 2014-15

Comprising Placings and an Offer for Subscription
of up to 250 million New Shares

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser, who is authorised under the Financial Services and Markets Act 2000, as amended (the ''FSMA'') if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.

A copy of this Prospectus, which comprises a prospectus relating to NextEnergy Solar Fund Limited (the ''Company'') in connection with the issue of New Ordinary Shares and C Shares (as defined herein) (together the ''New Shares'') in the Company in one or more tranches throughout the period commencing 10 November 2014 and ending 9 November 2015 and an Offer of New Ordinary Shares during that same period together (the ''Placing Programme''), prepared in accordance with the Guernsey Prospectus Rules 2008 and the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The New Shares are only suitable for investors: (i) who understand and are willing to assume the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; (ii) for whom an investment in the New Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. If you are in any doubt about the contents of this Prospectus, you should consult your accountant, legal or professional adviser or financial adviser.

Applications will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made for the C Shares to be admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The New Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and the Directors, whose names appear on page 50 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

NextEnergy Solar Fund Limited

(*A company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 57739)*

Placing Programme in respect of up to (in aggregate) 250 million New Ordinary Shares and/or C Shares, comprising Placings of up to 200 million New Ordinary Shares and/or C Shares and an Offer for Subscription of up to 50 million New Ordinary Shares

Lead Bookrunners

Cantor Fitzgerald Europe
Macquarie Capital (Europe) Limited

Sponsor
Shore Capital and Corporate Limited

Joint Bookrunner
Shore Capital Stockbrokers Limited

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (''GFSC''). The GFSC, in granting registration, will not have reviewed this Prospectus but relied upon specific warranties provided by Ipes (Guernsey) Limited.

A registered closed-ended collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

The GFSC takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

Cantor Fitzgerald Europe, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Admission, issue of New Shares pursuant to the Placing Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cantor Fitzgerald Europe or for advising any such person in connection with the Placing Programme and other arrangements as described in this Prospectus. This does not limit or exclude any responsibilities which Cantor Fitzgerald Europe may have under FSMA or the regulatory regime established thereunder.

Macquarie Capital (Europe) Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Admission, issue of New Shares pursuant to the Placing Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Macquarie Capital (Europe) Limited or for advising any such person in connection with the Placing Programme and other arrangements as described in this Prospectus. This does not limit or exclude any responsibilities which Macquarie Capital (Europe) Limited may have under FSMA or the regulatory regime established thereunder.

Shore Capital and Corporate Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Admission, issue of New Shares pursuant to the Placing Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital and Corporate Limited or for advising any such person in connection with the Placing Programme and other arrangements as described in this Prospectus. This does not limit or exclude any responsibilities which Shore Capital and Corporate Limited may have under FSMA or the regulatory regime established thereunder.

Shore Capital Stockbrokers Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Admission, issue of New Shares pursuant to the Placing Programme and other arrangements as described in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Shore Capital Stockbrokers Limited or for advising any such person in connection with the Placing Programme and other arrangements as described in this Prospectus. This does not limit or exclude any responsibilities which Shore Capital Stockbrokers Limited may have under FSMA or the regulatory regime established thereunder.

This Prospectus may not be published, distributed or transmitted by any means or media, directly or indirectly in whole or in part, in or into the United States, Australia, Canada, Japan or the Republic of South Africa. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements or undue burden on the Company, the Sponsor, the Joint Bookrunners or the Investment Adviser and Manager. The offer and sale of New Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, the New Shares may not be offered or sold within the United States, Australia, Canada, Japan or the Republic of South Africa or to any national, resident or citizen of the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa.

The New Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any State or other jurisdiction of the United States and the New Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the New Shares in the United States and the New Shares may not be offered or sold within the United States, or to US Persons. The New Shares are being offered and sold outside the United States to non-US Persons in reliance on Regulation S under the Securities Act. The Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the "Investment Company Act") and investors will not be entitled to the benefits of the Investment Company Act.

The attention of potential investors is drawn to the Risk Factors set out on pages 23 to 44 of this Prospectus. Further details of the Placing Programme are set out in Part 5 of this Prospectus.

This Prospectus is dated 10 November 2014.

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SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These elements are numbered in Sections A-E (A.1-E.7).

This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted into the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A – Introduction and warnings		
Element	**Disclosure Requirement**	**Disclosure**
A.1	Warning	This summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on consideration of this Prospectus as a whole by prospective investors. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the member states of the European Union, have to bear the costs of translating this Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled this summary (including any translation thereof), but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Use of prospectus by financial intermediaries	Not applicable. The Company has not given its consent to the use of this Prospectus for the resale or final placement of the New Shares by financial intermediaries.

Section B – Issuer		
Element	**Disclosure Requirement**	**Disclosure**
B.1	Legal and Commercial Name	The issuer's legal and commercial name is NextEnergy Solar Fund Limited.
B.2	Domicile/Legal Form/Legislation/ Country of Incorporation	The Company was incorporated with liability limited by shares in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013 with registration number 57739 and is a Registered Closed-ended Collective Investment Scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Rules issued by the GFSC.
B.5	Group structure	The Company makes its investments through the Holdco and underlying SPVs, which are typically (ultimately) wholly-owned by the Company. The Company controls the investment policy of each of the Holdco and its wholly-owned SPVs in order to ensure that each will act in a manner consistent with the investment policy of the Company.

<table>
<tr><td></td><td></td><td>Exceptionally, the Company may participate in joint ventures or acquire majority interests. In each such case, the Company will not wholly-own the relevant vehicle, but will secure controlling shareholder rights through shareholder agreements or other legal arrangements.</td></tr>
<tr><td>B.6</td><td>Major shareholders</td><td>
<table>
<tr><th></th><th>% of issued Ordinary Share capital</th><th>Number of Ordinary Shares</th></tr>
<tr><td>Prudential plc</td><td>25.00%</td><td>21,400,000</td></tr>
<tr><td>Investec Wealth & Investment Limited</td><td>23.02%</td><td>19,703,120</td></tr>
<tr><td>Baillie Gifford & Co.</td><td>9.81%</td><td>8,400,000</td></tr>
<tr><td>AXA Investment Managers S.A.</td><td>7.01%</td><td>6,000,000</td></tr>
<tr><td>Smith & Williamson Holdings Limited</td><td>6.12%</td><td>5,240,000</td></tr>
</table>
</td></tr>
<tr><td>B.7</td><td>Key financial information</td><td>The key figures which summarise the Company’s financial and trading position for the period from incorporation to 31 July 2014 are as follows:
<table>
<tr><th></th><th>Period ending 31 July 2014</th></tr>
<tr><td>Net asset value</td><td>£85,825,767</td></tr>
<tr><td>Total assets</td><td>£86,077,231</td></tr>
<tr><td>Total equity</td><td>£85,825,767</td></tr>
<tr><td>Net asset value per Ordinary Share</td><td>100.26p</td></tr>
<tr><td>Income statement</td><td>£225,766</td></tr>
<tr><td>Total revenue</td><td>£563,437</td></tr>
<tr><td>Total expenditure</td><td>£404,585</td></tr>
<tr><td>Earnings per Ordinary Share</td><td>0.6p</td></tr>
</table>
The key figures which summarise the Company’s financial and trading position for the period from incorporation to 30 September 2014 are as follows:
<table>
<tr><th></th><th>Period ending 30 September 2014</th></tr>
<tr><td>Net asset value</td><td>£88,272,968</td></tr>
<tr><td>Total assets</td><td>£88,438,315</td></tr>
<tr><td>Total equity</td><td>£88,272,968</td></tr>
<tr><td>Net asset value per Ordinary Share</td><td>103.12p</td></tr>
<tr><td>Income statement</td><td>£2,672,967</td></tr>
<tr><td>Total revenue</td><td>£3,175,328</td></tr>
<tr><td>Total expenditure</td><td>£586,116</td></tr>
<tr><td>Earnings per Ordinary Share</td><td>5.6p</td></tr>
</table>
</td></tr>
</table>

		Save for the acquisition of the assets set out in B45 of this summary, the only significant changes to the financial condition or operating results of the Company from the date of incorporation of the Company until the date of this document have been the initial public offering of the Company whereby on 25 April 2014 85.6 million Ordinary Shares in the Company were admitted to the premium listing segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities, and the entry by the Company into the Revolving Credit Facility Agreement for £31.5 million with Macquarie Bank, London Branch.
B.8	Pro forma financial information	Not applicable – there is no *pro forma* financial information in this Prospectus.
B.9	Profit forecast	Not applicable – the Company has not made any profit forecasts.
B.10	Qualifications in the audit report	Not applicable – there are no qualifications in the audit report.
B.11	Working capital insufficiency	Not applicable – the Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements, that is, for at least the next twelve months from the publication date of this Prospectus.
B33		All Information required set out in: B.1, B.2, B.3, B.6, B.7, B.8, B.9, B.10, C.3, C.7, D.2.
B.34	Investment policy	***Investment objective*** The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term by investing in a diversified portfolio of solar PV assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy. ***Investment policy*** The Company intends to achieve its investment objective by investing exclusively in solar PV assets located in the UK. The Company intends to continue to acquire assets that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial and/or commercial. The Company may also acquire selected building-integrated installations. The assets that will be targeted will be anticipated to generate stable cash flows over their asset lifespan. The Company typically seeks to acquire sole ownership of individual solar PV assets through SPVs, but may enter into joint ventures or acquire majority interests, subject, in each case, to the Company maintaining a controlling interest. Where an interest of less than 100 per cent. in a particular asset is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Investments by the Company into solar PV assets may be either by way of equity or a mix of equity and shareholder loans. The Company aims to grow its diversified portfolio of solar PV assets. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional

		stake) by the Company in any one solar PV asset will constitute, at the time of investment, more than 30 per cent. of the Gross Asset Value. In addition, the four largest solar PV assets will constitute, again at the time of investment, not more than 75 per cent. of the Gross Asset Value. The Company will, primarily, continue to acquire operating assets, but may invest in assets that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10 per cent. of the Gross Asset Value in aggregate. The Company may also agree to forward-fund by way of a secured loan the construction costs of solar PV assets where it retains the right (but not the obligation) to acquire the relevant asset once operational. Such forward-funding will not fall within the 10 per cent. restriction above but will be restricted to no more than 25 per cent. of the Gross Asset Value (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees). This right, subject to the above limitations, enables the Company to retain flexibility in the event of changes in the development pipeline over time. In addition, the Company will not employ forward funding and engage in development activity in relation to the same project or assets. A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the assets within the terms of PPAs. These are expected to include the monetisation of ROCs, other regulated benefits and the sale of electricity to energy consumers and energy suppliers (Brown Power). Within this context, the Manager expects to conclude for the Company long-term PPAs with creditworthy counterparties at the appropriate time. The Manager will also continue to monitor the emerging EMR mechanism and will consider the opportunities arising therefrom (including CfDs and Brown Power only assets (pending application for CfD) that may have failed to meet ROC commissioning deadlines and can be acquired at economically advantageous terms by the Company) which may be applicable to projects completed from 31 March 2015. The Group will continue to diversify its third party suppliers, service providers and other commercial counterparties, such as developers, EPC contractors, technical component manufacturers, PPA providers and landlords. In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50 per cent. of the Gross Asset Value in aggregate. Such leverage may be deployed for the acquisition of further assets in accordance with the Company's investment policy. The Group may seek to raise leverage at any of the asset, SPV, Holdco or Company level. Leverage obtained through borrowing will be obtained from the relevant lender. Save as described above, there are no restrictions on the use of leverage by the Group except for those imposed by applicable law, rules and/or regulations. The Company intends to invest with a view to holding assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Manager determines, in its discretion, that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.

		The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds. The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices. The Company will execute its investment policy through the appointment of the Manager, which acts with the benefit of advice from the Investment Adviser. Potential investments may arise from a number of sources, including from the Developer pursuant to the Project Sourcing Agreement. The Board has appointed WiseEnergy as operating asset manager in respect of the Group's investments. Each of the Manager, the Investment Adviser, the Developer and WiseEnergy are members of the NEC Group.
B.35	Borrowing limits	In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50 per cent. of the Gross Asset Value. Such leverage will be deployed for the acquisition of further assets in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the asset, SPV, Holdco or Company level. Leverage obtained through borrowing will be obtained from the relevant lender. Save as described above, there are no restrictions on the use of leverage, except for those imposed by applicable law, rules and/or regulations.
B.36	Regulatory status	The Company is a Registered Closed-ended Collective Investment Scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. Registration of the Company was received from the GFSC on 19 March 2014. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated by the Financial Conduct Authority. The Company operates and intends to continue to operate as an externally managed, non-EU AIF.
B.37	Typical investor	Typical investors in the Company are expected to be institutional investors (including private client wealth managers) and sophisticated investors and private clients.
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	The Group has to date acquired interests in a single underlying asset held in a single SPV with a post transaction value equal to 22.7 per cent. of the Gross Asset Value as at the date of this document. The balance of investee projects each represent less than 20 per cent. of the Gross Asset Value. However, the Group will be permitted to invest in individual assets constituting an investment value of up to 30 per cent. of the Gross Asset Value at the time of investment. At present, the NEC Group has not identified any further potential projects with an investment value of 20 per cent. of the Gross Asset Value. The Group has not made any investments in investment companies where it has invested over 20 per cent. of its Gross Asset Value.

B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable – no asset constitutes 40 per cent. or more of the Gross Asset Value as at the date of this document.
B.40	Service providers	***Manager*** The Company has appointed NextEnergy Capital IM Limited as its manager (''Manager'') pursuant to the Management Agreement dated 18 March 2014. The Manager is a Guernsey registered company, incorporated under the Companies Law with registered number 57740 and is a member of the NEC Group. The Manager is licensed and regulated by the GFSC and acts as the AIFM of the Company. Under the Management Agreement, the Manager has full discretion to make investments in accordance with the Company's investment policy and is subject to the overall control and supervision of the Board. The Manager can exercise investment discretion only in respect of recommendations advanced by the Investment Adviser. The Manager also acts as the AIFM of the Company and as such will have responsibility for all risk management and portfolio management activities. *Management Fee* The Manager will be entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as below: ● for the tranche of NAV up to and including £200 million, 1 per cent. ● for the tranche of NAV above £200 million and up to and including £300 million, 0.9 per cent. ● for the tranche of NAV above £300 million, 0.8 per cent. The Manager's Fee is prima facie payable by the Company, but may be paid by the members of the Group (to reflect the extent to which the services provided by the Manager are provided to the relevant member of the Group) should the Company so determine. It is expected that the majority of the Manager's fees will be borne by the Company. The Manager shall also be entitled to reimbursement of customary expenses incurred in providing its services (excluding ordinary overhead operating expenses). The Manager is responsible for the fees and expenses of the Investment Adviser, which will be payable at a rate agreed between them from time to time. In addition, with the prior approval of the Board, the Manager will agree to make certain payments out of its Manager's Fee to any Cornerstone Shareholder, provided that, until such time as the reported NAV first exceeds £300 million, any such Cornerstone Shareholder agrees to subscribe for at least 25 per cent. of the shares to be issued pursuant to any subsequent issues. ***Investment Adviser*** The Manager has appointed NextEnergy Capital Limited as its investment adviser (''Investment Adviser'') pursuant to the Investment Advisory Agreement. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the FCA. The Investment Adviser acts in an advisory capacity to the Manager, only. All decisions in respect of investments and disposals relating to the Company's portfolio will be the responsibility of the Manager.

		The Investment Adviser's role entails the origination, preparation and recommendation of investment opportunities and the related provision of investment advice to the Manager in respect of acquisitions and disposals as well as general investment strategy. In addition, the Investment Adviser will seek to identify and advise on asset and portfolio efficiencies and leverage. ***Developer*** NextPower Development Limited, a member of the NEC Group, has been engaged pursuant to the Project Sourcing Agreement. Under the terms of the Project Sourcing Agreement, the Developer has agreed to use all reasonable endeavours to source and present to the Company (via the Investment Adviser and the Manager, as contemplated in the Project Sourcing Agreement) large scale ground-mounted and/or building-integrated solar PV projects located in the United Kingdom, falling within the Company's investment objective and investment policy. The Developer has also agreed to offer all such suitable projects of which it has actual knowledge to the Company on a ''first offer'' basis. The Investment Adviser will evaluate all the projects presented to the Company by the Developer. The Investment Adviser will not be obliged to recommend, nor will the Company be obliged to acquire, any project proposed by the Developer under the Project Sourcing Agreement. The Developer is a specialist solar development company with a dedicated solar development team. The Company, the Manager and/or the Investment Adviser may establish relationships with other developers, or otherwise source investment opportunities as they deem appropriate. The Developer has agreed, pursuant to the Project Sourcing Agreement, that it will not be entitled to receive any fees in respect of the projects introduced by it under the Project Sourcing Agreement. The Developer will be entitled to recover all transaction costs, expenses and disbursements paid by or on behalf of the Developer in connection with any project introduced by it which is accepted by the Company (whether or not such project is ultimately acquired by the Group). Such transaction costs may include, *inter alia*, due diligence costs, down-payments for grid offer acceptances and similar costs and expenses. The Developer shall have no right to receive fees or reimbursement for costs, expenses and disbursements in respect of projects rejected by or on behalf of the Group. ***WiseEnergy*** WiseEnergy is the operating asset management division of the NEC Group. The Company has appointed WiseEnergy UK on an arm's length basis, in respect of each underlying SPV to manage the underlying solar assets. Accordingly, WiseEnergy UK is responsible for managing all operation and maintenance service providers, suppliers, creditors and debtors relating to such SPVs as well as portfolio monitoring and reporting. WiseEnergy will also provide these services in respect of joint ventures in which the Group participates, and to entities in which the Group has a majority interest. The Group also bears project costs in connection with its investments. These project costs will cover the performance of the operating asset management and reporting activities that are essential to ensuring optimal performance of each project's assets. These project costs include the arm's length fees and expenses of WiseEnergy for performing for the Group the operating asset monitoring and reporting activities typically required in projects of the type intended to be acquired by the Company.

		Administration and secretarial arrangements Ipes (Guernsey) Limited has been appointed as Administrator to the Company pursuant to the Administration Agreement and provides company secretarial services and a registered office to the Company. For the purposes of the Rules, the Administrator is the designated manager of the Company. The Administrator is responsible for the safekeeping of any share and loan note certificates in respect of the Group's unquoted investments, the implementation of the Group's cash management policy, production of the Company's accounts, regulatory compliance, providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules, and for dealing with dividend payments and investor reporting. In addition, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation, in conjunction with the Investment Adviser, of the Net Asset Value and the Shares) and for general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records). Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee in respect of administration, accounting, corporate secretarial, corporate governance, regulatory compliance and Listing Rule continuing obligations, accruing daily and calculated on a sliding scale based on Net Asset Value subject to a minimum annual payment of £105,000. The Administrator is, in addition, entitled to recover third party expenses and disbursements. In addition, the Administrator is entitled to receive a fee of £2,500 for each ad hoc Board Meeting at which its attendance is required. ***Registrar, UK Transfer Agent and Receiving Agent*** The Company has appointed Capita Registrars (Guernsey) Limited to act as registrar in relation to the transfer and settlement of Shares, including the New Shares, held in Certificated Form and as UK transfer agent. The Registrar will be entitled to an annual fee of £9,450. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time. The Company's receiving agent is Capita Asset Services which was appointed pursuant to a receiving agent agreement dated 7 November 2014. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,000 and a minimum aggregate processing fee in relation to the Offer for subscription of £5,000 as well as reasonable out-of-pocket expenses.
B.41	Regulatory status of the Manager	The Manager, NextEnergy Capital IM Limited, is a limited company incorporated in Guernsey under registered number 57740 and is licensed and regulated by the GFSC to undertake the activity of investment management. The Manager acts as the AIFM of the Company.

B.42	Calculation of Net Asset Value	The Manager is responsible for carrying out the fair market valuation of the Group's investments which will be presented to the Directors for their approval and adoption. The Administrator will calculate the Net Asset Value and the Net Asset Value per Share on a semi-annual basis as at 30 September and 31 March each year (the first such calculation being as at 30 September 2014). The Board may request the Administrator and the Manager to provide additional NAV calculations at such times as the Board may deem appropriate. In such circumstances, the revised NAV may be announced through a Regulatory Information Service. The semi-annual NAV calculations will be reported to Shareholders in the Company's annual report and interim financial statements.
B.43	Cross liability	Not applicable – the Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.
B.44	Financial statements	The Company's financial information is set out in B.7.

B.45	Portfolio	As at the date of this document, the current portfolio comprises the following assets:

Project Name	Project Size (MW)	ROCs	Location	Purchase Price (£M)	Percentage of Gross Asset Value (at the time of investment)	Status
Higher Hatherleigh	6.10	1.6	Wincaton (Somerset)	7.11	8.3%	Acquisition completed, operational
Shacks Barn	6.30	2	Silverstone (Northants)	7.97	9.3%	Acquisition completed, operational
Ellough[1]	14.88	1.6	Ellough (Suffolk)	19.43**	22.7%	Acquisition completed, operational
TOTAL	**27.29**					

Project Name	Project Size (MW)	ROCs	Location	Purchase Price (£M)	Percentage of Gross Asset Value (at the time of investment)	Status
Bilsham (phase 1)	12.50	1.4	Bognor Regis (Sussex)	15.00**	17.5%	Under construction Completion expected Q4 2014
Poulshot	14.5*	1.4	Trowbridge (Wiltshire)	15.24	17.8%	Under construction Completion expected Q4 2015
Gover Farm	9.38*	1.4	Truro (Cornwall)	10.52	12.3%	Under construction Completion expected Q4 2014
Brick Yard	3.84*	1.4	Leamington Spa (Warwick)	3.91	4.6%	Under construction Completion expected Q4 2014
Condover	10.15	1.4	Condover (Shropshire)	11.60	12.8%	Under construction Completion expected Q4 2015
TOTAL	**50.37**					

1 This asset comprises over 20 per cent. of the Company's Gross Asset Value

* These projects are forward funded by the Company in an amount of £16.34 million in aggregate (being 18.0 per cent. of the Gross Asset Value at time of investment)

** Purchase price based on the guaranteed performance ratio

B.46	Net Asset Value	The unaudited Net Asset Value per Share amounted to 103.1p as at 30 September 2014.

Section C – Securities		
Element	**Disclosure Requirement**	**Disclosure**
C.1	Type and class of securities being offered	The maximum number of New Shares to be issued pursuant to the Placing Programme is 250 million, being New Ordinary Shares and/or C Shares. Of these, a maximum of 50 million New Ordinary Shares are available under the Offer; and a maximum of 200 million New Ordinary Shares and/or C Shares are available pursuant to Placings. As at the date of this Prospectus, the actual number of New Shares to be issued under the Placing Programme, the Placings or the Offer is not known. The maximum number of New Shares available under the Placing Programme as a whole, under the Offer and under the Placings should not be taken as an indication of the number of New Shares finally to be issued. The issue of New Shares under the Placing Programme is at the discretion of the Directors. The Company will have the flexibility to issue both New Ordinary Shares and/or C Shares in relation to Placings under the Placing Programme. In relation to the Offer, the Directors can only allot Ordinary Shares. The Directors will decide on the most appropriate method at the time of any Placing factoring in, *inter alia*, the level of investor appetite for the Company's New Shares, likely timing for making further investments, the operational status of such investments at the time they are likely to be acquired and the timing of the issue relative to the next dividend. The Placing Programme is not being made on a pre-emptive basis and, accordingly, existing Shareholders who do not participate in the Placing Programme may have their percentage holding of the relevant class of Shares diluted (i) on issue of New Shares; and/or (ii) on conversion of the C Shares. The ISIN number of the Ordinary Shares is GG00BJ0JVY01 and the SEDOL code is BJ0JVY0. With respect to any C Shares issued under the first Placing of C Shares under the Placing Programme the ISIN number of the C Shares is GGOOBR17KW09, and the SEDOL code is BR17KW0. The Company's Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares following certain events, and specifically the earliest of: (i) close of business on the date to be determined by the Directors after the day on which the Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Investment Adviser shall agree) shall have been invested; or (ii) close of business at the end of a period to be determined, or on a date to be determined, in each case by the Directors and announced at the time of the issue of the relevant class of C Shares; or (iii) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or (iv) close of business on such date as the Directors may determine,

		(prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares).
C.2	Currency of the securities issue	The New Shares are denominated in Sterling.
C.3	Number of Ordinary Shares issued	As at the close of business on 7 November 2014 (the latest practicable date prior to publication of this Prospectus), the Company has 85,600,000 fully paid Ordinary Shares of no par value in issue. The Company has no partly paid Ordinary Shares in issue.
C.4	Description of the rights attaching to the Ordinary Shares	The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the rights of the C Shares (if any have been issued by the Company). Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company. Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.
	Description of the rights attaching to the C Shares	The Company's Articles contain provisions that permit the Directors to issue C Shares from time to time. The events following which C Shares will convert into Ordinary Shares are set out in C1. Ordinary Shares, including any arising on conversion of C Shares, will rank *pari passu* in all respects with the existing Ordinary Shares. Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held. The Directors have the power to declare dividends in relation to the C Shares in the event that the assets that are attributable to the C Shares generate material income while the C Shares are in issue, to the extent that the Directors consider it to be appropriate in the circumstances. C Shares will carry the right to vote at meetings of Shareholders. Holders of C Shares will be entitled to participate on a winding up of the Company or upon a return of capital. C Shareholders be entitled to dividends (if any) declared on that series of C Shares). C Shareholders are entitled to attend and vote at general meetings of the Company, and on a poll to one vote per each C Share held.
C.5	Restrictions on the free transferability of the securities	The Board may refuse to register a transfer of any share, which is not fully paid, or on which the Company has a lien, provided that this would not prevent dealings in the shares from taking place on an open and proper basis on the London Stock Exchange. In addition, the Board may decline to transfer, convert or register a transfer of any share in Certificated Form or (to the extent permitted by the CREST Requirements) Uncertificated Form: (a) if it is in respect of more than one class of shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require, or (d) the transfer is in favour of any Non-Qualified Holder. For these purposes a Non-Qualified Holder means any person whose ownership of Ordinary Shares may: (i) cause the Company's assets to be deemed ''plan assets'' for the purposes of ERISA or the Internal

		Revenue Code; (ii) cause the Company to be required to register as an ''investment company'' under the Investment Company Act (including because the holder of the shares is not a ''qualified purchaser'' as defined in the Investment Company Act); (iii) cause the Company to register under the Exchange Act, the Securities Act or any similar legislation; (iv) cause the Company not being considered a ''Foreign Private Issuer'' as such term is defined in rule 3b-4(c) under the Exchange Act; (v) result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; and (vi) cause the Company to be a ''controlled foreign corporation'' for the purposes of the Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the Internal Revenue Code, including as a result of the Company's failure to comply with FATCA or similar laws as a result of the Non-Qualified Holder failing to provide information concerning itself as requested by the Company in accordance with its Articles).
C.6	Admission	Applications will be made to each of the Financial Conduct Authority and the London Stock Exchange, respectively, for all of the New Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made for the C Shares to be admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the New Shares will commence on one or more dates between 10 November 2014 and 9 November 2015. With respect to the Initial Placing, it is expected that Admission will become effective and that dealings in New Shares will commence at 8.00am on 19 November 2014. With respect to the Offer, it is expected that the first closing under the Offer will be at 1.00 pm on 12 November 2014, with Admission of those New Shares taking place on or before 19 November 2014. Thereafter, the Directors reserve the right to allot Ordinary Shares at any time while the Offer remains open, but will announce through an RIS intended dates of allotment. Admission in respect of subsequent allotments is expected to take place within 10 days of allotment.
C.7	Dividend policy	The Company is targeting an annual dividend of 6.25 pence per Ordinary Share (adjusted in direct proportion to annual variations in RPI) in each financial year. For the first long financial year ending 31 March 2015, the Company expects to declare a dividend of 5.25 pence per Ordinary Share. On 4 November 2014, an interim dividend of 2.625p per Ordinary Share was declared, and is payable on 17 December 2014 to Shareholders on the register on 5 December 2014. Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 September and 31 March, and are expected to be made by way of interim dividends to be declared in May and November.[2] There are no assurances that these dividends will be paid or that the Company will pay any dividends.

2 These are targets only and not profit forecasts. There can be no assurance that these targets can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the New Shares or assume that the Company will make any distributions at all.

		The Board conducts the Company's affairs with the intention that the Company would qualify as an investment trust if it were resident in the United Kingdom and may make distributions to Shareholders accordingly.
C.22	Information about the underlying share	New Ordinary and/or C Shares are being issued pursuant to the Placing Programme. ● The New Shares are denominated in Sterling as set out in C2 ● The rights attached to the securities are set out in C4 as in the procedure for the exercise of these rights ● Applications will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. Applications will be made for the C Shares to be admitted to listing on the standard listing segment on the Official List and to trading on the London Stock Exchange's main market for listed securities ● The restrictions in the free transferability of the securities are set out in C5 ● The issuer of the underlying share is the Company (same issuer) and information on the Company is set out in Sections B, C and D

Section D – Risks		
Element	**Disclosure Requirement**	**Disclosure**
D.2	Key information on the key risks that are specific to the issuer	The key risk factors relating to the Company, its investment policy and its investment portfolio are: ● The ability of the Company to achieve its investment objective depends upon a number of factors including: ○ the ability of the Manager, with advice from the Investment Adviser and assistance of the Developer, to secure investments which offer the potential for satisfactory returns. The availability of suitable investment opportunities will depend, in part, upon conditions in the UK solar PV markets and competition for assets in the solar PV sectors. ○ the Group faces significant competition for assets in the UK solar power sectors from a variety of potential buyers and has many competitors. Competition for appropriate investment opportunities may, therefore, increase, thus reducing the number of opportunities available to, and adversely affecting the terms upon which investments can be made by, the Group, and thereby limiting the growth potential of the Group. ○ where the Group is providing finance by way of a secured loan to EPC contractors to enable those contractors to construct projects that the Company may but need not necessarily acquire, using up to the permitted 25 per cent. of Gross Asset Value available for this purpose (through the ''forward funding'' mechanism), it is exposed to counterparty credit risk. The risk arises that the risk management measures adopted may prove to be inadequate and if there is a default under the loan facility, the Company may have inadequate security.

		● Solar PV equipment prices can increase or decrease for a wide variety of reasons. Such changes could have a material adverse effect on the Group's ability to source projects that meet its investment criteria and consequently its business, financial position, results of operations and business prospects. ● The ability of the Company to achieve its investment objective will be highly dependent on the financial and managerial expertise of the Manager's, and the solar market expertise of the Developer's, and the Investment Adviser's professionals, and more generally the ability of the Investment Adviser and Developer to attract and retain suitable staff. Key personnel could become unavailable due, for example, to death or incapacity, as well as due to resignation. In the event of any departure for any reason, it may take time to transition to alternative personnel, which ultimately might not be successful. The impact of such a departure on the ability of the Company to achieve its investment objective cannot be determined. ● The price at which a solar PV plant sells its electricity is determined by market prices for ROCs and for electricity generated, and revenues are dependent on a number of factors including: ○ sales of energy generated (Brown Power) to supply companies are a significant component of the revenue of the Assets. Wholesale prices of electricity generation could decline or remain stable. ○ a number of broader regulatory changes to the electricity market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) are being implemented across the EU which could also have an impact on electricity prices. ○ the levels of support available through the RO and FIT regimes could be reduced. If the UK Government, EU, and International support for reducing greenhouse gas emissions, including obligations and incentives for the development of renewable energy were to decline, whether on a retrospective or prospective basis, this could have a material adverse effect on the business, financial position, results of operations and future growth prospects of the Group, in addition to investor returns. If this reduces the value of the green benefits that solar PV power operators are entitled to it would have a material adverse effect on the Group if applied retrospectively to operating projects acquired by the Group in accordance with the investment policy and could affect the Company's future investment opportunities. ● In the event that contracted third parties are not able to fulfil their obligations or otherwise fail to perform to standard, the Group may be forced to seek recourse against such parties, provide additional resources to undertake their work or to engage other companies to undertake their work and this may increase cost or cause delay which could adversely affect the Company, its financial returns and the Group's reputation. ● Although the Manager will procure that appropriate legal, fiscal, accounting and technical due diligence is undertaken on behalf of the Company in connection with any proposed acquisition of solar PV assets by the Group, this may not reveal all facts and risks that may be relevant in connection with an investment. In particular, if the operation of projects has not been duly authorised or permitted, it may result in closure, seizure, enforced dismantling or other legal

		action in relation to such projects. Certain issues, such as failure in the construction of a plant, for example, faulty components or insufficient structural quality, may not be evident at the time of acquisition or during any period during which a warranty claim may be brought against the contractor. Such issues may result in loss of value without full or any recourse to insurance or construction warranties.
D.3	Key information on the key risks specific to the securities	The key risk factors relating to the Ordinary Shares and C Shares are: ● The Company's target dividend and future distribution growth will depend on the Company's portfolio as well as its ability to pay dividends in accordance with the Companies Law. Any change or incorrect assumption in relation to the dividends or interest or other receipts receivable by the Group (including in relation to projected power prices, the amount of electricity generated by the Group's assets, availability and operating performance of equipment used in the operation of the solar PV parks within or anticipated to be within the Group's portfolio, a lack of due diligence in relation to any such assets and the tax treatment of distributions to Shareholders) may reduce the level of distributions received by Shareholders. ● The Ordinary Shares may trade at a discount to NAV per Ordinary Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Ordinary Share. ● The C Shares may trade at a discount to the NAV per C Share and Shareholders may be unable to realise their investments through the secondary market at NAV per C Share. ● There can be no guarantee that a liquid market in the Ordinary Shares or the C Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares or C Shares at the quoted market price (or at the prevailing NAV per Ordinary Share or C Share as appropriate), or at all. ● In respect of an issue of C Shares, the Company would apply for a standard listing of the C Shares to be issued pursuant to the Placing Programme on the Official List under Chapter 14 of the Listing Rules. As a consequence, despite the Company being subject to the obligations of a company that has a premium listing, the holders of C Shares will not directly benefit from the additional ongoing requirements and protections applicable to a premium listing under the Listing Rules (although they may do so as a consequence of the premium listing of the Ordinary Shares). In particular, the provisions of Chapters 7 to 13 of the Listing Rules (listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), being additional requirements for a premium listing of equity securities, will not apply to the C Shares.

Section E – Offer		
Element	**Disclosure Requirement**	**Disclosure**
E.1	Net proceeds and costs of the Placing Programme	The Company may issue up to 250 million New Shares under the Placing Programme. Of these up to 50 million New Ordinary Shares may be issued under the Offer and up to 200 million New Ordinary Shares and/or C Shares may be issued under the Placings. The actual number of New

		Shares to be issued and therefore the Gross Issue Proceeds of the Placing Programme is not known at the date of this Prospectus, but will be notified at the time of any Issue under the Placing Programme. Costs of the Placing Programme are not expected to exceed two per cent. of the Gross Issue Proceeds. Costs of any Placing pursuant to the Placing Programme are not expected to exceed two per cent. of Gross Issue Proceeds. Costs of the Offer are not expected to exceed two per cent. of the Gross Issue Proceeds.
E.2a	Reason for offer and use of proceeds	The Placing Programme (including the Offer) is being made in order to raise funds for the purpose of achieving the investment objective of the Company. The Net Issue Proceeds will be invested in accordance with the Company's investment policy save to the extent that some of the Net Issue Proceeds will be retained for working capital purposes and subject to the availability of sufficient investment opportunities. The Company intends to use the net proceeds of the Placing Programme (including the Offer) to pay down amounts, if any, drawn down under the Revolving Credit Facility; with the balance being used to acquire additional assets in accordance with the Company's investment policy.
E.3	Terms and conditions of the offer	The Company intends to issue up to 250 million New Shares pursuant to the Placing Programme which will consist of Placings and an Offer for Subscription. Up to 200 million New Shares may be issued pursuant to one or more Placings. New Shares issued pursuant to Placings may be C Shares or Ordinary Shares, and there may be a number of series of C Shares, having different Conversion Dates. Up to 50 million New Shares may be issued under the Offer. Only New Ordinary Shares will be issued pursuant to the Offer. The Placing Programme is flexible and there may be a number of different Placings with a number of closing dates. An Initial Placing is planned on publication of the Prospectus. Ordinary Shares are being made available to the public under the Offer for Subscription. The Offer made pursuant to the Placing Programme will open on 10 November 2014 and will close on 9 November 2015. The Offer is only being made in the UK. The Directors reserve the right, with the agreement of the Joint Bookrunners to close the Offer at any time. Notification of any closure will be via an RIS announcement. The Offer is conditional upon: ● The Placing Programme Agreement remaining in full force and effect and not having been terminated in accordance with its terms; and ● Admission of the Ordinary Shares issued pursuant to the Offer. In circumstances in which these conditions are not fully met, the Offer will not take place and no Ordinary Shares will be issued pursuant to the Offer. Applications under the Offer are to be made by completing the Application Form and returning it to Capital Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent BR3 4TU so as to be received no later than 1.00 pm on 9 November 2015 (or such earlier Closing Date for the Offer as the Company may announce through a Regulatory Information Service.

		First closing under the Offer is expected to take place at 1.00 pm on 12 November 2014 and Admission in respect of those New Ordinary Shares allotted following first closing under the Offer is expected to take place on or before 19 November 2014. Thereafter the Directors reserve the right to make allotments under the Offer at any time prior to the Closing Date for the Offer, and will ahead of each such closing and allotment, announce the dates of such further closings, allotments and the relevant dates of Admission through a Regulatory Information Service. Applicants under the Offer must specify the sum in sterling to be applied for subscriptions of New Ordinary Shares. Applications must be for a minimum of £1,000 and in multiples of £1,000. Subject to statutory withdrawal rights, applications are irrevocable. New Ordinary Shares will be issued under the Offer at an Issue Price equal to 101.75 per cent. of the last published NAV per Share (provided this is not below 90 per cent. of the closing mid-market price per New Ordinary Share on the date before the announcement of the relevant closing and allotment under the Offer). As at the date of this document the Issue Price equals 104.9 pence per new Ordinary Share. Fractions of Shares will not be issued.
E.4	Material interests	Each of the Manager, the Investment Adviser, the Developer and WiseEnergy are members of the NEC Group. Andrew Whittaker who is a director of the Manager also acts as managing director of Ipes (Guernsey) Limited which has been appointed to act as the Company's Administrator and will be entitled to fees. The Directors hold the following Shareholdings in the Company: **Name** — **Number of Ordinary Shares** Kevin Lyon — 60,000 Patrick Firth — 20,000 Vic Holmes — 10,000 Jeremy Thompson, a director of the Manager, holds 10,000 Ordinary Shares in the capital of the Company.
E.5	Name of person selling Securities/ lock up agreements	There will be no selling Shareholders.
E.6	Dilution	If an existing Shareholder does not subscribe under the Placing Programme for such number of New Shares (which may be issued as New Ordinary Shares or C Shares, which may convert into Ordinary Shares) as is equal to his or her proportionate ownership of existing Shares, his or her proportionate ownership and voting interest in the Company will be reduced and the percentage that his or her existing Shares will represent of the total share capital of the Company will be reduced accordingly following each Issue under the Placing Programme. If the Placing Programme meets its maximum size of 250 million New Shares and assuming that all such New Shares are issued as New Ordinary Shares, the share capital of the Company in issue at the date of this Prospectus will, following the Placing Programme, be increased by a factor of 3.9 (292 per cent. of the issued Ordinary Share capital of the Company before the Placing Programme) as a result of the Placing Programme. On this basis, if an existing Shareholder does not acquire any New Shares under the Placing Programme his or her proportionate economic interest in the Company will be diluted by 74 per cent. and the maximum possible dilution for an existing Shareholder will also be 74 per cent., assuming the Placing Programme meets its maximum size of 250

		million New Shares, assuming that all such New Shares are issued as New Ordinary Shares and the Shareholder does not acquire any New Shares pursuant to the Placing Programme. The proposed Placing Programme will consist of a series of one or more Placings and the Offer (with up to 200 million New Shares available under the Placings and up to 50 million New Shares available under the Offer). Therefore the maximum possible dilution for an existing Shareholder under any Placing will be 70 per cent., assuming that the maximum 200 million New Shares are issued and assuming that all such New Shares are issued as New Ordinary Shares under Placings and the Shareholder does not acquire any New Shares pursuant to the Offer. The maximum possible dilution for an existing Shareholder under the Offer will be 37 per cent., assuming that the maximum of 50 million New Ordinary Shares are issued under the Offer and the Shareholder does not acquire any New Shares pursuant to the Placings.
E.7	Expenses	Expenses incurred by the Company in connection with the Placing Programme are not expected to exceed two per cent. of the Gross Issue Proceeds. Expenses incurred by the Company in connection with any Placing under the Placing Programme are not expected to exceed two per cent. of Gross Issue Proceeds. Expenses incurred by the Company in connection with the Offer are not expected to exceed two per cent. of Gross Issue Proceeds. Investors will indirectly bear any such expenses as they will be met out of Gross Issue Proceeds and be reflected in the Net Asset Value per Share immediately following Admission.

RISK FACTORS

Investment in the New Shares carries a high degree of risk, including the risks in relation to the Company and the New Shares referred to below, which could materially and adversely affect the Company's business, financial condition and results. Potential investors should review this Prospectus carefully and in its entirety and consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in New Shares.

Prospective investors should note that the risks relating to the Company, its investments and the New Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the New Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the New Shares and should be used as guidance only. Additional risks and uncertainties relating to the Company that are not currently known to the Company, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the Company's business, prospects, results of operations and financial position and, if any such risk should occur, the price of the New Shares may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the New Shares is suitable for them in the light of the information in this Prospectus and their personal circumstances.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the New Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

The New Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise.

The value of the New Shares and income derived from them (if any) can go down as well as up. There is no guarantee that the market price of the New Shares will fully reflect their underlying net asset value. In the event of a winding-up of the Company, Shareholders will rank behind any creditors of the Company and, therefore, any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

RISKS RELATING TO THE COMPANY AND ITS SHARES

The Company's share price performance may vary; target returns cannot be guaranteed; target dividends may not be achieved

Prospective investors should be aware that distributions made to Shareholders will comprise amounts derived from the Company's receipts of, repayment of, or being distributions on, its investments in solar PV assets, including distributions derived from operating receipts of project entities.

The Company's target returns and dividends for the New Shares are based on assumptions which the Board and the Manager consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the returns and dividends may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its stated policy on returns and dividends or distributions. The target return is not a profit forecast and should not be taken as an indication of the Company's expected future performance or results over any period. The target return is a target only and there is no guarantee that it can or will be achieved and it should not be seen as an indication of the Company's expected or actual return. Accordingly, investors should not place any reliance on the target return in deciding whether to invest in the New Shares.

The Company's target dividend and future distribution growth will be affected by the Company's underlying investment portfolio. Any change or incorrect assumption in relation to the dividends or interest or other receipts receivable by the Company (including assumptions in relation to projected power prices, levels of government subsidy and incentives, levels of solar radiation, availability and operating performance of equipment used in the operation of the solar PV assets within the Company's portfolio, ability to make distributions to Shareholders (especially where the Group has a minority interest in a particular solar PV asset) and tax treatment of distributions to Shareholders) may reduce the level of distributions received by Shareholders. In addition, any change in the accounting policies, practices or guidelines relevant to the Group and its investments may reduce or delay the distributions received by investors.

To the extent that there are impairments to the value of the Group's investments that are recognised in the Company's income statement, this may affect the profitability of the Company (or lead to losses) and affect the ability of the Company to pay dividends.

Any impairments and changes to target returns and dividends may adversely impact on the share price. Changes in market conditions may adversely impact on share price.

The New Shares may trade at a discount

The New Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at a price equal to, or greater than NAV per Share. The New Shares may trade at a discount to NAV per Share for a variety of reasons, including market conditions or to the extent investors undervalue the activities of the Manager or discount the Company's valuation methodology and its judgments of value. Gilt and corporate bond yields are at historically low levels and a rise in such yields may make the Company's target returns less attractive, which could cause or increase such discount. While the Board may seek to mitigate any discount to NAV per Share through the discount management mechanisms summarised in Part 1 of this Prospectus, there can be no guarantee that they will do so or that such mechanisms will be successful and the Board accepts no responsibility for any failure of any such strategy to effect a reduction in any discount.

Conflicts of interest may arise within the Group or Interested Parties

The Manager, the Investment Adviser, the Developer and WiseEnergy and any of their members, directors, officers, employees, agents and connected persons, and any person or company with whom they are affiliated or by whom they are employed (''Interested Parties'') may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. In particular, WiseEnergy, a member of the NEC Group, provides asset management services to Group companies and receives remuneration for such services.

In addition, the Developer, also a member of the NEC Group, has entered into the Project Sourcing Agreement with the Company. The Developer will receive the reimbursement of certain costs and expenses in respect of projects introduced by it which the Company accepts (whether or not such project is ultimately accepted by the Group).

Subject to the arrangements explained above, the Company may (directly or indirectly) acquire assets from, or dispose of assets to, any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as auditor to the Company) or hold Shares and buy, hold and deal in assets or investments for their own accounts, notwithstanding that similar investments may be held by the Group (directly or indirectly).

An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive fees to which it is contractually entitled in relation to any contracts with the Group.

There is a risk that, as the Manager's fees are calculated on the basis of NAV, the Manager may be incentivised to increase NAV, rather than just the value of the New Shares.

There is no guarantee of a liquid market for the New Shares

Market liquidity in the shares of investment companies is frequently less than that of shares issued by larger companies traded on the London Stock Exchange. There can be no guarantee that a liquid market in the New Shares will exist. Accordingly, Shareholders may be unable to realise their New Shares at the quoted market price (or at the prevailing NAV per Share), or at all. In particular, the Company cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market for the C Shares or, if such a market develops, whether it will be maintained. In addition, a substantial number of C Shares may be issued to a limited number of investors, which could adversely affect the development or maintenance of an active and liquid market for the C Shares and, following Conversion, the New Ordinary Shares.

The London Stock Exchange has the right to suspend or limit trading in a company's securities. Any suspension or limitation on trading in the New Shares may affect the ability of Shareholders to realise their investment.

The Company would apply for a Standard Listing of the C Shares and accordingly the Company will not be required to comply in relation to the C Shares with those protections applicable to a Premium Listing

In respect of an issue of C Shares, the Company would apply for a standard listing of the C Shares to be issued pursuant to the Placing Programme on the Official List under Chapter 14 of the Listing Rules. As a consequence, despite the Company being subject to the obligations of a company that has a premium listing, the holders of C Shares will not directly benefit from the additional ongoing requirements and protections applicable to a premium listing under the Listing Rules (although they may do so as a consequence of the premium listing of the Ordinary Shares). In particular, the provisions of Chapters 7 to 13 of the Listing Rules (listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), being additional requirements for a premium listing of equity securities, will not apply to the C Shares.

Where leverage is used, it carries risks including interest rate exposure, re-financing risk and the enforcement of security by the lender

The Company and/or the Holdco or the SPVs through which the Group invests will be financed by a combination of share capital, shareholder loans and potentially third party project or asset financing debt which will be secured against the relevant SPV and its assets but which will otherwise be non-recourse to the Group or its other assets. As at the date of this document, the Company is financed by share capital and has also entered into a debt facility. The Group's ability to draw down on this facility is limited by reference to its current operational output. In addition, any Group member may make use of short-term debt finance to facilitate the acquisition of investments which the Group would subsequently seek to refinance through further capital raisings and/or the issuance of short-term or long-term debt instruments. In connection with the provision of debt financing, it is possible that a lender may require security by way of floating charges over the Group's assets.

The use of leverage may offer the opportunity for enhanced returns to the Group, and thus additional capital growth, but it also adds risk to the investment. For example, changes in interest rates may affect the relevant SPV's, the Holdco's or the Company's returns. Interest rates are sensitive to many factors including Government policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits and regulatory requirements, amongst others, beyond the control of the Group. The performance of the Group or any member thereof may be affected if it does not limit exposure to changes in interest rates through an effective hedging strategy. There can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

If an SPV fails to service any debt secured over its assets or breaches any of its covenants under the financing documents, the lender may take control of the relevant SPV and its underlying assets. Although the lender's recourse may be limited to the relevant SPV, enforcement of the lender's security could adversely affect the Net Asset Value and the Group's returns may be adversely impacted, including its ability to achieve its dividend targets.

Similarly, if the Group fails to service any debt financing incurred at the level of the Company or the Holdco or breaches any of its covenants under the financing documents, the lender may be able to enforce any security provided by the Group over its investments which could involve the lender taking control (whether by possession or transfer of ownership) of one or more of the Group's investments, and this could have an adverse effect on the business, financial position and results of the Group, including its ability to achieve its dividend targets.

In addition, the Group may not be able to refinance any debt at maturity. In the event the Group or any member thereof is unable to repay its lenders, they may be able to enforce any security provided by the Group which could involve the lenders taking control of one or more of the Group's investments, and this could have an adverse effect on the financial position and results of the Group, including its ability to achieve its dividend targets. Specifically, the Group may be unable to re-finance all or part of the Revolving Credit Facility.

Shareholders with a substantial interest may exert detrimental influence over the Company

From time to time, there may be Shareholders with substantial or controlling interests in the Company. Such Shareholders' interests may not be aligned to the interests of other Shareholders and such Shareholders may seek to exert influence over the Group. In the event that such Shareholders are able to exert influence the detriment of other Shareholders, this may have an adverse effect on Shareholder returns.

The Company has limited operating history on which to base expectations

The Company was recently incorporated and has limited operating history and revenues. Investors therefore have limited basis on which to evaluate the Company's ability to achieve its investment objective and implement its investment policy. The past performance of investments managed and monitored by the Manager, Investment Adviser or its associates is not a reliable indication of the future performance of the investments held by the Group.

Realisation of market value will vary with economic and other conditions; valuations may not be precise

Returns from the Group's investments will be affected by the price at which they are acquired. The value of these investments will be (amongst other risk factors) a function of the discounted value of their expected future cash flows, and as such will vary with, *inter alia*, movements in interest rates and the competition for such assets.

A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Company, and valuations do not necessarily represent the price at which an investment can be sold or that the assets of the Group are saleable readily or otherwise.

All valuations made by the Manager and the calculations made by the Administrator, will be made, in part, on valuation information provided by the companies in which the Group has invested and, in part, on financial reports provided by the Investment Adviser and WiseEnergy. Although the Administrator and the Manager will evaluate all information and data provided by the companies in which the Group has invested, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data, nor may such information be up to date by the time it has been received by the Company. Further details in relation to the valuation policy of the Company are set out in Part 4 of this Prospectus.

Concentration of the Company's investment portfolio solely in solar PV in the UK may result in volatility in the Net Asset Value

The Company's investment policy is limited to investments in solar PV assets, the entirety of which will be located in the UK. This means that, although the Company is subject to the investment and diversification restrictions in its investment policy, within those limits the Company has a significant

concentration risk relating to the UK solar power sector. Significant concentration of investments in any one sector may result in greater volatility in the value of the Group's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to Shareholders.

The Company seeks to invest in a series of solar power plants and will be bound by the investment and diversification restrictions in its investment policy. As a result, the Company may own a limited number of solar power plants. In the event one or more of its portfolio investments suffers, *inter alia*, a loss, interruption and/or lower than expected performance, this may result in greater volatility in the value of the Group's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to Shareholders.

Risk that planned acquisitions do not take place

The Group may fail to acquire the pipeline of assets referred to in Part 3 of this Prospectus. As no member of the Group has entered into any unconditional, legally binding agreements in relation to the purchase of these further solar PV assets, there can be no guarantee that the Group will ultimately be able to invest in these solar PV assets on satisfactory terms, or at all and it may not grow its portfolio of solar PV assets through the acquisition of these projects, or with in its expected timeframe.

Returns from the Company's investment portfolio may be delayed

The Company has invested in a portfolio of assets, comprising of operational assets and some assets under construction. Completion of the acquisition of assets under construction could be delayed if there is any delay in the construction phase. This could result in a delay in the expected date on which the Company starts to earn income from the relevant assets; and/or which would affect the relevant project's entitlements under the RO. The Company's acquisition agreements all contain longstop dates such that a project which loses RO entitlement by reason of delay would not need to be acquired, but in this case the Company could need to seek replacement assets. This could result in the Company's cash remaining uninvested for longer than anticipated and adversely affect returns to Shareholders.

Risk relating to completion of project acquisitions

The Company has committed to acquire a number of projects which are under construction, and completion of those acquisitions is dependent on a number of conditions being satisfied, including as to construction. If these conditions are not met, the acquisition may not proceed, the Company will suffer delays and consequently may need to source alternative projects.

Risks relating to forward funding

The Company has provided funding for the construction of certain assets it has conditionally agreed to acquire (at the date of this document, the projects at Poulshot, Gover Farm and Brick Yard). The Company is exposed to risk of non-payment and non-performance as a result (in the event completion of the acquisition does not proceed). However, all such lending is on a secured basis and drawdown is against milestones in order to mitigate such risks.

RISKS RELATING TO THE MANAGER AND THE INVESTMENT ADVISER

The Company is dependent on key personnel of the Manager and Investment Adviser

The ability of the Company to achieve its investment objective is highly dependent on the financial and managerial expertise of the Manager's and the Investment Adviser's investment professionals, and more generally the ability of the Manager and the Investment Adviser to attract and retain suitable staff. Key personnel could become unavailable due, for example, to death or incapacity, as well as due to resignation. There may be regulatory changes in the area of tax and employment that affect pay and bonus structures and may have an impact on the ability of the Manager and/or the Investment Adviser to recruit and retain staff. In the event of any departure for any reason, it may take time to transition to alternative personnel, which ultimately might not be successful. The impact of such a departure on the ability of the Company to achieve its investment objective cannot be determined.

The Manager has limited operating history on which to base expectations

The Manager was recently formed and has a limited track record. As at the date of this Prospectus, the Manager has commenced operations, and has a limited operating history upon which potential investors may evaluate its performance.

The Manager is reliant on the judgement of the Investment Adviser

The Manager is responsible for making all investment and management decisions on behalf of the Company, but is only able to invest in assets which are recommended to it by the Investment Adviser. Accordingly, the ability of the Company to achieve its investment objective will be dependent upon the judgment and ability of the Investment Adviser in the provision of its services to the Manager in terms of evaluating the viability and suitability of investment opportunities.

RISKS RELATING TO REGULATION AND TAXATION

Changes in accounting standards, tax law and practice may adversely affect the returns of the Group

The anticipated taxation impact of the structure of the Group and its underlying investments is based on prevailing tax law and accounting practice and standards. Any change in the tax status of any member of the Group or any of its underlying investments or in tax legislation or practice (including in relation to taxation rates and allowances) or in accounting standards could adversely affect the investment return of the Group.

Changes to the tax status of members of the Group may affect the value of investments or its ability to provide returns

Representations in this Prospectus concerning the taxation of Shareholders, the Company, the Holdco and SPVs are based on tax law and tax authority practice as at the date of this Prospectus. These are, in principle, subject to change and prospective investors should be aware that such changes may affect the Company's ability to generate returns for Shareholders and/or the taxation of such returns to Shareholders. If you are in any doubt as to your tax position you should consult an appropriate independent professional adviser.

Any change in the tax status of any Group member, or in tax legislation or the tax regime, or in the interpretation or application of tax legislation applicable to the Company, the Holdco, any SPV or the companies or assets comprised in the Company's investment portfolio, could affect the value of the investments held by the Group, the Company's ability to achieve its stated objective, the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

A number of countries have introduced beneficial tax and subsidy regimes to support the generation of renewable energy. In at least one instance this regime has been subject to retrospective change by the jurisdiction concerned. There is no guarantee such changes will not be introduced in the UK. Any such change could have a material adverse effect on the Group.

The Company may be fined for breaches of applicable law or regulatory controls

The solar PV energy sector is subject to extensive legal and regulatory controls, and the Group and each of its solar PV assets must comply with all applicable laws, regulations and regulatory standards which, among other things, require the Group to obtain and maintain certain authorisations, licences and approvals for the construction and operation of the solar PV assets. Breaches of any such legal or regulatory controls or laws may result in members of the Group being the subject of proceedings, including criminal proceedings and incurring fines or other sanctions.

The Company must also comply with the provisions of the Companies Law and, as its Shares are admitted to the Official List and subject to, and subject to the Listing Rules, and the Disclosure and Transparency Rules. The Holdco and the SPVs shall be subject to company law in the jurisdiction of establishment. A breach of the Companies Law could result in the Company and/or the Board and/or any member of the Group being the subject of proceedings including criminal proceedings and incurring fines or other sanctions.

The ability of the Company to market its shares may be affected by conditions from implementation of the Alternative Investment Fund Managers Directive

Under the AIFM Directive, certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EU, including that prescribed disclosures are made to such investors. Transitional provisions will apply in some EU member states. Certain provisions of the AIFM Directive still require the establishment of guidelines, and the AIFM Directive is still being implemented in many EU member states. It is also possible that interpretation of the AIFM Directive may vary among the EU member states. It is therefore difficult to predict the full impact of the AIFM Directive on the Company, the Manager and the Investment Adviser and the effect on the Company, the Manager and the Investment Adviser may vary over time. The AIFM Directive may result in requirements to make certain reports and disclosures to regulators of EU member states and of members of the EEA in which ordinary shares in the Company are marketed. Such reports and disclosures may become publicly available.

The Company operates as an externally managed non-EU AIF for the purposes of the AIFM Directive and as such neither it nor the Manager, nor the Investment Adviser is required to seek authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in AIFs that are established outside the EU (such as the Company) to investors in that EU member state will be prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country (in this case Guernsey) and the relevant EU member state entering into regulatory co-operation agreements with one another.

The Company cannot guarantee that such conditions will be satisfied. In cases where the conditions are not satisfied, the ability of the Company to market its shares or raise further equity capital in the EU may be limited or removed. Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the New Shares.

The Company may be treated as an offshore fund

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds. Whilst the Company has been advised that it should not be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Investors should note the statements made in this Prospectus in respect of discount management and should not expect to realise their investment at a value calculated by reference to NAV per Share.

The Group may be prevented from relying on tax deductions for interest

The Group manages its UK tax liabilities by, *inter alia*, relying on tax deductions for interest payments. There are a number of provisions that could restrict the availability of those tax deductions. UK transfer pricing legislation limits the tax deductibility of interest should any terms of the loans with related parties be considered not to reflect the normal arm's length terms which would have been agreed between two independent enterprises. This includes both the rate of interest charged and the amount of debt. In particular, an entity is at risk of disallowance of tax deductions for interest payments it makes if it has excessive debt in relation to its arm's length borrowing capacity. Any restriction to the tax deductibility of interest could result in increased UK corporation tax liabilities of the Group and this could in turn adversely affect the returns to the investors.

The Group may fall within the World Wide Debt Cap regime which could result in a restriction on the amount of finance expense allowable for tax purposes based on the Group's worldwide external gross finance expense.

Capital allowance claims may be scrutinised by the HMRC in relation to solar PV installations

The Group also intends to use capital allowances to reduce its UK tax liabilities. Capital allowances are available on qualifying capital expenditure at varying rates. Claims for capital allowances in relation to solar PV installations are still a relatively new area and therefore more likely to be scrutinised by HMRC. Any successful challenge from HMRC of capital allowances claimed by the

Group could lead to increased UK tax liabilities which could impact the returns available for distribution to the investors in the Company.

The ability of the Company to comply with United States (U.S.) tax withholding and reporting requirements under the Foreign Account Tax Compliance Act (FATCA) depends on the Company receiving certain information about each Shareholder

Under the FATCA provisions of the U.S. Hiring Incentives to Restore Employment (HIRE) Act, payments to the Company of U.S.- source income after 30 June 2014, gross proceeds of sales of U.S. property by the Company after 31 December 2016 and certain other payments received by the Company after 31 December 2016 at the earliest will be subject to 30 per cent. U.S. withholding tax unless the Company complies with FATCA. Guernsey signed an intergovernmental agreement with the U.S. Treasury on 13 December 2013 which seeks to enable Guernsey institutions to comply with FATCA by requiring them to report information to the Guernsey tax authority pursuant to domestic legislation. Whilst the Company will seek to satisfy its obligations under FATCA (including under such intergovernmental agreement between Guernsey and the U.S. and Guernsey legislation implementing such intergovernmental agreement) to avoid the imposition of any FATCA withholding tax, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shares (if any). The Company intends to satisfy such obligations, although there can be no assurances that it will be able to do so. There is therefore a risk that the Company may be subject to one or more FATCA withholdings and that any amounts of U.S. tax withheld may not be refundable by the Internal Revenue Service (IRS). Potential investors should consult their advisers regarding the implications of FATCA and any other similar legislation and/or regulations for their investment in the Company.

Shareholders will be required to provide certain information to the Company (or its agents from time to time) in order to enable the Company to comply with its FATCA obligations in accordance with the Articles. If a Shareholder fails to provide the required information within the prescribed period, the Board may treat that Shareholder as a Non-Qualified Holder and require the relevant Shareholder to sell its Shares in the Company. The relevant provisions in the Articles will also apply should other jurisdictions introduce similar provision to FATCA.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of New Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

RISK RELATING TO ACQUISITION OF SOLAR PV ASSETS

The Group faces competition for acquisitions

The Group faces significant competition for assets in the UK solar power sectors from a variety of potential buyers. Competition for appropriate investment opportunities may, therefore, increase, thus reducing the number of opportunities available to, and adversely affecting the terms upon which investments can be made by, the Group, and thereby limiting the growth potential of the Group.

Such competition may cause a decrease in expected financial returns, and adversely affect the Company's market share. Increased competition could therefore have a material adverse effect on the business, financial condition, results of operation and prospects of the Group. The ability of the Company to achieve its investment objective depends upon the Company identifying, selecting and executing investments which offer the potential for satisfactory returns.

The availability of suitable investment opportunities will depend, in part, upon conditions in the UK solar PV market. There can be no assurance that the Group will be able to identify and secure investments that satisfy its investment criteria. Failure to identify and secure such investments could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

RISKS RELATING TO THE DEVELOPER

The potential projects being offered by the Developer may not meet expectations

The Company entered into the Project Sourcing Agreement with the Developer (referred to in Part 8 of this Prospectus) and expects to be offered numerous further investment opportunities by the Developer. The Developer may not be in a position to offer any further investment opportunities, or may offer a limited number and/or unsuitable opportunities to the Company. There is no certainty

that any of the assets described in this Prospectus as being potentially available to the Company subject to definitive documentation, or any further pipeline assets will be available for the Company to purchase, or indeed meet the Company's acquisition criteria.

In the event the Company is unable to secure any or sufficient opportunities from the Developer, or where the opportunities are of lower quality or taking more costs and time to secure, the Company may be in a position to source opportunities introduced or developed by the Manager, the Investment Adviser and/or third parties, but they may be of lower quality, more expensive and may take more time to secure them hence the Group's ability to deploy capital, business prospects and financial performance could suffer materially.

The Group may fail to acquire assets under the Project Sourcing Agreement and may incur costs in relation to assets that are not ultimately acquired

Investments introduced by the Developer will be assessed by the Investment Adviser and the decision as to whether to acquire any investment will be made by the Manager. Consequently, the Group may fail to acquire some or all of the assets which may be made available to it under the Project Sourcing Agreement referred to in Part 8 of this Prospectus.

The making of any further investments in any solar PV asset will be conditional upon, amongst other things, receipt of all necessary consents, approvals, authorisations and permits, the Company deciding to proceed with the acquisition, the Company being able to finance its commitment to a particular investment, satisfactory completion of due diligence and the entering into of binding agreements in a form satisfactory to all the parties thereto, including the Company.

Where the Group is taking development risk and investing in early stage assets under development (using up to the permitted 10 per cent. of Gross Asset Value available for this purpose), it is likely to incur third party costs in securing planning, grid connection and landowner rights (amongst other things). With investments in such early stage projects there is a greater risk that the projects may fail, compared to investments made in later stage assets.

The Group has, and may continue to, provide finance by way of a secured loan to enable EPC contractors to construct projects that the Company may (but need not necessarily) acquire once such projects are completed, assuming that they continue to meet the Investment policy of the Company. The Group may use up to the permitted 25 per cent. of Gross Asset Value available for this purpose (through the ''forward funding'' mechanism). Through this activity, the Group may be exposed to counterparty credit risk. The risk arises that the risk management measures adopted to control this risk may prove to be inadequate and if there is a default under the loan facility with any such EPC contractor, the Company may have inadequate security.

Costs and expenses may be incurred by the Group in respect of projects for which due diligence is undertaken but which are not ultimately acquired by the Group. Such costs and expenses may include costs and expenses paid by way of reimbursement to the Developer where a suitable project proposed by the Developer has been accepted (but is not ultimately acquired) by the Company.

RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP INVESTS

Solar PV equipment prices may increase or decrease; such changes may be reflected in the value of green benefits available

Solar PV equipment prices can increase or decrease for a wide variety of reasons. Such changes would generally be expected to produce corresponding changes in the value of green benefits available to new renewable power generation projects, although this may not always be the case. Prices for solar PV equipment are influenced by a number of factors, which include the price and availability of raw materials, global and regional demand for PV equipment, and any import duties that may be imposed on PV equipment.

The European Commission has concluded its anti-dumping and anti-subsidy investigations concerning imports of solar panels from China. The imposition of definitive measures was confirmed by the European Council on 2 December 2013, which includes charging duties at an average of 47.7 per cent., to apply for two years as of 6 December 2013. In parallel, a price undertaking covering approximately 75 per cent. of Chinese solar panel exports to the EU was accepted by the Council on 2 December 2013. Duties will not be imposed on those companies covered by the undertaking, which imposes a minimum import price for photovoltaic modules, and a minimum price for their key components (i.e. cells and wafers). There is a risk that duties

imposed may be extended beyond the two year deadline, or that further measures are taken in the future that interfere with the prices of solar PV equipment.

Changes in the cost of solar PV equipment could have a material adverse effect on the Group's ability to source projects that meet its investment criteria and consequently its business, financial position, results of operations and business prospects.

Political support for renewable energy support regimes may reduce

If UK Government, EU, and International support for reducing GHG emissions, including obligations and incentives for the development of renewable energy were to decline, whether on a retrospective or prospective basis, this could have a material adverse effect on the business, financial position, results of operations and future growth prospects of the Group, in addition to investor returns. Changes could occur for any reason, including the adoption of a different energy mix, the discovery or invention of a more preferred fuel and/or source of energy, or a change to the fiscal status of sovereign states. The Government's announcement of a deal with French and Chinese nuclear developers could signal a shift towards support for a programme of new nuclear plants, however the market expectation is that any new build plant would have a lead time of several years for permitting and construction.

Subject to the risks as described in this section, an overview of the current renewable energy targets in the EU and UK, the Renewable Energy Directive, the EU Emissions Trading Scheme, the Renewables Obligation (RO), Feed-in Tariffs (FITs), Contracts for Differences (CfDs), Electricity Market Reform (EMR), Levy Exemption Certificates (LECs) and the Levy Control Framework are described at Part 2.

Following the PV Consultation the UK Government confirmed it will close the RO across England, Wales and Scotland to new solar PV generating stations (both ground and building mounted) above 5MW from 1 April 2015, save that certain projects may benefit from ''grace periods'' which mean that they may qualify for the RO even after 1 April 2015 in certain circumstances. It should be noted that the PV Consultation is being challenged by PV JR. The UK Government further announced that there are all budget for CfDs will be capped at £50m for established technologies in 2015/16 and at £65m in 2016 to 2021. This may result in greater volatility in the value of the Group's investments and consequently its Net Asset Value and may materially and adversely affect the performance of the Company and returns to Shareholders. In particular, the effect of the PV Consultation has been to increase competition for assets which will be operational prior to 31 March 2015.

The sale price of electricity is determined by wholesale market prices, which may vary. The proposed Capacity Markets regime may depress energy prices

Under the RO regime, the price at which a solar PV plant sells its electricity is determined by wholesale market prices for ROCs and for electricity generation in the UK. In the event that the costs of other sources of electricity generation, such as nuclear power or fossil fuels, were to decline, this could reduce the wholesale price of electricity generation. Wholesale prices of electricity generation could be reduced in the event that costs of other sources of electricity generation (such as fossil fuels including domestically produced shale gas or nuclear) were to decline, for example this could arise should a politically and environmentally acceptable source of domestic shale gas be made available in the UK energy market. This could, according to some analysts, have a material negative impact on wholesale energy prices. Wholesale electricity prices could also decline if a significant amount of new electricity generation capacity became available. A number of broader regulatory changes to the electricity market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) are being implemented across the EU which could also have an impact on electricity prices.

Within the terms of the EMR, the Government has proposed the establishment of Capacity Markets. This framework will secure forward generator capacity with a resulting reduction in short term merchant risk but with the effect of reducing the price for generated energy. The consequential impact of this reform may be to depress energy prices and energy price inflation, with a specific impact on the post ROC period revenues of projects but with a likely effect on prices from the start of Capacity Markets in 2014/15.

Should the market price for electricity decline, this could materially adversely affect the price achieved for electricity generated by solar PV assets, and thus the Group's business, financial

position, results of operations, and business prospects. The risk of declines in the wholesale price of electricity can be mitigated through a variety of means through trading strategies (including long-term PPAs (which may include minimum/floor price levels for Brown Power sold)).

The value of renewable subsidies may vary and the value of ROCs fluctuates according to their supply and demand and decreases each year for newly accredited plants

Generally, the level of subsidy (FITs or the price at which ROCs and LECs can be sold) achieved by UK solar plants is determined by UK and EU renewable energy policies. The value of green subsidies can therefore be affected by changes in the political will to support solar PV and other factors such as the cost of solar PV equipment. There is current political uncertainty regarding high level carbon reduction targets, with the Government announcing a review of the fourth carbon budget to take place in 2014.

The Company seeks fixed price and long-term PPA arrangements with credit worthy energy supply companies in the UK but these can only be completed on connection of the asset to the National Grid. These PPAs may vary (adversely) up to the point of final connection. The PPA terms are typically for periods less than that for the life of the asset and the PPA terms may suffer variation when renegotiated in the future. Projects accredited by Ofgem in the RO year 2013/2014 will earn 1.6 ROCs per MWh. Those accredited in 2014/2015 will earn 1.4 ROCs per MWh. In the Government Response to the Consultation Document, the UK Government confirms it will close the RO to new solar PV generating stations from 1 April 2015, with the RO being replaced with a contract for differences (CfD) regime. Whether a project obtains a CfD is dependent upon its auction strategies and this could reduce the level of support available.

Therefore, depending on how quickly the Company invests its funds, the level of subsidy available may be affected which may affect the financial model and future cashflows. At present, there is considerable uncertainty as to the CfD regime.

Although fixed rates of return are usually provided under the FITs regime, the value of ROCs under the RO fluctuates according to their market supply and demand. The CfD regime should be more predictable and similar to the FITs regime in terms of income certainty once a Project is locked in to the CfD.

A variety of ways exist to mitigate the risk of declines in the price of green subsidies through trading strategies (including long-term PPAs). Reductions in levels or market value of green benefits available could have a material adverse effect on the Group's business, financial position, results of operations and business prospects. ROC prices could be materially and adversely affected by an imbalance of supply and demand should the actual amount of renewable energy generation exceed expectation on the annual Renewable Obligation target.

Changes to renewable subsidy regimes under the Electricity Market Reform may negatively impact the Group; power purchase agreement counterparties may attempt to re-negotiate contracts

The UK Government will close the RO to new accreditation, as part of its programme of Electricity Market Reform. ROCs issued after a certain date will be replaced with ''fixed price certificates''. On 17 July 2013, a DECC consultation on the transition from the Renewables Obligation (RO) to CfDs set out proposals on the operation of the RO during the transition period, and on arrangements at and after the point of RO closure to new capacity on 31 March 2017. DECC had indicated that it intended to maintain support levels, including their duration, for existing participants under the RO, however it cannot be guaranteed that this will always remain to be the case. In the Government Response to the Consultation Document, the UK Government confirms it will close the RO to new solar PV generating stations from 1 April 2015, with the RO being replaced with a contract for differences (CfD) regime. Whether a project obtains a CfD is dependent upon its auction strategies and this could reduce the level of support available.

There is also the risk that counterparties to existing PPAs may attempt to re-open negotiations or even terminate their agreements, relying on change of law provisions, as a result of changes brought about by EMR. This could include the possible scenario of the date for replacing ROCs with fixed price certificates being brought forward. Under the new CfD regime, the Government will introduce ''strike prices''. Falls in potential subsidy are in-built into the regime, with proposed administrative strike prices (which represents the maximum ceiling for strike prices for a particular technology) falling from £120/MWh (2012 prices) in 2014/2015, to £100/MWh in 2018/2019. The

actual strike price will be based upon a successful applicant's bid in an auction round and the level of demand for the pot of funding available for established technologies. Therefore depending on how quickly the Company invests its funds, the level of subsidy available may be affected which may affect the financial model and future cashflows.

Implementation of EMR is subject to EU State Aid approval. Some projects that are not or cannot be accredited under the RO may not be entitled to CfD support. The consequences of the EMR will be relevant to future investments made by the Group.

The Levy Control Framework could reduce support levels available to projects that have not been accredited

The Levy Control Framework, devised and implemented by the Treasury, sets an overall cap on DECC's levy-funded spending under its renewable policies whilst ensuring its fuel poverty, energy and climate change goals are achieved. The Framework overlaps funding of renewable policies in a manner consistent with economic recovery and minimising the impact on consumer bills. Where the cost of renewables support regimes exceeds the relevant cap, support levels for projects under these regimes may be subject to an adjustment. This is not a retrospective activity but could negatively impact returns to the Group, where the Group has invested in projects which are due to take advantage of such regimes but have not yet been fully accredited and, consequently, investors.

A retrospective change of law regarding the policy of ''grandfathering'' support levels could reduce the value of Group assets

From time to time, the UK Government has generally revised its renewable energy subsidy regimes, in order to reduce the benefits available to new renewable projects. This has been done at strategic points in time in order to drive both component and installation cost efficiencies. However, there is significantly less risk of support being reduced, withdrawn or changed retrospectively for existing support-accredited projects than there is for new projects which have not yet been accredited for support.

In order to maintain investor confidence, the UK Government has generally ensured that the benefits already granted to operating renewable power generation projects are exempted from future regulatory change. This practice is referred to as ''grandfathering''. Grandfathering is a policy decision and, as such, there is no guarantee that the practice of grandfathering will be continued. There have been court judgements that support the view that the Government should not make retrospective changes that reduce support for existing accredited projects, though such judgements may not be followed in the future or their precedent may be overturned by legislation. The EU has also published guidance that Governments should avoid unannounced or retrospective changes to renewable energy support schemes, and the UK Government has restated its commitment to not making retrospective changes.

The Group is likely to suffer a loss if the UK Government was to abandon the practice of grandfathering and apply adverse retrospective changes to the levels of support for operating projects in which the Group has a financial interest which in turn, could have a material adverse effect on the Group's business, financial position, results of operation and business prospects.

Alternative gas power generation may negatively impact the wholesale price of electricity

Modelling detailed in the Government's Gas Generation Strategy (published December 2012), suggests that as much as 26GW of new gas plant could be required by 2030, in order to replace older fossil fuel and nuclear plants as they are decommissioned. The development of new gas power projects, may discourage the deployment of renewable technologies. This could be exacerbated by the uptake of significant volumes of domestically-produced shale gas or any other factor that results in falls in wholesale gas prices. The Government has indicated its support for developing shale gas production, with the establishment of the Office for Unconventional Gas and Oil within DEFRA in March 2013. Edward Davey, the Secretary of State for Energy and Climate Change outlined the Government's support for the technology in September 2013, and the Autumn Statement, announced on 5 December 2013 included a tax incentive to boost shale gas exploration.

Any significant move to gas power generation or other modern gas technologies, and away from renewable technologies, greater than that currently assumed in the market, could negatively impact the Group's prospects and performance.

Changes to permitting policies may reduce the number of solar PV plants in the UK market

Solar PV plants require an extensive permitting process to secure approvals for construction, grid connection and operation. For example, development of a project will require planning permission from the Local Planning Authority, and may require an Environmental Impact Assessment depending upon the size and impact of the proposed project.

Any change to permitting policies and procedures may reduce the number of solar PV plants in the UK market and consequently reduce the number of investment opportunities available to the Group. As a result, the Group's ability to deploy the Net Issue Proceeds and business prospects may be adversely impacted.

Post planning permission risks to projects may reduce the value of a PV solar asset

Solar PV plants can only be constructed post award of planning permission for utility scale ground-mounted plants. There is a 6 week period in which planning permission may be subject to judicial review and is at risk of being quashed. The Company intends to only consider those plants where such challenge period has expired without objection.

Planning permissions may also contain provisions for archaeological review of sites and submission of professional reports to the relevant local authority for discharge of planning requirements. Where such an archaeological review finds evidence of archaeological interest at potential risk due to plant construction then the planning permission may be withdrawn or amended and this could result in a reduction in value.

The effect of these risks would be to reduce the number of opportunities for the Company to acquire assets including those in the current pipeline. As a result, the Group's ability to deploy the Net Issue Proceeds and business prospects may be adversely impacted.

RISKS RELATING TO GROUP'S BUSINESS

Changes to how RPI is calculated or deflation could adversely affect the Company's distributions

The revenues and expenditure of solar PV assets are frequently partly or wholly subject to indexation, typically with reference to RPI and the Company's target distributions are linked to RPI. RPI is the result of factors outside the control of the Company and, in absolute terms, the Company's distributions would be adversely affected by deflation.

RPI is published by the Office for National Statistics on a monthly basis and measures the change in the cost of a basket of retail goods and services. Its calculation may be subject to change in the future. In 2012 the Office for National Statistics undertook a consultation, prompted by the gap between the estimates produced by the RPI and the Consumer Prices Index (CPI) which considered changing the formulae used at the elementary aggregate level in the RPI. Such consultation is concluded and recommended that the RPI formulae should remain unchanged. Should the basis of calculation of RPI be changed in the future, including *inter alia* through changes to the constituent basket of retail goods and services or through changes to the formulae used at the elementary aggregate level, such a change may reduce future published RPI figures, which could have an adverse effect on the absolute level of the Company's distributions.

Due diligence may fail to uncover all material risks; unknown liabilities may arise

Prior to the acquisition of a solar PV asset or any entity that holds a solar PV asset or rights to construct a solar PV asset, the Company and its advisers (including with the Investment Adviser) will undertake commercial, financial, technical and legal due diligence on the assets. Notwithstanding that such due diligence is undertaken, such due diligence may not uncover all of the material risks affecting the solar PV asset or entity, as the case may be, and/or such risks may not be adequately protected against in the acquisition documentation. The Group may acquire assets with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. However, if an unknown liability was later asserted against the acquired assets, the Group might be required to pay substantial sums to settle it or enter into litigation proceedings, which could adversely affect cash flow and the results of its operations. Accordingly, in the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the Group.

Technical analysis of the build quality, lifecycle costs, technical performance and asset life will be undertaken by the technical advisers appointed by the Group in connection with any proposed

acquisition. It is not intended that the equipment and systems purchased will rely substantially on new technology and it is expected that they will have a track record in other solar PV assets. Even so, components such as cabling, PV panels, inverters and control systems amongst others can fail and repair or replacement costs, in addition to the costs of lost production, can be significant.

The Group cannot guarantee that it will be able to borrow or refinance on reasonable terms

To the extent that the Group does not have cash reserves available for investment and is unable to finance these investments by raising further equity, the Group would need to finance further investments either by borrowing (whether by new borrowing or refinancing existing debt) or by the Company issuing further Shares. There can be no assurance that the Group may be able to borrow or refinance on reasonable terms or that there will be a market for further New Shares. If new borrowing is required for any further investments, the Group does not intend to commit to any such further investments unless such commitment is conditional upon further borrowings, as required. Any borrowing by the Company will have to comply with the Group's limits on borrowing in its investment policy.

The ability of the Company to deliver enhanced returns and consequently realise expected real Net Asset Value growth may be dependent on ongoing access to debt facilities. Please see the risk factor regarding leverage above for further information. There can be no assurance that the Group may be able to borrow on reasonable terms or at all.

It may not be possible to adequately control minority holdings

The Group may not always be able, for structural or commercial reasons, to acquire a 100 per cent. equity interest in the assets which it acquires. Any minority holdings in acquired assets may hamper the Group's ability to control such assets and may also reduce the future returns to the Company or the Company's ability to pay dividends.

The Group will be exposed to counterparty credit risk

The Group will be exposed to third party credit risk in several instances, including, without limitation, with respect to contractors who have constructed the Group's plants, may be engaged to operate assets held by the Group, property owners or tenants who are leasing ground space to the Company for the locating of the assets, or the off-takers of energy and green benefits supplied, banks who may provide guarantees of the obligations of other parties or who may commit to provide leverage to the Group at a future date, insurance companies who may provide coverage against various risks applicable to the Group's assets (including the risk of terrorism or natural disasters affecting the assets) and other third parties who may owe sums to the Group. In the event that such credit risk crystallises in one or more instances (for instance, an insurer which grants coverage becomes insolvent as a result of claims made due to a natural disaster by several persons insured by it and the Group is, consequently, unable to make substantial recovery under its own insurance policy with such insurer), this may materially adversely impact the investment returns.

Inability to control operating expenses and investments may adversely impact the Company

The profitability of a solar PV asset over its full asset life is dependent, *inter alia*, on the owner's ability to manage and control the operating expenses of each plant. Plant operating expenses include land lease, O&M expenses, insurance coverage and asset management costs, as well as other costs.

In addition, a plant's profitability over its full asset life is also dependent on the owner's ability to manage and control investment costs during the operational phase of a plant. Investment costs at the plant level include replacing faulty technology components (such as modules, inverters, cables, interconnection gear, module support systems) not covered by supplier warranties or guarantees, rebuilding the plant following any unexpected event such a theft, burglary or act of vandalism not covered by insurance providers.

As a result, the Group's inability to control operating expenses and investments at the solar PV plants it acquires may adversely impact the Company's financial performance, results and ability to pay dividends to Shareholders.

The Group is exposed to counterparties failing to perform their obligations under operation and maintenance contracts

The Company expects to carefully select and rely on third-party professionals and independent contractors and other service providers to provide the required operational and maintenance support services throughout the construction and operating phases of the UK solar PV assets in the Group's investment portfolio. In the event that such contracted third parties are not able to fulfil their obligations or otherwise fail to perform to standard, the Group may be forced to seek recourse against such parties, provide additional resources to undertake their work, or to engage other companies to undertake their work. However, any such legal action, breach of contract or delay in services by these third-party professionals and independent contractors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's ability to invest in and operate solar PV projects could be adversely affected if the contractors with whom the Group wishes to work do not have sufficient capacity to work with the Group on its chosen projects. In addition, if the quality of a contractor's work does not meet the requisite requirements, this could have an adverse effect on the construction and operations, and financial returns of such projects, as well as the Group's reputation.

Where an operation and maintenance contractor, or any other contractor, needs to be replaced, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Group will be required to appoint a replacement contractor. Any such replacement contractor may be of higher costs. If it takes a long time to find a suitable contractor, it could potentially lead to delays, lower technical and operating performance or downtime for the relevant asset. This could have a material adverse effect on the Group's financial position, results of operation and business prospects.

The Group is exposed to counterparties failing to perform their obligations under EPC contracts

The Company expects to acquire projects on which, as a general rule, third-party EPC contractors have provided the required turn-key construction contracts. As part of these EPC contracts, the EPC contractor assumes financial and operational warranties and guarantees during the initial phase of the plant's operational life.

Where a EPC contractor has not fulfilled his contractual duties and/or the performance of the plant falls below the guaranteed levels, the Group will pursue all means to recover any losses resulting therefrom and seek compensation for any incremental investment costs sustained by the Company to correct any faults uncovered.

In the event the EPC contractor is not able to cover his contractual liabilities, the Company's financial position, results of operations and ability to pay Shareholder dividends may be adversely impacted.

If the construction is delayed for any reason which could include for example extended period of adverse weather conditions, this could delay commissioning and accreditation under the RO and, consequently, adversely impact the level of support achieved by the asset.

Reinvestment of excess cash may not be possible

In the event that the Group's investments do not generate sufficient returns or if for other reasons the Group does not generate profits for the Company sufficient to enable the payment of dividends at or above the target described herein, the Company will not have excess cash available for reinvestment which may inhibit growth of the NAV or, indeed, its maintenance at prior levels. Further, the Board conducts the Company's affairs in a manner intended that (if the Company were a UK company) it would qualify for approval as an investment trust. Such approval may require the distribution of cash that would otherwise be available for reinvestment.

Even if excess cash is available there is no guarantee that suitable investments will be available for the deployment of that cash.

RISKS RELATING TO TECHNOLOGY AND OPERATIONS AND POTENTIAL CONSTRUCTION DELAY

Technology failures and operational risks may arise which may not be covered by warranties or insurance; construction delays may arise, including due to a shortage of solar PV components

Although the Manager will procure that appropriate legal and technical due diligence is undertaken on behalf of the Company in connection with any proposed acquisition of UK solar PV assets by the Company, this may not reveal all facts and risks that may be relevant in connection with an investment. In particular, if the operation of projects has not been duly authorised or permitted, it may result in closure, seizure, enforced dismantling or other legal action in relation to such projects. Certain issues, such as failure in the construction of a plant, for example, faulty components or insufficient structural quality, may not be evident at the time of acquisition or during any period during which a warranty claim may be brought against the contractor. Such issues may result in loss of value without full or any recourse to insurance or construction warranties.

Further, construction delays may occur during the construction of any such project due to either a delay or shortage of critical path project components, such as modules or inverters. Such delays could affect the time in which the project becomes operational or could even lead to the project being prevented from ultimately being constructed.

Warranties and performance guarantees typically only apply for a limited period, and may also be conditional on the equipment supplier being engaged to provide maintenance services to the project. Performance guarantees may also be linked to certain specified causes and can exclude other causes of failure in performance, such as unscheduled and scheduled grid outages. Should equipment fail or not perform properly after the expiry of any warranty or performance guarantee period and should insurance policies not cover any related losses or business interruption the Company will bear the cost of repair or replacement of that equipment.

In addition, operational solar PV plants remain subject to on-going risks, some of which may not be fully insured or fully protected by contractor or manufacturer warranties, including but not limited to security risks, technology failure, manufacturer defects, electricity grid forced outages or disconnection, force majeure or act of God. Whilst solar PV energy technology has been utilised for many years manufacturers continue to develop and change technology and this may result in unforeseen technology failures or defects.

Any unforeseen loss of performance and/or efficiency in solar modules, beyond the warranted degradation, on an acquired or developed asset would have a direct effect on the yields produced by a solar PV plant and, as a consequence, could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, any unforeseen loss or redaction of performance of other technology components of a solar PV plant, such as the inverters, wiring, electronic components, switchgear and interconnection facilities, could have a material adverse change on the Group's business, financial condition and result of operations.

The Company has and will contract to acquire plants post construction with or without the use of forward funding on the basis they are constructed on time and achieve a given subsidy (ROC) banding. Failure to commission on time may mean a significant increase in revenue risk due to a greater reliance on Brown Power only.

The Company contracts to acquire plants once constructed and may contract whilst they are ready for, or already in, construction. Contract completion is arranged to occur post solar PV assets commissioning. Due to the envisaged removal of ROC subsidy for larger solar PV assets as at 31 March 2015, the Company has ensured that the contracts to acquire have break points based on delivery dates. These break-points can be linked to liquidated damages, a price reduction or both; and the Company has ensured it has the right but not obligation to acquire these solar PV assets post construction where the 31 March 2015 ROC deadline has been missed. It is possible in these circumstances that the Company may still acquire the solar PV assets at a much reduced price and on advantageous terms that will be defined at that event. Consequently, the solar PV assets may be 100% exposed to brown power prices for the period to the next CfD auction or permanently should it fail to achieve a CfD contract. The exposure to Brown Power only revenues carries a significant risk that Brown Power prices may decline for a period or permanently. Such a reduction or loss of revenue may materially adversely impact the investment returns.

The Company is reliant upon electricity transmission facilities owned by third parties; a breakdown in the connection presents risks to the Company

In order to sell their energy output and thus realise value, solar PV facilities must be and remain connected to the distribution or transmission grid. Therefore the group is reliant upon electricity transmission facilities owned by third parties to sell the electricity produced by its solar PV assets. Typically, the Group will not be the owner of, nor will it be able to control, the transmission or distribution facilities except those needed to interconnect its solar PV plants to the electricity network.

Accordingly, a solar PV plant must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point.

In addition, in the event that the transmission or distribution facilities break down with or without fault of the distribution or transmission grid operator, the Company may be unable to sell its electricity and this could have a material adverse effect on the Group's business, financial status and results of operations. The circumstances in which compensation, if any, would be payable are limited and the amounts payable are unlikely to be sufficient to cover any losses of revenue. Thus, the Group would have to rely on business interruption insurance to compensate for its losses. Business interruption insurance is likely to have a minimum claim amount and not all losses sustained by the Group may be recovered, which could have a material adverse effect on the Company's financial position and results of operation.

The Company does not envisage being likely to participate in the Balancing Mechanism, and therefore may not be adequately compensated in the event of a system constraint

A risk inherent to the connection to any electricity network is the limited recourse a generator has to the network operator if the solar PV plant is constrained off the system. In certain specified circumstances, NGET, as system operator, can require generators (or the electricity suppliers registered as being responsible for their metering systems, or distribution system operators) to curtail their output or de-energise altogether. Large projects which participate in the balancing mechanism would be compensated because the mechanism for curtailment would be to accept a bid/offer pair that has been submitted by the project. However, most smaller projects (including projects in which the Group may invest) may not currently participate in the balancing mechanism and therefore may not be compensated for such curtailment or, the circumstances in which compensation would be payable are limited and the amounts payable may not be sufficient to cover any actual losses of revenue. Participating in the balancing mechanism entails a certain degree of risk (especially for renewable projects that are not controllable) and solar PV plants usually transfer balancing functions to the offtaker.

A change in the public attitude towards solar PV may result in increased regulatory risk

The solar PV sector currently relies upon specific regulatory support to provide preferential treatment, including premium prices on electricity production, for solar PV producers. Such support has been legislated in the UK based also upon a growing public and political support for solar and other renewable energy sources, due in particular to increasing public and political concerns about climate change, environmental sustainability and energy security. According to the most recent data collected on behalf of DECC, the public attitudes to renewables "tracker" survey published in August 2014 shows support for solar at 82 per cent. of the survey sample. This was the highest figure of support for any of the renewables technologies to feature in the survey.

A change in public attitude in the UK to solar PV or renewable energy installations may result in an increase in security and regulatory risk to operating solar PV installations, for example due to a resentment of the cost burden created by solar PV production relative to alternative conventional energy sources, to the appearance or environmental impact of solar PV plants or to the benefits to certain investor groups, perceived to be granted at the cost of the public; factors that have been featured in press articles.

There can be no guarantee that changes in public attitude will not result in a loss of actual or perceived value of investments.

The market for Brown Power may adversely change

Sales of energy generated to supply companies (Brown Power) are a significant component of long-term and a major component of the post-ROC period revenues of the Assets. These PPA prices are based on market conditions, supply and demand for energy at the time that the prices are agreed. The Company intends to the extent that it is able to fix the Brown Power component of the PPA for a 3 year rolling period under a long-term PPA but this may not always be the case especially where existing generating assets are acquired with pre-existing PPAs, where the availability of long-term PPA's are curtailed or where the market for Brown Power moves detrimentally to the interests of the Company. The Company seeks to secure a minimum Floor Price for Brown Power and where this is achieved, the Floor Price is significantly lower than the expected price.

The EMR has proposed CM which may have a depressing effect in the medium to long-term on demand for brown power and though DECC has published Energy Inflation forecasts the true extent and nature of the effect of EMR and the CM component of EMR cannot be predicted.

Accordingly, though the market predictions for long-term Brown Power prices would suggest significant inflation the Company cannot guarantee that this will be the case and a fall in Brown Power prices will have a detrimental impact on the value of assets and this may materially adversely impact the investment returns.

Additionally, the Company may acquire assets conveying Brown Power sale to a corporate buyer, sometimes by way of a private wire. These assets can benefit from higher than market Brown Power prices and or other benefits such as reduced rent where the Brown Power wholesale buyer is also the land lord. The Company intends that Brown Power buyers will be counterparts with good credit rating counterparties at the time of acquiring such assets, but the financial standing of the buyer cannot be guaranteed and may over a period of time deteriorate with the potential risk of default or bad debt arising. Where prudent to do so the Company may pursue legal action for recovery and or seek alternative buyers for energy generated but there may be a delay, a reduction in price or loss of revenues as part of a compromise with debtors and or their administrators or receivers. Such a reduction or loss of revenue may materially adversely impact the investment returns.

Changes in economic conditions may adversely affect the Group's prospects

Changes in general economic and market conditions including, for example, interest rates, rates of inflation, industry conditions, competition, political events and trends, tax laws, national and international conflicts and other factors could substantially and adversely affect the Company's prospects and thereby the performance of its Shares.

Not all project risks may be covered by insurance

Solar PV plant operators generally take out insurance to cover certain costs of repairs, business interruption and any other project specific risks that may have been insurable identified and are insurable against. However, not all potential risks and losses in relation to the operation of solar PV plant will be covered by the insurance policies. For example, losses as a result of force majeure, natural disasters, terrorist attacks or sabotage, cyber-attacks or environmental contamination or theft may not be available at all or on commercially reasonable terms or a dispute may develop over insured risks. It is not possible to guarantee that insurance policies will cover all possible losses resulting from outages, failure of equipment, repair and replacement of failed or stolen equipment, environmental liabilities, any advanced profit losses equipment theft or legal actions brought by third parties (including claims for personal injury or loss of life to personnel). The uninsured loss, or loss above limits of existing insurance policies could have an adverse effect on the business, financial position, results of operations and business prospects of the Group.

In cases of frequent damage, insurance contracts might be amended or cancelled by the insurance company or the insurance premium levels will be increased, in which case the Group may not be able to maintain insurance coverage comparable to that currently in effect or may only be able to do so at a significantly higher cost. An increase in insurance premium cost could have an adverse effect on the Group's business, financial position, result of operations and business prospects.

Theft and other adverse actions against solar assets may not be insurable, and even if are insurable, may cause disruption to operations

For solar PV plants, modules are the most valuable components of solar installations and are particularly exposed to theft due to their portability. Other components at solar PV plants are also valuable and stolen with relative ease, such as copper cables. The Group may incur significant damage to its operations due to theft of components and modules.

Solar PV assets may also constitute a high risk target for terrorist acts, political actions or vandalism, in light of their strategic profile and nature. If the assets do become targeted by such terrorist acts or other political actions, they may, for an indefinite period of time, be unable to generate further electricity and/or their value may be adversely affected, in turn, heightening any potential loss from third-party claims against the Group for such failures.

While the Group will seek to obtain insurance to cover its modules, other components and PV assets against theft as well as terrorist acts, political actions and vandalism, such insurance, if obtained, may not prove adequate and this could have a material adverse effect on the Group's financial condition and results of operations.

Changes to weather patterns could reduce average levels of solar radiation; extreme weather events could reduce the efficiency of solar energy

The profitability of a solar PV asset is dependent, *inter alia*, on the meteorological conditions at the particular site. Levels of sunlight and cloud cover may fluctuate on a daily, monthly and seasonal basis, and over the long-term as a result of more general changes in climate, which may bring variations in meteorological conditions. Accordingly, the Group's revenues will be dependent upon the meteorological conditions at the solar PV plants owned by the Group.

Solar PV assets and plants rely upon adequate ultraviolet light from solar radiation to produce power. Although statistics show that variance in annual solar radiation is statistically relatively low compared to other renewable energy sources such as wind, the amount of solar radiation received annually or during any shorter or longer period of time in locations where the Group's solar PV assets may be located could possibly be affected by temporary or semi-permanent or permanent changes in weather patterns, including as a result of global warning or for any other reason. Thus the electricity generated could be reduced, which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects.

Certain adverse weather conditions, including hotter ambient temperatures and extreme weather (such as flooding, storms and/or high winds) could also reduce the efficiency of solar energy and in extremis, impact the operation of any solar PV asset, thereby reducing the Company's revenues which would have a material adverse effect on the Company's business, financial position, results of the operations and business prospects.

Natural and/or political events may reduce electricity production below expectations

Events beyond the control of the Company, such as acts of God (including fire, flood, earthquake, storm, hurricane or other natural disasters), war, insurrection, civil unrest, strikes, public disobedience, computer and other technological malfunctions, telecommunication failures, terrorism, crimes, nationalisation, national or international sanctions and embargoes, could materially adversely affect investment returns.

Natural disasters, severe weather or accidents could damage solar PV assets or the ability of engineers to access the relevant site, which could have a material adverse effect on the Group's business, financial position, results of operations and business prospects. Earthquakes, lightning strikes, tornadoes, extreme winds, severe storms, wildfires and other unfavourable weather conditions or natural disasters may damage, or require the shutdown of, solar modules or related equipment or facilities which would decrease electricity production levels and results of operations.

The occurrence of such events may have a variety of adverse consequences for the Group, including risks and costs related to the damage or destruction of property, suspension of operation and injury or loss of life, as well as litigation related thereto. Such risk may not always constitute contractual force majeure. Such risks may not be insurable or may be insurable only at rates that the Group deems uneconomic.

Solar panels are subject to degradation and the risk of equipment failure

Although ground-mounted PV installations have few moving parts and operate, generally, over long periods with relatively low levels of maintenance, PV power generation employs solar panels composed of a number of solar cells containing a PV material. These panels are, over time, subject to degradation since they are exposed to the elements and carry an electrical charge, and will age accordingly. In addition, the solar radiation which produces solar electricity carries heat with it that may cause the components of a PV solar panel to become altered and less able to capture irradiation effectively.

There is a risk of equipment failure due to wear and tear, design error or operator error with respect to each PV facility and this failure, among other things, could adversely affect the returns to the Company.

Balance-of-plant equipment is subject to degradation and the risk of equipment failure

Solar PV plants contain a multitude of technical, electronic, mounting structures and other components, commonly referred to as ''balance-of-plant''. Balance-of-plant components are subject to degradation, technical deterioration and other loss of efficiency and effectiveness over a Solar PV plant's lifespan. There is a risk of unexpected equipment failure or decline in performance over the life cycle of the plant which would adversely affect the plants technical and financial performance.

Third party ownership of property carries risks; environmental liabilities may arise, particularly on ''brownfield'' sites

It is anticipated that a significant proportion or potentially all of the UK solar PV assets to be acquired by the Group will be located on agricultural, commercial and industrial properties. Planning policy is directing developers towards previously used ''brownfield'' sites, although not exclusively. Such sites can have a greater likelihood of project participants suffering environmental liability and/or require a higher degree of due diligence in the permitting steps.

Reliance upon a third party owned property gives rise to a range of risks including deterioration in the property during the investment life, damages or other lease related costs, counterparty and third party risks in relation to the lease agreement and property, termination of the lease following breach or due to other circumstances such as a mortgagee taking possession of the property. Whilst the Company will seek to minimise these risks through appropriate insurances, lease negotiation and site selection there can be no guarantee that any such circumstances will not arise and result in losses to the investment.

Environmental laws and regulations may have an impact on the Group's activities. It is not possible to predict accurately the effects of future changes in such laws or regulations on the Group's financial performance and results of operations. There can be no assurance that environmental costs and liabilities will not be incurred in the future. In addition, environmental regulators may seek to impose injunctions or other sanctions on the Group's operations that may have a material adverse effect on the Group's results of operations or financial condition.

To the extent there are environmental liabilities arising in the future in relation to any sites owned or used by a solar PV plant operating company (such as the Group) including, but not limited to, clean-up and remediation liabilities, such operating company may, subject to its contractual arrangements, be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the sites or by of the value of the total investment in the relevant solar PV asset.

Solar PV assets may be considered a source of nuisance, pollution, or other environmental harm

All utility-scale solar energy facilities require relatively large areas for solar radiation collection when used to generate electricity at utility-scale (generally meaning facilities with a generation capacity of 5 MW or greater). Solar facilities may interfere with existing land uses and could impact the use of nearby specially designated areas such as wilderness areas, areas of critical environmental concern, or special recreation management areas. Accordingly, a solar PV plant must have in place the necessary connection agreements and comply with their terms in order to avoid potential disconnection or de-energisation of the relevant connection point.

PV panels may contain hazardous materials, and although they are sealed under normal operating conditions, there is the potential for environmental contamination if they were damaged or

improperly disposed of following decommissioning. This could lead to a material reduction in the returns from the affected solar PV assets and, as a result, the operational results of the Company. Proper planning and good maintenance practices can be used to minimise impacts from hazardous materials, however, there is no guarantee that this will always be the case.

The Company cannot guarantee that its solar PV assets will not be considered a source of nuisance, pollution or other environmental harm or that claims will not be made against the Group in connection with its solar PV assets and their effects on the natural environment. This could also lead to increased cost of compliance and/or abatement of the generation activities for affected solar PV assets which could also lead to a material reduction in the returns from the affected assets and as a result the results of operation of the Company.

In the event that the SPV's need to replace WiseEnergy to conduct asset management activities, the replacement may be less qualified / more expensive, or take a long time to procure

The investment performance of the Company will be dependent on the services of any person appointed to provide asset management activities to it. The Company expects to the extent that it is able to procure that the SPVs outsource, on an arm's-length basis, all asset management activities for the Group's solar PV plants to WiseEnergy. WiseEnergy is a member of the NEC Group. WiseEnergy will undertake a range of technical, operational, financial and administrative functions on behalf of SPVs. To date, all solar PV plants owned by the Group are managed by WiseEnergy.

In the event that SPVs need to replace WiseEnergy, a replacement may be less qualified, more expensive and there is a further risk that finding a suitable replacement may take a long time. If WiseEnergy is not able to fulfil its contractual obligations or is not of the requisite quality, this could have a material impact on a plant's technical and/or financial performance and therefore impact the Company's operations and financial results.

Errors may be made in the financial model, including meteorological and financial forecasting; assets acquired by the Group may fail to meet expectations

Solar PV asset acquisitions rely on forward forecasting and detailed financial models to support their valuations. There is a risk that errors may be made in the assumptions or methodology used in a financial model. In such circumstances the returns generated by any solar PV asset acquired by the Group may be different to those expected.

The Company cannot guarantee the accuracy of forecasting or the reliability of the forecasting models, or that meteorological data collected and used in financial models will be indicative of future meteorological conditions. Meteorological forecasting can be inaccurate due to meteorological measurement errors, or errors in the assumptions applied to the forecasting model. In addition, forecasters look at long-term data and there can be short term fluctuations.

The financial models will include forecasts on a number of operating expenses at each PV plant, including, *inter alia*, land leases, O&M costs, local Government rates, asset management expenses, insurance expenses and other (such as SG&A) expenses.

The Company cannot guarantee such forecasts will be reliable or accurate. Differences in these forecasts may have significant effects on the return of the Company.

Furthermore, the performance of an asset is predicted by the designs and warranties provided by the EPC and adopted by the O&M provider. These performance forecasts my not be sustainable in the long-term and in the case where an O&M provider is not able to maintain performance the Company may have to rely on contractual claims against these counterparties and cannot guarantee that such claims will be successful or sufficient to cover the loss of revenues incurred.

The returns from operating efficiency improvements and energy sales could be less attractive than originally anticipated. The returns from operating efficiencies are dependent upon, *inter alia*, the level of technical inefficiency and avoidable losses in acquired sites, the Group's ability to identify and rectify such inefficiencies in a cost-effective manner and its ability to achieve the cost savings on operational expenses. The Group may find, following acquisition of its assets, that such operating efficiency improvements are not achievable or that the returns are less than the Manager's and the Directors' current expectations.

Solar PV assets acquired by the Group may fail to meet the Company's expectations and forecasts. The prices at which the Group will acquire its assets will be determined by the

Manager's expectations and operational assumptions of the economics of such assets so that the returns available to the Group are acceptable. Should the operation and economics of the assets fall short of the Group's expectations, there could be a material adverse effect on the returns to the Company.

UK electricity suppliers may become insolvent which would adversely affect any projects benefitting from the FIT regime

The UK Government does not guarantee the solvency of electricity suppliers and if an electricity supplier were to collapse or if its financial strength deteriorates then, in any FIT projects, its obligations should be taken over by an alternative FIT provider, which could materially affect the financial results of the Company.

Health and safety risks may result in liability for the Group in the event of an accident

The physical location, maintenance and operation of a solar power plant may pose health and safety risks to those involved. Solar power plant operation may result in bodily injury or industrial accidents, particularly if an individual were to fall from a great height, to be crushed, injured or be electrocuted. If an accident were to occur in relation to one or more of the Group's solar power plants, the Group could be liable for damages or compensation to the extent such loss is not covered under existing insurance policies. Liability for health and safety could have a material adverse effect on the business, financial position, results of operations and business prospects of the Group.

IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Manager, the Investment Adviser, the Sponsor, Macquarie, Cantor Fitzgerald, SCS or any other person.

Without prejudice to the Company's obligations under the Prospectus Rules or FSMA, neither the delivery of this Prospectus nor any subscription or purchase of New Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor does not accept any responsibility whatsoever for the contents of this Prospectus or for any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the Manager, the Investment Adviser, the New Shares, Admission or the Placing Programme. The Sponsor accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such other document or statement.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Joint Bookrunners by FSMA or the regulatory regime established thereunder, the Joint Bookrunners do not accept any responsibility whatsoever for the contents of this Prospectus or for any other document or statement made or purported to be made by them, or on their behalf, in connection with the Company, the Manager, the Investment Adviser, the New Shares, Admission or the Placing Programme. The Joint Bookrunners accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above), which they might otherwise have in respect of this Prospectus or any such other document or statement.

The contents of this Prospectus are not to be construed as legal, financial, business, investment or tax advice. Prospective investors should consult their own legal, financial or tax adviser for legal, financial or tax advice. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the New Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the New Shares which they might encounter; and (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer, redemption or other disposal of the New Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, investment, or any other related matters concerning the Company and an investment therein.

In connection with the Placing Programme, the Joint Bookrunners and any of their respective affiliates acting as an investor for its or their own account(s), may subscribe for the New Shares and, in that capacity, may retain, purchase, sell, offer to sell or otherwise deal for its or their own account(s) in such securities of the Company, any other securities of the Company or other related investments in connection with the Placing Programme or otherwise. Accordingly, references in this Prospectus to the New Shares being issued, offered, subscribed or otherwise dealt with, should be read as including any issue or offer to, or subscription or dealing by, the Joint Bookrunners and any of their affiliates acting as an investor for its or their own account(s). The Joint Bookrunners do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or to buy, shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Investment considerations

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matters. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of New Shares;
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the subscription for, purchase, holding, transfer or other disposal of New Shares.

Prospective investors must rely upon their own advisers, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The Placing Programme will primarily be marketed to institutional investors (including private client wealth managers) and sophisticated investors and private clients.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objective will be achieved.

This Prospectus should be read in its entirety before making any investment in the New Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles, which investors should review.

Historical information

This document contains certain historical financial and other information concerning the Company's past performance. However, past performance of the Company should not be taken as an indication of future performance.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, ''forward-looking statements''. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms ''believes'', ''estimates'', ''anticipates'', ''expects'', ''intends'', ''may'', ''will'' or ''should'' or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. A number of factors could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements, including without limitation: conditions in the markets, market position of the Company's investments, earnings, financial position, return on capital, pipeline investments and expenditure, changing business or other market conditions and general economic conditions. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled ''Risk Factors'', which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

Subject to any obligations under FSMA, the Prospectus Rules, the Listing Rules and the Disclosure and Transparency Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Forward-looking statements contained in this Prospectus based on past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in Part 8 of this Prospectus.

Presentation of information

The Company prepares its financial statements in Sterling.

The Company's accounting period terminates on 31 March of each year, with the first full set of audited financial accounts prepared for the period ending 31 March 2015. As required by the Prospectus Rules, a set of audited special purpose financial statements have been prepared for the period ended 31 July 2014 and included in Part B of Part 7 of this prospectus 'Historical Financial Information', and a set of accounts for the period from incorporation to 30 September 2014 are incorporated by reference in Part 7.

PricewaterhouseCoopers has given and not withdrawn its written consent to the inclusion of its report on historical financial information of the Company in Part 7 of this prospectus in the form and context in which it is included and has authorised the contents of that report for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules.

Market, economic and industry data

Market, economic and industry data used throughout this Prospectus is sourced from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Currency presentation

Unless otherwise indicated, all references in this prospectus to ''Sterling'', ''Pounds Sterling'', ''£'', ''pence'' or ''p'' are to the lawful currency of the UK; and all references to ''euros'' and ''€'' are to the lawful currency of the participating member states of the Eurozone.

Latest practicable date

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is close of business on 7 November 2014.

Rounding adjustments

Certain numerical figures and percentages set out in this document, including financial data presented in millions or thousands and percentages describing market shares, have been subject to rounding adjustments for ease of presentation. Accordingly, a sum of numbers may not, in certain cases, conform to the total figure given (including where such numbers are presented in tabular format).

Definitions

A list of defined terms used in this Prospectus is set out at pages 175 to 182.

Governing law

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales or Guernsey (as appropriate) and are subject to changes therein.

EXPECTED TIMETABLE

Placing Programme opens	10 November 2014
Offer opens	10 November 2014
Initial Placing opens	10 November 2014
Initial Placing closes and first closing under the Offer	4:00 p.m. on 12 November 2014
Admission and crediting of CREST accounts in respect of the Initial Placing and the first closing under the Offer	19 November 2014
Admission and crediting of CREST accounts in respect of further Placings and further closings and allotments under the Offer	8.00 a.m. on the Business Day on which the New Shares are issued
Share certificates despatched	Approximately two weeks following the Admission of those New Shares
Offer closes	9 November 2015
Placing Programme closes	9 November 2015

The dates and times specified are subject to change in which event details of the new times and dates will be notified, as required, through an RIS. References to times are to London times unless otherwise stated.

ISSUE STATISTICS

Maximum number of New Ordinary Shares / C Shares to be issued	250,000,000
Maximum numbers of New Ordinary Shares / C Shares to be issued pursuant to Placings	200,000,000
Maximum number of New Ordinary Shares to be issued pursuant to the Offer	50,000,000
ISIN of New Ordinary Shares	GG00BJ0JVY01
SEDOL of the New Ordinary Shares	BJ0JVY0
Ticker Code of the New Ordinary Shares	NESF
Issue Price for New Ordinary Shares	Not less than the prevailing Net Asset Value per Share at the time of issue
Issue Price per Ordinary Share (Initial Placing)	104.9 pence
Issue Price per Ordinary Share (Offer)	Latest published Net Asset Value per Ordinary Share of the allotment multiplied by 101.75 per cent. (being 104.9 pence at the date of this document) (or if higher 90 per cent. of the closing mid-market price on the day prior to announcement of the allotment)
ISIN of first issue of C Shares under the Placing Programme	GGOOBR17KW09
SEDOL of first issue of C Shares under the Placing Programme	BR17KW09
Ticker Code of the C Shares	NESC
Issue Price per C Share	£1.00

The Company expects costs and expenses relating to each issuance of New Ordinary Shares and/or C Shares not to exceed 2 per cent. of each respective Gross Issue Proceeds.

The number of New Shares to be issued pursuant to each Issue, and therefore the Gross Issue Proceeds applicable to such Issue, is not known as at the date of this Prospectus but will be notified by the Company via an RIS announcement prior to Admission in respect of each individual Issue.

Placing applications must be for a minimum amount of £50,000. Offer applications must be for a minimum amount of £1,000. There is no maximum subscription.

DIRECTORS, AGENTS AND ADVISERS

Directors	(all non-executive) Kevin Lyon (Chairman) Patrick Firth Vic Holmes
Manager	NextEnergy Capital IM Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Investment Adviser	NextEnergy Capital Limited 5th Floor Office, North Side 7-10 Chandos Street Cavendish Square London W1G 9DQ
Developer	NextPower Development Limited 7-10 Chandos Street London W1G 9DQ
Administrator, Designated Manager, Company Secretary and Registered Office	Ipes (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Financial Adviser and Joint Lead Bookrunner	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London E14 5RB
Sponsor	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Joint Lead Bookrunner	Macquarie Capital (Europe) Limited Ropemaker Place 28 Ropemaker Street London EC2Y 9HD
Joint Bookrunner	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Legal Advisers to the Company	(as to English law) Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS

Legal Advisers to the Company	(as to Guernsey law) Mourant Ozannes PO Box 186 1 Le Marchant Street St Peter Port Guernsey GY1 4HP
Legal Advisers to the Sponsor, Joint Bookrunners and Financial Adviser	Wragge Lawrence Graham 4 More London Riverside London SE1 2AU
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditors	PricewaterhouseCoopers CI LLP PO Box 321 Royal Bank Place 1 Glategny Esplanade St Peter Port Guernsey GY1 4ND
Receiving Agent	Capita Asset Services, Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Registrar	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH
Principal Bankers	Lloyds Bank International Ltd Sarnia House Le Truchot St Peter Port Guernsey GY1 4EF
UK Transfer Agent	Capita Asset Services The Registry 34 Beckenham Road Kent BR3 4TU

PART 1

INFORMATION ON THE COMPANY

Introduction

NextEnergy Solar Fund Limited is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013, with registration number 57739. The Company is a Registered Closed-ended Collective Investment Scheme registered by the GFSC pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987, as amended, and the Rules.

Pursuant to its IPO, the Company announced on 25 April 2014 that 85.6 million ordinary shares in the Company were admitted to the premium listing segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities under the ticker ''NESF''.

NextEnergy Capital IM Limited acts as the Company's Manager which, in turn, has appointed NextEnergy Capital Limited as its Investment Adviser. The Company has also entered into the Project Sourcing Agreement with NextPower Development Limited, the Developer.

The Manager, Investment Adviser and Developer are members of the NEC Group, which also comprises WiseEnergy, the NEC Group's asset management division. The NEC Group was founded in 2007 and has evolved into a leading solar PV specialist, active internationally throughout the solar value chain. Prior to its appointment as Investment Manager of the Company, the NEC Group had developed, constructed and financed 14 solar power plants in the UK and Italy. The NEC Group has successfully disposed of 4 of these plants, and currently retains ownership interests in the remaining 10.

The NEC Group provides asset management and monitoring services to asset owners and financiers of over 1,100 individual solar power plants comprising an installed capacity of approximately 1.0GW and an estimated £3.1 billion of asset value. Prior to appointment as Investment Manager of the Company, the NEC Group had invested in excess of approximately £120 million of its own and third party equity and debt in solar power projects and was among the first investors in UK solar in 2010. The Manager and the Investment Adviser do not and will not manage any other funds investing in the UK solar market.

Since IPO, the Company has acquired (or agreed to acquire) eight solar power plants, with an investment value of approximately £92.2 million (and has therefore deployed all of the IPO proceeds) and entered into the £31.5 million Revolving Credit Facility Agreement. In light of the significant further pipeline of opportunities totalling approximately £213 million, the Company has decided to put in place this Placing Programme, subject to receipt of shareholder approval, to raise additional capital in the form of New Ordinary Shares and/or C Shares.

The Placing Programme is for the issue of up to 250 million New Shares (of which up to 200 million may be issued under Placings and up to 50 million under the Offer) and will be on a non-pre-emptive basis. The Company will have the flexibility to issue both New Ordinary Shares and/or C Shares in relation to Placings under the Placing Programme. In relation to the Offer, the Directors can only allot Ordinary Shares. In respect of further Placings, the Directors will decide on the most appropriate class of Shares to be issued, at the time of issuance factoring in, *inter alia*, the level of investor appetite for the Company's New Shares, likely timing for making further investments, the operational status of such investments at the time they are likely to be acquired and the timing of the issue relative to the next dividend. The Placing Programme will not be underwritten. The Company will invest the Net Issue Proceeds in accordance with its investment policy and is likely to first apply the Net Issue Proceeds to repay part or all of any amount drawn down under the debt facility and to make further investments.

Applications will be made to each of the Financial Conduct Authority and the London Stock Exchange, respectively, for all of the New Shares to be issued pursuant to the Placing Programme to be admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities. In the case of New Ordinary Shares, application will be to the premium listing segment of the Official List and in the case of C Shares application will be to the standard listing segment of the Official List. Ordinary Shares, including any arising on conversion of C Shares, will rank *pari passu* in all respects with the existing Ordinary Shares.

Investment objective

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term by investing in a diversified portfolio of solar PV assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the re-investment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

Target returns[4]

The Company is targeting an annual dividend of 6.25 pence per Ordinary Share (adjusted in direct proportion to annual variations in RPI) in each financial year. For the first long financial year ending 31 March 2015, the Company expects to pay a dividend of 5.25 pence per Ordinary Share. The Company is targeting aggregate returns to investors that equate to an unlevered IRR of between 7 and 9 per cent. after fees and expenses based on the IPO issue price and a range of assumptions in relation to, *inter alia*:

- Technical optimisation and solar plant performance
- Cost reductions
- Tax
- Long-term RPI adjustment to ROCs
- Energy price inflation
- Lease terms.

The Directors believe that additional upside may be realisable as a consequence of employing leverage or advancing secured construction financing.

These returns are expected to be achieved primarily through deployment of the Company's funds in accordance with its investment policy and active management of the Company's assets. Net cash generated in excess of the target dividend will generally be re-invested by the Group in accordance with the Company's investment policy.

Investment opportunity

The Directors believe that the UK regulatory regime and long-term energy policy targets provide an attractive, stable investment environment. More specifically:

1. UK solar is a sizeable and growing market opportunity

The Directors believe that the UK provides a sufficient level of irradiation to generate attractive financial returns for investors under current regulation. Irradiation levels in the south of England are similar to those experienced in Germany, the largest solar market globally in 2012. Levels of irradiation rely predominantly on daylight rather than direct sunlight, ensuring that solar energy production is predictable and has a low level of variability, particularly when compared to other renewable energy sources.

The Company's target market for investments comprises of existing solar PV assets, new large plants under the proposed CfD regime, smaller sub 5MWp plants benefitting from continued ROC and FIT support (including rooftops). Though the existing asset base is significant, at about 4GW by spring 2014, the UK Government has declared solar PV a key technology in meeting its binding EU target commitment of generating 15 per cent. of its energy needs by 2020.

DECC's mid-range scenario for deployment of solar PV equates to 9.3 – 10.7GW, which represents a significant investment requirement compared against installed capacity of 3,823 MW at the end of June 2014. It is estimated that this investment requirement is approximately £9.6 billion, and so the Company's target for this fundraising accounts only for less than 4 per cent. of that total requirement.

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4 These are targets only and not profit forecasts. There can be no assurance that these targets can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the New Shares or assume that the Company will make any distributions at all.

2. UK solar offers stable, inflation linked returns with upside exposure

The UK regulatory framework for solar energy is designed to encourage the Government's targeted level of investment and ROCs provide predictable, long-term subsidised revenues linked to RPI. These are due to be replaced by CfDs which are also intended to provide predictable long-term subsidised revenues. Additionally, the UK Government generally monitors market dynamics with a view to creating an environment allowing investors in UK solar energy to achieve an IRR of 7.5 per cent..

At the 1.4 ROC level, approximately half of the Company's revenues would be derived from green benefits through the sale of ROCs and Levy Exemption Certificates and other embedded benefits. It is anticipated that this will provide the Company with a degree of stability in its future revenue (and, therefore, its ability to pay dividends). The remaining proportion of the Company's revenue will be derived from exposure to electricity prices, which will allow the Company the opportunity to benefit from the increasing power prices that have been anticipated in some quarters. The investment opportunities available to the Company comprise projects with ROCs and some larger projects under the CfD regime.

The UK price of energy has been an increasing portion of the RPI basket as long-term energy price inflation has been greater than long-term RPI. The Company takes a prudent view on energy inflation with an inflationary neutral model for long-term value of energy assets that correlates to RPI.

The Company has a high quality portfolio of eight solar PV assets. The Directors believe that the Company is well placed to significantly add to this portfolio and provide significant further diversification by taking advantage of the investment opportunity described above (and in Part 2 of this Prospectus), primarily as a result of the following advantages:

3. Access to the NEC Group

NextEnergy Capital IM Limited and NextEnergy Capital Limited, both members of the NEC Group, act as Manager to the Company and Investment Adviser to the Manager, respectively. With an eleven strong team focused entirely on the UK solar energy sector, the NEC Group has an operating presence in three of the most attractive solar markets globally (Italy, UK and South Africa). Through its asset management division, WiseEnergy, the NEC Group manages and monitors over 1,100 solar power plants (comprising an installed capacity of approximately 1.0GW and an estimated £3.1 billon asset value) for a client base which includes leading European banks and equity investors (including private equity funds, publicly listed funds and institutional investors).

The NEC Group has previously deployed in excess of approximately £120 million of its own and third party debt and equity in solar power projects, having developed, constructed and financed 14 solar power plants in the UK and Italy. The NEC Group retains ownership interests in 10 of these plants.

The Directors believe that the NEC Group's experience, specialist solar market focus and market-leading asset management capabilities puts the Company in a strong position to achieve its investment objective and target return, and their participation significantly differentiates the Company from its peers.

4. Access to WiseEnergy

WiseEnergy UK (a member of the NEC Group) has entered into framework operating asset monitoring and management agreement with the Company regarding each of the Company's asset-holding SPVs. WiseEnergy is one of the leading global asset managers in the solar PV sector. WiseEnergy has developed its proprietary software, hardware, IT platform and risk management solutions, to enable it to efficiently and proactively manage, monitor, store data, analyse performance the long-term technical, operational and financial performance of solar plants.

The Directors believe that WiseEnergy's experience and expertise in managing and monitoring solar PV plants will allow the Company to optimise the technical and financial performance of its asset portfolio, as well as to mitigate ongoing operating risks, thereby supporting superior target returns and NAV growth.

5. Significant pipeline generated

The Company has entered into the Project Sourcing Agreement with the Developer with a view to securing access to suitable UK solar PV projects. Under this arrangement and since IPO, the Developer (on behalf of the Company) has progressed in excess of 77MWp and deployed all of the proceeds of its initial public offer in acquiring the projects detailed on page 57.

In addition the Company has secured the Revolving Credit Facility which enables the Company to secure further suitable PV projects.

The Developer has entered into letters of intent containing exclusivity provisions in relation to twelve attractive assets which represent (if completed) an installed capacity of in excess of 182 MWp and approximately £213 million of investment and which the Investment Adviser anticipates could be transacted by December 2014.

Under the Project Sourcing Agreement, the Company has a ''right of first offer'' to acquire suitable assets from the Developer's pipeline. The Manager, following advice from the Investment Adviser and with reference to the Company's investment policy, will determine whether to acquire assets sourced by the Developer.

6. A scalable model

The Company generally anticipates that, as a result of its access to the Developer under the terms of the Project Sourcing Agreement and as a result of further multiple market origination sources provided by the Investment Adviser, it will continue to have access to further significant additional investment opportunities from the Developer and the market. Additional investments may be pursued through additional capital raises and/or the use of leverage.

The Developer continues to develop projects, including a diverse portfolio for 2015 with large scale plants to be constructed under the CfD regime, portfolios of sun 5MWp plants under ROCs and FIT and existing plants built and operational on 2014 and earlier tariff regimes. This is a significant market and as these opportunities solidify with exclusivity and due diligence in hand, these will be offered under the Project Sourcing Agreement.

The Company expects that the Group will generally re-invest any cash surplus (arising in excess of that required to meet the Company's dividend target) in further investments, thereby supporting long-term NAV growth.

Investment policy

The Company intends to achieve its investment objective by investing exclusively in solar PV assets located in the UK.

The Company intends to acquire assets that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial and/or commercial. The Company may also acquire selected building-integrated installations. The assets that will be targeted will be anticipated to generate stable cash flows over their asset lifespan.

The Company will typically seek to acquire sole ownership of individual solar PV assets through SPVs, but may enter into joint ventures or acquire majority interests, subject, in each case, to the Company maintaining a controlling interest. Where an interest of less than 100 per cent. in a particular asset is acquired, the Company intends to secure controlling shareholder rights through shareholders' agreements or other legal arrangements. Investments by the Company into solar PV assets may be either by way of equity or a mix of equity and shareholder loans.

The Company aims to achieve a diversified portfolio of solar PV assets. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV asset will constitute, at the time of investment, more than 30 per cent. of the Gross Asset Value. In addition, the four largest solar PV assets will constitute, again, at the time of investment, not more than 75 per cent. of the Gross Asset Value. Once substantially fully invested, the Company's portfolio will comprise no fewer than five solar PV assets.

The Company intends primarily to acquire operating assets, but may invest in assets that are under development (that is, at the stage of origination, project planning or construction) when acquired. Such assets will constitute (at the time of investment) not more than 10 per cent. of the Gross Asset Value in aggregate.

The Company may also agree to forward-fund by way of a secured loan the construction costs of solar PV assets where it retains the right (but not the obligation) to acquire the relevant asset once operational. Such forward-funding will not fall within the 10 per cent. restriction above but will be restricted to no more than 25 per cent. of the Gross Asset Value (at the time such arrangement is entered into) in aggregate and will only be undertaken where supported by appropriate security (which may include financial instruments as well as asset-backed guarantees).

The right to do so, subject to the above limitations, allows the Company to retain flexibility in the event of changes in the development pipeline over time. In addition, the Company will not employ forward funding and engage in development activity in relation to the same project or assets.

A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the assets within the terms of PPAs. These are expected to include the monetisation of ROCs, other regulated benefits and the sale of electricity to energy consumers and energy suppliers (Brown Power).

The Group will seek to appropriately diversify its third party suppliers, service providers and other commercial counterparties, such as developers, EPC contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50 per cent. of the Gross Asset Value in aggregate. Such leverage will be deployed for the acquisition of further assets in accordance with the Company's investment policy. The Group may seek to raise leverage at any of the asset, SPV, Holdco or Company level. Save as described above, there are no restrictions on the use of leverage by the Group except for those imposed by applicable law, rules and/or regulations.

The Company intends to invest with a view to holding assets until the end of their useful life. However, assets may be disposed of or otherwise realised where the Manager determines, in its discretion, that such realisation is in the interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise.

The Company may invest cash held for working capital purposes and pending investment or distribution in cash or near-cash equivalents, including money market funds.

The Company may (but is not obliged to) enter into hedging arrangements in relation to interest rates and/or power prices.

The Company will execute its investment policy through the Manager, which acts with the benefit of advice from the Investment Adviser. Potential investments may arise from a number of sources, including from the Developer pursuant to the Project Sourcing Agreement. The Board has entered into a framework agreement with WiseEnergy as operating asset manager in respect of each of the Group's future investments, as it has done with respect to each of the current investments. Each of the Manager, the Investment Adviser, the Developer and WiseEnergy are members of the NEC Group.

Current portfolio

Since its IPO, the Company has acquired three solar PV plants located in the UK and has entered into binding sale and purchase agreements to acquire a further five UK solar PV plants. The total investment value of these eight assets amounts to approximately £90.78 million, meaning the company has deployed all of the IPO proceeds. The majority of investment relates to the acquisition of the three operating solar power plants, while the remainder comprises five plants which are in development and construction, and where completion of the relevant acquisition will depend on construction and commissioning. The Company has acquired, or is committed to acquire, a 100% interest in each of the plants through its subsidiary, Holdco. The operating plants are all performing, and construction of the assets to be acquired at commissioning is progressing satisfactorily. Further details of the portfolio are set out in the table below:

Operational Assets

Project Name	Project Size (MW)	ROCs	Location	Purchase Price (£M)	Percentage of Gross Asset Value (at the time of investment)	Status
Higher Hatherleigh	6.10	1.6	Wincanton (Somerset)	7.11	8.3%	Acquisition completed, operational
Shacks Barn	6.30	2	Silverstone (Northants)	7.97	9.3%	Acquisition completed, operational
Ellough[5]	14.88	1.6	Ellough (Suffolk)	19.43**	22.7%	Acquisition completed, operational
TOTAL	**27.29**					

Assets under construction, on which completion is yet to take place

Project Name	Project Size (MW)	ROCs	Location	Purchase Price (£M)	Percentage of Gross Asset value (at the time of investment)	Status
Bilsham (phase 1)	12.50	1.4	Bognor Regis (Sussex)	15.00**	17.5%	Under construction Completion expected Q4 2014
Poulshot	14.5*	1.4	Trowbridge (Wiltshire)	15.24	17.8%	Under construction Completion expected Q1 2015
Gover Farm	9.38*	1.4	Truro (Cornwall)	10.52	12.3%	Under construction Completion expected Q4 2014
Brick Yard	3.84*	1.4	Leamington Spa (Warwick)	3.91	4.6%	Under construction Completion expected Q4 2014
Condover	10.15	1.4	Condover (Shropshire)	11.60	12.8%	Under construction Completion expected Q1 2015
TOTAL	**50.37**					

5 This asset comprises over 20 per cent. of the Company's Gross Asset Value

* These projects are forward funded by the Company in an amount of £16.34 million in aggregate (being 18.0 per cent. of the Gross Asset Value at time of investment)

** Purchase Price based on the guaranteed performance ratio

Location of portfolio

The map below shows the location of the current portfolio:

Operations since inception

Holdco has entered into sale and purchase agreements in respect of each SPV holding a solar PV asset within the portfolio. These sale and purchase agreements contain warranties and indemnities customary for these types of transactions, and in respect of non-operational assets are conditional on commissioning and/or acceptance tests.

In relation to three of the assets the Company has agreed to acquire, the Company has agreed to forward fund part of the construction of the relevant plant through a loan from the Company which is drawn down against milestones being reached. Each loan is secured against the assets and shares of the relevant SPV as well as additional security provided by the relevant counterparty.

The SPVs have all entered into EPC (engineering procurements and construction) contracts. These typically provide for an assessment of the performance of the plants for two years after construction with a payment of liquidated damages for performance shortfalls.

Each of the SPVs owned by Holdco has entered into an operation and maintenance agreement in relation to the provision of preventative and corrective maintenance of the plants it owns, in return for the payment of a fee.

In addition, the SPVs owned by Holdco have entered into asset management agreements with WiseEnergy, pursuant to which WiseEnergy provides them with asset management services in return for a fee. Further details are given on page 83.

Each of the SPVs owned by Holdco has entered into a power purchase agreement, pursuant to which it sells electrical power in return for payment. In addition to these payments for Brown Power, the SPVs derive income from ROCs and other green benefits.

Each operational asset is performing satisfactorily and better than budgeted due to higher irradiation levels and/or higher technical performance. Each of the assets under construction is progressing largely within expected timelines, with minor commissioning delays at Bilsham (covered

by an indemnity for delay liquidated damages). The Company expects therefore to complete the acquisition of the sites at Gover Farm (which has been recently commissioned), Bilsham and Brick Yard shortly.

Please refer to Part C of Part 7 of this document for further information on the Company's results of operations since incorporation.

Trends

Completion of construction of the five solar assets which the Company has contracted to acquire is scheduled to occur prior to 31 March 2015, when the existing ROC regime is due to expire. As a result of this expiry the Directors consider that there has been an increase in competition in the market both for suitable assets and also in relation to access to the services of EPC contractors, distribution network operators and independent connection providers, and that this is likely to continue at least until April 2015. The Company considers that given the expected completion dates of the construction of the assets in the portfolio, the risk of the plants under construction not achieving energisation prior to 31 March 2015 is low, the terms of the Company's acquisition agreements for these assets protect the Company against being obliged to complete on assets which are delayed beyond the point at which it is certain ROC Accreditation can be achieved. With respect to the pipeline projects, the Company intends to negotiate similar terms or terms whereby the price of an asset would be significantly reduced in the event of a failure to receive ROC Accreditation (or CfDs).

There remains some uncertainties as to how the new CfD regime will operate and as to which of the projects in construction will benefit from a grace period in relation to the granting of ROC Accreditation for projects which are intended to be energised prior to 31 March 2015. Therefore the Company expects that this uncertainty may affect competition for assets after 31 March 2015, asset pricing and also the attractiveness of different types of assets (in terms of size) following this date.

Revolving Credit Facility

On 18 September 2014, the Company announced entry into the Revolving Credit Facility to allow it to transact on its pipeline of near term investment opportunities. The Company expects that the Revolving Credit Facility will have been utilised to invest in further solar assets during November 2014.

Details of the agreement entered into between the Holdco and Macquarie Bank Limited, London Branch dated 18 September 2014 are set out in Part 8 of this Prospectus.

Listing Rule investment restrictions

The Company currently complies with the investment restrictions set out below and will continue to do so for so long as they remain requirements of the Financial Conduct Authority.

- Neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole.
- The Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy.
- Not more than 10 per cent. of the Gross Asset Value at the time of investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

The Directors do not currently intend to propose any material changes to the Company's investment policy, save in the case of exceptional or unforeseen circumstances. As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders.

Major Shareholders

As at the date of this Prospectus, the entire issued share capital of the Company comprises 85.6 million Ordinary Shares. Details of major Shareholders are set out in Part 8 (Additional Information) of this Prospectus on page 125.

Distribution policy

General

Dividends may be paid to holders of Ordinary Shares whenever the financial position of the Company, in the opinion of the Directors, justifies such payment, subject to the Company being able to satisfy the solvency test, as defined under the Companies Law, immediately after payment of such dividend.

The Company is targeting an annual dividend of 6.25 pence per Ordinary Share (adjusted in direct proportion to annual variations in RPI) in each financial year. For the first long financial year ending 31 March 2015, the Company expects to pay a dividend of 5.25 pence per Ordinary Share.[6] The first interim dividend of 2.625 pence per Ordinary Share was declared on 3 November 2014 and will be paid on 17 December 2014 to Shareholders on the register as at 5 December 2014.

Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 September and 31 March, and are expected to be made by way of interim dividends to be declared in May and November, and expected to be paid in June and December.

There are no assurances that these dividends will be paid or that the Company will pay any dividends.

The Board conducts the Company's affairs with the intention that the Company would qualify as an investment trust if it were resident in the United Kingdom and may make distributions to Shareholders accordingly.

Dividends payable on the C Shares, if any, will relate to the returns on the net proceeds of the relevant C Share issue. Each C Share of a series will rank *pari passu* with other C Shares.

Scrip dividend

The Articles permit the Directors, in their absolute discretion, provided approved by Shareholders by way of an ordinary resolution in accordance with the Articles, to offer a scrip dividend alternative to Shareholders when a cash dividend is declared from time to time. In the event a scrip dividend were to be offered in the future, an electing Shareholder would be issued new, fully paid up Ordinary Shares (or Ordinary Shares sold from treasury) pursuant to the scrip dividend alternative. The scrip dividend alternative would be available only to those Shareholders to whom Ordinary Shares might lawfully be marketed by the Company. There will be no scrip dividend alternative in respect of any dividends declared in relation to C Shares.

Further details of the tax treatment of an investment in the Company, are set out in Part 6 of this Prospectus.

Benefits of the Placing Programme

The Directors believe that the proposed Placing Programme is consistent with both the Company's growth ambitions as stated at the time of the Company's IPO and the growing practice among investment companies of putting in place arrangements that allow them, subject to publishing a prospectus and Shareholders approving the issue of further shares on a non-pre-emptive and non-NAV dilutive basis, to issue shares equivalent to more than 10 per cent. of their share capital over a 12 month period. The Directors believe that a Placing Programme will have the following benefits for Shareholders:

- enable the Company to raise additional capital to take advantage of its pipeline of investment opportunities;
- in conjunction with the Revolving Credit Facility and depending on the type of share issuance utilised, allow the Company to align capital raises with the acquisition of further discrete assets to minimise the level of uninvested cash held by the Company;
- help to diversify further the Company's portfolio through investment of the Net Issue Proceeds from the Placing Programme in further solar assets;

6 These are targets only and not profit forecasts. There can be no assurance that these targets can or will be met and it should not be seen as an indication of the Company's expected or actual results or returns. Accordingly, investors should not place any reliance on these targets in deciding whether to invest in the New Shares or assume that the Company will make any distributions at all.

- increasing the size of the Company through further share issues should enhance its appeal to a broader range of investors and help to diversify the register and enhance secondary market liquidity; and
- the issue of further New Ordinary Shares will increase the size of the Company, thereby spreading its fixed operating costs over a larger capital base which should lead to a reduction in the Company's ongoing charges per Ordinary Share.

Details of the Placing Programme

The Placing Programme is for the issue of up to 250 million New Shares and will be on a non-pre-emptive basis. The Placing Programme will be structured as a series of Placings and the Offer. The Company will have the flexibility to issue up to 200 million New Ordinary Shares and/or C Shares pursuant to Placings under the Placing Programme, and up to 50 million New Ordinary Shares under the Offer. The Company intends to carry out an Initial Placing as detailed below.

In respect of any New Ordinary Shares issued under the Placing Programme, the Issue Price for the Initial Placing (being 104.9 pence per New Ordinary Share) has been set, and for future Placings will be set, at a premium to the then latest published Net Asset Value per Ordinary Share after factoring in issuance costs and expenses that the Directors believe are applicable to those New Ordinary Shares. The Issue Price under the Offer is based on the Pricing Formula, and is set at 101.75 per cent. of the Company's last published Net Asset Value per Ordinary Share (being, as at the date of this document 104.9 pence per New Ordinary Share), provided (in order to comply with the Listing Rules) this price may not be lower than 90 per cent. of the closing mid-market price on the date before announcement of the relevant closing and allotment under the Offer. The Issue Price under the Offer is therefore also intended to achieve issue of New Shares at a premium, taking into account expenses, however given the duration of the Offer this may not be the case.

The Issue Price is therefore expected to ensure that there is no dilution of the Net Asset Value of the Ordinary Shares. In addition, no New Shares will be issued if such an issue would result (after taking into account the costs of the Issue) in the dilution of the Net Asset Value of the Ordinary Shares.

There may be more than one series of C Shares in issue at any one time and C Shares will be issued at £1.00 per Share. The Directors will determine and announce the appropriate issue costs applicable to the C Shares at the time of issuance factoring in, *inter alia*, placing commissions, and any other costs and expenses that the Directors believe are applicable to the C Shares.

The Placing Programme will not be underwritten.

Typical investors in the Company are expected to be institutional investors (including private client wealth managers) and sophisticated investors and private clients.

The Placing Programme (including the Offer) is being made in order to raise funds for the purpose of achieving the investment objective of the Company. Company will invest the Net Issue Proceeds in accordance with its investment policy and is likely to first apply the Net Issue Proceeds to repay part or all of any amount drawn down under the Revolving Credit Facility and, thereafter, to use the balance of the Net Issue Proceeds to make further investments.

Application will be made for Admission of the New Shares issued under the Placing Programme to trading on the main market of the London Stock Exchange and to the Official List (in the case of New Ordinary Shares application will be to the premium listing segment of the Official List and in the case of C Shares application will be to the standard listing segment of the Official List). New Ordinary Shares, including any arising on conversion of C shares, will rank *pari passu* in all respects with the existing Ordinary Shares.

Further details in relation to the Placing Programme are set out in Part 5 of this Prospectus.

Effect of the Placing Programme

If an existing Shareholder does not subscribe under the Placing Programme for such number of New Shares (which may be issued as New Ordinary Shares or C Shares, which may convert into Ordinary Shares) as is equal to his or her proportionate ownership of existing Shares, his or her proportionate ownership and voting interest in the Company will be reduced and the percentage that his or her existing Shares will represent of the total share capital of the Company will be reduced accordingly following each Issue under the Placing Programme.

If the Placing Programme meets its maximum size of 250 million New Shares and assuming that all such New Shares are issued as New Ordinary Shares, the share capital of the Company in issue at the date of this Prospectus will, following the Placing Programme, be increased by a factor of 3.9 (292 per cent. of the issued Ordinary Share capital of the Company before the Placing Programme) as a result of the Placing Programme. On this basis, if an existing Shareholder does not acquire any New Shares under the Placing Programme his or her proportionate economic interest in the Company will be diluted by 74 per cent.

The Placing Programme will consist of a series of one or more Placings and the Offer. Up to 200 million New Shares may be issued under one or more Placings and up to 50 million New Shares may be issued under the Offer. Therefore the maximum possible dilution for an existing Shareholder under the Offer will be 37 per cent., assuming the Shareholder does not acquire Shares in a Placing. The maximum possible dilution for an existing Shareholder under any Placing will be 70 per cent., assuming that all New Shares issued in connection with Placings are New Ordinary Shares (and the Shareholder does not acquire any Shares in the Offer).

The Initial Placing

The Company is targeting an Initial Placing. Admission in respect of the New Shares issued pursuant to the Initial Placing is expected to take place at 8:00 am on 19 November 2014.

The Offer

New Shares are being made available to the public under the Offer, which will open on 10 November 2014 and close on 9 November 2015. The first closing under the Offer is expected to take place on or prior to 1:00 pm on 12 November 2014 and Admission of the relevant New Ordinary Shares is expected to take place on 19 November 2014. Thereafter the Directors reserve the right to allot New Ordinary Shares under the Offer at any time whilst it remains open. In relation to each such closing and allotment the Company will ahead of each such closing and allotment release an announcement through a Regulatory Information Service including details of the dates of the relevant closing, allotment and Admission, number of New Ordinary Shares available to be allotted and the applicable Issue Price (which will be calculated as the latest published NAV plus 1.75 per cent. (or if higher, 90 per cent. of the closing mid-market price on the day prior to the announcement of the allotment)).

Share capital

The share capital of the Company currently consists of an unlimited number of unclassified shares of no par value, which upon issue the Directors may classify into such classes as they may determine, and 85.6 million Ordinary Shares issued. Notwithstanding this, a maximum of 250 million New Shares may be issued pursuant to the Placing Programme.

The Ordinary Shares carry the right to receive all dividends declared by the Company, subject to the rights of the C Shares (if any have been issued by the Company).

The Company's issued share capital as at the date of this Prospectus comprises 85.6 million Ordinary Shares, and the up to (in aggregate) 250 million New Shares to be issued under the Placing Programme.

On a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.

Shareholders will be entitled to attend and vote at all general meetings of the Company and, whether on a show of hands or on a poll, to one vote for each Ordinary Share or C Share held.

The Company's Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares following certain events, and specifically the earliest of:

(i) close of business on the date to be determined by the Directors after the date on which the Manager has given advice that at least 85 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Investment Manager shall agree) has been invested; or

(ii) close of business at the end of a period to be determined, or on a date to be determined, in each case by the Directors and which will be announced at the time of the issue of the relevant class of C Shares;

(iii) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(iv) close of business on such date as the Directors may determine,

(prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue therefore permits the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

Please see paragraph 5.18 in Part 8 of this Prospectus for further details on the conversion mechanics for C Shares.

Ordinary Shares, including any arising on conversion of C Shares, will rank *pari passu* in all respects with the existing Ordinary Shares. Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.

The Directors have the power to declare dividends in relation to the C Shares in the event that the assets that are attributable to the C Shares generate material income while the C Shares are in issue, to the extent that the Directors consider it to be appropriate in the circumstances. C Shares will carry the right to vote at meetings of Shareholders and the consent of the holders of the C Shares as a class will be required in connection with the matters specified in paragraph 5.18 of Part 8 of this Prospectus. Holders of C Shares will be entitled to participate on a winding up of the Company or upon a return of capital as specified in paragraph 5.18 of Part 8 of this document.

Further details relating to the Ordinary Shares and C Shares are set out in Part 8 of this Prospectus.

Discount management

The Directors presently have the authority to purchase in the market up to 14.99 per cent. of the Ordinary Shares in issue as at the date of this document. This authority will expire at the conclusion of the Company's first annual general meeting or, if earlier, 18 months from the date on which the resolution conferring the authority was passed. The Directors intend to seek annual renewal of this authority from Shareholders at each annual general meeting.

Whether the Company purchases any such Ordinary Shares, and the timing and the price paid on any such purchase, will be at the discretion of the Directors, save as described below. The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests, in particular as a means of correcting any imbalance between supply of and demand for the Ordinary Shares.

Any purchase of Ordinary Shares will be in accordance with the Articles and the Listing Rules in force at the time. Purchases of Ordinary Shares will be made within the price limits permitted by the Financial Conduct Authority which currently provide for a price not exceeding the higher of: (i) five per cent. above the average of the mid-market values of Ordinary Shares taken from The London Stock Exchange Daily Official List for the five Business Days before the purchase is made; and (ii) the higher of the last independent trade or the highest current independent bid for the Ordinary Shares. In any event, purchases of Ordinary Shares will only be made through the market for cash at prices below the last published Net Asset Value per Ordinary Share. Ordinary Shares which are purchased may be cancelled or held in treasury.

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Investors should also note that any repurchase or redemption of Shares will be subject to the ability of the Company to fund the purchase price or redemption amount. The Companies Law also provides, among other things, that any purchase is subject to the Company satisfying the solvency test contained in the Companies Law at the relevant time.

Tender offers

The Company may also make tender offers from time to time as part of its overall approach to discount management. As such, subject to certain limitations and the Board exercising its discretion to operate the tender offer on any relevant occasion, Shareholders may tender for purchase all or part of their holdings of New Shares for cash. Tender offers will, for regulatory reasons, not normally be open to Shareholders (if any) in Australia, Canada, Japan, the Republic of South

Africa or the United States of America. Implementation of tender offers is subject to prior Shareholder approval.

In order to implement the tender offers it is likely that a market maker selected by the Board will, as principal, purchase the Shares tendered at the tender price and will sell the relevant Shares on to the Company at the same price by way of an on-market transaction, unless the Company has agreed with the market maker that the market maker may sell any of the Shares in the market. The tender offers will be conducted in accordance with the Companies Law, the Listing Rules and the rules of the London Stock Exchange.

In addition to the availability of the share purchase and tender facilities mentioned above, Shareholders may seek to realise their holdings through disposals in the market.

Investors should note that the purchase of Shares by the Company is entirely discretionary and no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions. Moreover, prospective Shareholders should not expect as a result of the Board exercising such discretion to be able to realise all or part of their holding of Shares, by whatever means available to them, at a value reflecting their underlying Net Asset Value. Investors should also note that any repurchase or redemption of Shares will be subject to the ability of the Company to fund the purchase price or redemption amount. The Companies Law also provides, among other things, that any purchase is subject to approval by an ordinary resolution of Shareholders to the Company satisfying the solvency test contained in the Companies Law at the relevant time.

Discontinuation Vote

If in the third or any subsequent financial year of the Company the Ordinary Shares have traded, on average over that year, at a discount in excess of ten per cent. to the Net Asset Value per Share, the Board shall propose a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form.

If such a special resolution is passed (requiring the approval of at least 75 per cent. of the votes cast in respect of it), the Board shall be required to put forward proposals to Shareholders at a general meeting of the Company, to be held within four months of the resolution being passed, to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets.

The discount prevailing on each Business Day will be determined by reference to the closing market price of Ordinary Shares on that day and the most recently published Net Asset Value per Share.

The Company has also determined that (in addition to the discontinuation vote described above) in the event that the NAV has not reached (at any point) £300 million on or before the fifth anniversary of Admission, the Board shall propose a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form.

PART 2

THE INVESTMENT OPPORTUNITY

The Company confirms that the information extracted from third party sources in this Part 2 has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Sources for the information set out in this Part 2 of this Prospectus are set out underneath each relevant figure or table, as applicable, or in footnotes at the bottom of the page.

UK CONTEXT FOR RENEWABLE ENERGY

Legislative underpinning

National markets for renewable energy are policy-driven markets resulting from initiatives designed to improve security of energy supply, diversity of generation technology and to generate economic incentives for the reduction of GHG emissions, thereby mitigating the onset of climate change.

The UK's commitment to cutting GHG and mitigating climate change, and the associated deployment of increasing amounts of renewable energy for power generation, is enshrined in primary national legislation and international law.

The UK is a party to the United Nations Framework Convention on Climate Change (the "UNFCCC") and has signed and ratified the Kyoto Protocol as part of the EU commitment for the reduction of GHG emissions. The major feature of the Kyoto Protocol is that it sets binding GHG emissions reduction targets for the countries that are a party to it. These reductions amount to an average of five per cent. relative to 1990 levels in the first "commitment period" from 2008-2012. The average target reduction for EU members is eight per cent., with the UK's individual target set at 12.5 per cent. The parties to the UNFCCC politically agreed to establish a second commitment period and to extend the effective period of the Kyoto Protocol to 2020 but the legal mechanisms are still subject to international diplomatic negotiations. The UK is one of the parties pushing for long-term emission reduction obligations to be enshrined in legislation under the UNFCCC.

In 2008, following the international commitments made under the Kyoto Protocol, the European Commission presented the second Strategic Energy Review package, an ambitious set of energy and climate change measures for the EU known as the "20-20-20" initiative and aimed at achieving a 20 per cent. reduction in GHG emissions, a 20 per cent. share for renewables in final energy consumption, and a 20 per cent. reduction in future energy demand by 2020.

In January 2014, the EU Commission presented a blueprint for a new policy framework for securing a low-carbon EU economy. The blueprint proposes a binding target of a 40 per cent. reduction in GHG emissions below the 1990 level by 2030, to be met through domestic measures alone. In addition, an EU-wide binding target is proposed that would require at least 27 per cent. of energy to come from renewables by 2030, to be implemented through national energy plans of the Member States. From February to April 2014, the EU Commission consulted on the 2020 target for energy efficiency, and on 23 July 2014 the EU Commission published an Energy Efficiency Communication that proposes a new target to improve energy efficiency by 30% by 2030. The European Council agreed on 24 October 2014 to ratchet up the EU's carbon reduction target from 20 per cent in 2020 to "at least" 40 per cent in 2030 compared to 1990 levels. The target could be raised up to 50 per cent in the event an ambitious global emissions reduction deal is agreed as part of UNFCC negotiations in Paris next year. Conversely, the target may be reduced if a Paris deal does not match up to EU targets. In respect of the renewables share of the energy mix, the European Council has agreed, as per the blueprint, to a target of "at least" 27 per cent renewable energy in the mix by 2030, however this will be binding only at an EU level and not shared between member states. In respect of energy efficiency, an "at least 27 per cent" energy efficiency target will be voluntary, although it could be raised to 30 per cent after a review in 2020.

On 24 October 2014 the European Council agreed new EU Targets on carbon, renewables and energy efficiency broadly in line with the blueprint. The EU's GHG reduction target was increased from 20 per cent in 2020 to "at least" 40 per cent in 2030 compared to baseline 1990 levels. The target could be raised up to 50 per cent in the event an ambitious global emissions reduction deal is agreed as part of UNFCCC negotiations in Paris at the end of the year. Conversely, the target may be reduced if a Paris deal does not match up to EU targets. On renewables, the target is for

"at least" 27 per cent energy to come from renewable sources by 2030, which will be binding only at an EU level and not shared between member states. An "at least 27 per cent" energy efficiency target will be voluntary, although it could be raised to 30 per cent after a review in 2020.

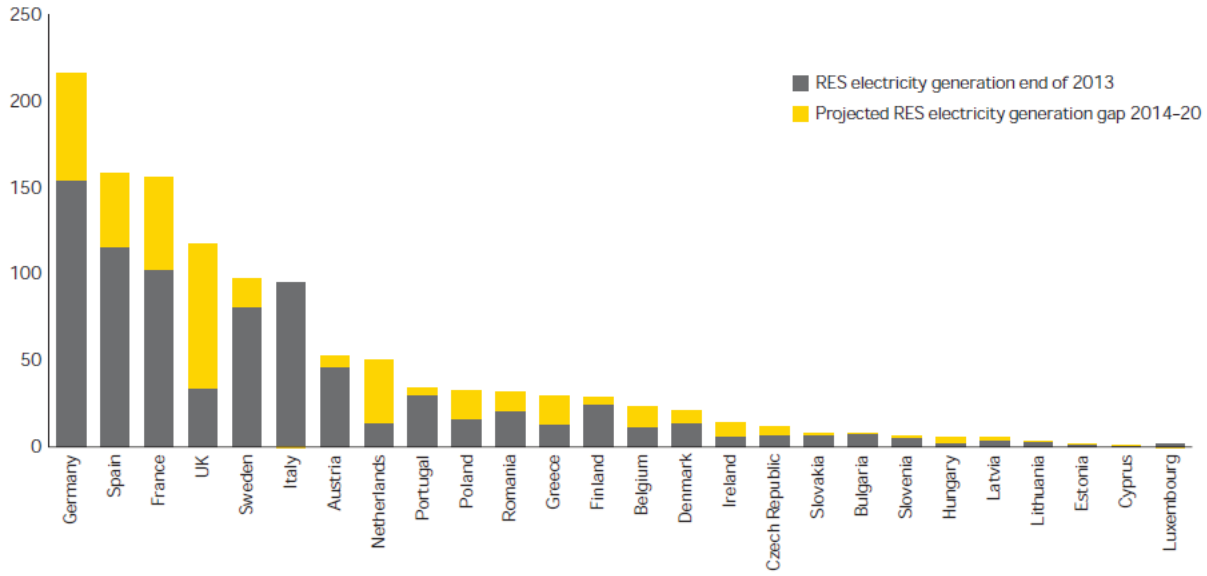
Currently, one of the main pieces of legislation supporting renewable generation at the EU level is the Renewables Directive. Under the Renewables Directive, Member States are required to adopt national targets for renewables that are consistent with reaching the European Commission's overall EU target of a 20 per cent. share of energy from renewable sources relative to final energy consumption from all sources by 2020. The proposed 2014 policy framework would be in addition to the original 2020 targets and is not at this time expected to change the current regime to 2020.

The Renewables Directive sets the UK a target of 15 per cent. for primary energy consumption from renewables by 2020, and the Government released a Renewable Energy Roadmap in July 2011 which outlined measures to achieve that objective.

The Government anticipates that, in order to meet this overall renewable energy target by 2020, approximately 30 per cent. of the UK's electricity will need to come from renewable sources. As such, the Government has introduced several incentive schemes to help achieve that target.

Compared to other EU member states, the UK generates a relatively low proportion of electricity from renewable sources. The DECC has estimated that as of 2010 the UK only produced 3.3 per cent. of primary energy consumption of renewable energy sources, rising in 2011 to 3.8 per cent. versus the national target of 15 per cent. by 2020 [7].

Actual versus gap to 2020 target, RES electricity generation (TWh)[8]



In 2008, the UK passed the Climate Change Act (the "CCA") in order to establish a framework to develop an economically credible emissions reduction path. The CCA commits the UK to an 80 per cent. reduction in GHG emissions by 2050 relative to 1990 levels. The CCA also established the Committee on Climate Change which advises the Government and devolved administrations on progress towards this target, and proposes carbon budgets which define the total emissions for the UK economy over certain periods. These budgets are established to serve as a pathway to the final legally binding goal for 2050, as set out in the CCA. The Committee on Climate Change's advice to the Government on carbon budgets and targets is presented to parliament by the Government for enacting into law. The first carbon budget for 2008 to 2012 was set at a 77 per cent. average reduction to 1990 emissions levels. The fourth carbon budget for 2023 to 2027 was set at an average of 50 per cent. reduction to 1990 levels.

7 European Commission – Energy challenges and policy – May 2013;

8 EU Member State REAPs. "Statistical Factsheet 2013" ENTSO-E, April 2014 and produced in EY Renewable Country Attractiveness Index 42 September 2014.

The national commitments described above are enshrined in law and underpin the UK's efforts to mitigate climate change and to deploy renewable energy. In order to facilitate investment in renewable energy and hence meet these legal commitments, various instruments have been developed which sit within and alongside the UK power market.

Reduction in generation

The UK electricity system, which in 2011/2012 comprised approximately 89GW of power generation capacity, is facing a period of major structural change and challenge, which could affect the prices in the wholesale power market.

The UK faces the decommissioning of a substantial proportion of its legacy power generation fleet, either, in the case of nuclear stations, because they have come to the end of their design lives, or, in the case of many coal and oil stations, because of the prohibitive costs of complying with other environmental regulations.

DECC estimated in December 2011 that about a fifth of the UK's electricity generating capacity is expected to come off the system by 2020 as the UK's power stations age. Specifically, there is a requirement to close coal and oil stations that have 'opted out' of the Large Combustion Plant Directive (''LCPD''), which will lead to the retirement of 12GW (circa 14 per cent.) of major capacity in the UK by 2016. DECC forecasts that around 4GW of existing nuclear power will also be taken out of production by 2020. Certain unfortunate events, including the accident at the Japanese Fukushima nuclear plant (following the tsunami of 2011), have continued to negatively impact public opinion on nuclear energy and related investment in new plant. As a consequence Ofgem predicts a risk of power not being able to meet the demand. According to Ofgem, ''electricity margins could tighten in 2015-2016 to between around 2 and 5 per cent depending on demand. This means that the probability of a supply disruption increases from 1 in 47 years now to around 1 in 12 years for 2015/16 or lower. If the projected decline in demand does not materialise margins could fall to 2 per cent.''

In September 2014, National Grid formally launched a tender for its Supplemental Balancing Reserve asking power generators how much spare capacity they could provide to fill a potential supply gap. The SBR is a scheme they have bought forward by 12 months and ahead of the peak Christmas demand between November 2014 and January 2015.

Policy Outlook

The drive to address climate change, along with supply pressures, has led to a number of regulatory and market initiatives in the UK. In particular, the Government has been supportive of the growth of renewable energy, as demonstrated by the legislation passed and policies issued in recent years. Some examples include:

- the CCA;
- UK Renewable Energy Strategy of July 2009;
- UK National Renewable Energy Action Plan of July 2010;
- National Policy Statement for Energy (EN-1) of July 2011;
- Electricity Market Reform White Paper of July 2011;
- Electricity Market Reform: Policy Overview of May 2012;
- the revised bands for the RO to apply for projects commissioning between 2013-14 and 2016-17 issued in July 2012;
- DECC Renewable Energy Roadmap July 2011;
- DECC Renewable Energy Roadmap Update December 2012;
- the Energy Act 2013;
- DECC UK Solar PV Strategy Part 1: Roadmap to a brighter future October 2013;
- DECC UK Renewable Energy Roadmap Update of November 2013;
- DECC UK Solar PV Strategy Part 2: Delivering a brighter future April 2014; and
- DECC UK Consultation on changes to financial support for solar PV issued May 2014.

The Government's Renewable Energy Roadmap, which was published in July 2011, sets the current UK framework for policy on renewables. It follows on from the Renewable Energy Strategy issued in June 2009, and the UK's National Renewables Energy Action Plan submitted to the European Commission in July 2010. The Roadmap highlights eight technologies including solar PV.

The updated UK Renewable Energy Roadmap Update 2013, published on 5 November 2013 ("UK Renewable Energy Roadmap"), confirms these targets and re-assesses solar PV as a 'key technology' in achieving them[9]. In May 2014 the UK Government issued a consultation on proposed changes to the regulatory regime to accommodate the following:

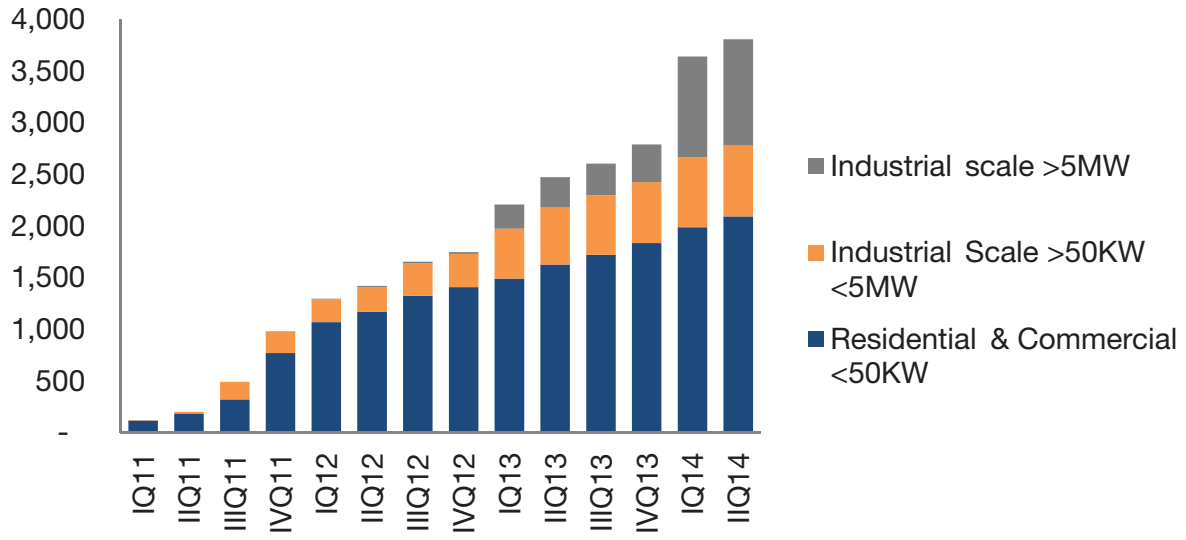
- controlling spending on large-scale solar PV within the RO (Part A); and
- promoting the deployment of midscale building-mounted solar PV in the Feed-in Tariff scheme (Part B).

The consequential changes resulting from this consultation are not yet clear, and the underlying promotion of CfD mechanisms for solar PV is to be clarified by the UK Government. The consequential change is a significant and fully considered component of the Company's strategy for UK acquisitions and growth.

Tariff scheme

The UK Renewable Energy Roadmap confirms that there are significant advantages with solar PV: it is versatile and scalable, with deployment possible in a wide range of locations including domestic and commercial buildings and where appropriate on the ground; solar projects can be developed and installed very quickly; and the fuel, solar radiation, is free and materially abundant in the UK. In addition the extensive deployment of solar PV across the UK has recently resulted in solar receiving the highest public approval rating of all renewable energy technologies at 82 per cent.[10]

UK Installed Solar PV Capacity[11]



The UK Renewable Energy Roadmap indicates that there is a potential deployment range of 7-20 GW of solar PV deployment by 2020. It should be noted that in the DECC Solar PV Strategy Roadmap, published in October 2013, the mid-range scenario for solar PV developments by 2020 is stated as 9.3 – 10.7GW, based on National Grid modelling. This includes an estimated 1.8GW – 3.2GW to come from RO and CfD projects (i.e. large scale).

Compared to the current level of installed capacity of c4,000MWp, as of Spring 2014, the gap is over 6.0GW. The Directors consider that given current average market prices for the installation of solar PV technology are in the range of £1,180,000/MWp to £1,050,000 at current 1.4 ROC and the expected 2015 1.3 ROC regulatory support levels across ground and residential rooftop

9 DECC – Department of Energy & Climate Change – UK Renewable Energy Roadmap – November 2013 Update
10 DECC – Public Attitudes Tracker – Wave 10 – August 2014
11 DECC – Solar photovoltaics deployment – August 2014

installations[12] respectively (reducing from £1,340,000/MWp for ground-based installations under the previous subsidy levels); and market prices are expected to reduce to between £1,100,000 to £800,000 under the CfD based regulatory support mechanism. The expected costs trend a conservative estimate of the capital required to finance the installation of this capacity is approximately £11.5 billion.

UK Solar PV Strategy Part 1: Roadmap to a Brighter Future

The Solar Roadmap published October 2013 restated the Government's commitment to developing solar PV in the UK in order to meet its target of 15 per cent. renewable energy by 2020. It highlighted the DECC central forecast that the UK is likely to reach 10GW capacity by 2020, but Greg Barker MP, Minister of State for Energy and Climate Change, went further by announcing his ambition to see 20GW installed by that date, when he launched the Roadmap.

UK Solar PV Strategy: Part 2

Part 1 was followed recently by Part 2 of the Strategy in April 2014, which focused on developments in key areas of the UK solar market. This document highlighted that deployment on the roofs of commercial, industrial and larger public buildings is key to the Government's plans to turn the Government estate, factories, supermarkets and car parks into ''solar hubs''. DECC stress that they will need to monitor large-scale solar PV in line with ambitions for ''a diverse mix of renewable technologies''. A review of subsidies and incentives for large-scale solar has been in the pipeline following Part 2 of the Strategy which stated that the stronger than anticipated uptake and deployment of large-scale solar projects in the UK may affect the financial incentives budget (and hence renewables subsidies) for such projects.

Current renewable energy support schemes in the UK

Solar PV projects in the UK typically generate revenues from:

(i) the sale of electricity to the Grid (or local users) (also called Brown Power sales); and

(ii) so called ''Green Benefits'' which mainly comprise:

  a. either ROCs or FIT payments;

  b. Levy Exemption Certificates or ''LECs''; and

  c. Embedded Benefits – being grid operator payments for supporting local grid load.

  or

(iii) CfDs which are contracted with a Government owned independent company currently called the CfD Counterparty Body. This contract pays revenues calculated daily and paid monthly; being the difference from the previous days reference price (an average daily price) for Brown Power and the CfD strike price.

Looking at each of these in turn:

The wholesale electricity market in the UK

The electricity market in the UK is divided into the:

- wholesale market, where generators, suppliers and large customers buy and sell electricity;
- transmission and distribution networks at national and regional levels; and
- retail market, where energy suppliers sell electricity to domestic and business customers.

The electricity wholesale market consists of electricity generators (those who produce electricity) selling their output to electricity suppliers (entities who sell the electricity to consumers) through bilateral contracts, over-the-counter trades and through spot markets.

The price available to renewable electricity generators in the wholesale electricity market, generally referred to as the ''spot price'', is determined by the market, which in the UK comprises approximately 9 major electricity generators and 6 major electricity suppliers to the consumer market.

The wholesale price of power drives circa 40-50 per cent. of the revenue mix of large solar PV assets and is therefore a significant NAV driver. This is particularly amplified as the sale of

12 DECC – Electricity Generation Costs – July 2013

electricity is linked to energy price inflation, whereas the operating cost basis of these plants is mainly linked to RPI which is generally forecasted to be lower than energy price inflation.

The wholesale price of power is projected to rise in the near term as the rising cost of carbon is passed through to generator offers. Coal generation is the dominant price setting technology in the near term. However, as the number of coal power stations being decommissioned increases, gas becomes increasingly dominant and is the key driver of long-term baseload power prices[13].

ROCs, FITs and CfD's

The UK has implemented three extant regimes which specifically incentivise the deployment of solar PV technology, being ROCs, FIT and CfDs. The RO has been the main support mechanism since it began operating in 2002, although it has evolved and become more targeted through successive Renewables Obligation Orders. The FIT was introduced later and began operating in April 2010. CfDs are being introduced in 2014 and (subject to consultation) will be the underlying regime for larger (greater than 5MWp) solar projects.

The Renewables Obligation

The RO supports renewable electricity generation by placing an obligation on licensed electricity suppliers to surrender Renewables Obligation certificates each year or else pay a buy-out price.

The powers required to establish the RO were included in the Utilities Act 2000, and the detailed mechanics and parameters are defined in the Renewables Obligation Orders. The latest Renewables Obligation Order came into force on 1 April 2014.

The RO operates in England and Wales, with parallel obligations in Scotland and Northern Ireland.

The RO is a system whereby a generator using certain Specified Renewable Technologies, is eligible to receive green energy certificates, otherwise known as ROCs, in addition to their Brown Power sales. All licensed electricity suppliers are obliged to source a fixed percentage of their supply from renewable energy sources, and to evidence this by presenting ROCs to the regulator (Ofgem) or pay a ''buy-out price''. Suppliers source these ROCs from generators who are accredited by Ofgem and if a supplier fails to purchase sufficient ROCs to fulfil this obligation then it must pay a buyout price for each of the ROCs representing the difference between its obligation and the ROCs it submits. These payments are recycled to suppliers in proportion to the ROCs they did submit. As such, the price of ROCs is inversely related to the amount of renewable energy produced, as the greater the shortfall below the target, the greater the buyout payments recycled to those who did submit ROCs. The RO regime provides for the ROC buyout price to increase with inflation each year.

Revenue received by generators for each unit of electricity sold under the RO regime comprises four main elements, which together constitute the RO ''all-in'' price. Each of these elements has an independent value and, in the case of ROCs, can be sold separately. The four elements are:

- market wholesale electricity price: the market price of electricity, depending on the location of the station;
- ROC buyout value: the amount of a buyout penalty where this is avoided by the generator;
- ROC recycled value: a share of the buyout fund; and
- LEC value: explained below.

RO payment mechanism

Electricity suppliers with an RO must either (i) submit to Ofgem a number of ROCs up to a certain defined proportion of their supply base and/or (ii) make a buyout payment for the balance. The level of the buyout payment required increases in line with RPI each year.

13 Inenco UK 15 Year Outlook – July 2013 and DECC Updated Energy & Emissions Projections – September 2013

ROC Percentages and Prices by Year

Obligation period (1st April – 31st March)	*Buy-out price*	*Obligation for England & Wales and Scotland (ROCs per MWh of electricity supplied)*[14]
2002-2003	£30.00	
2003-2004	£30.51	
2004-2005	£31.39	
2005-2006	£32.33	0.055
2006-2007	£33.24	0.067
2007-2008	£34.30	0.079
2008-2009	£35.76	0.091
2009-2010	£37.19	0.097
2010-2011	£36.99	0.111
2011-2012	£38.69	0.124
2012-2013	£40.71	0.158
2013-2014	£42.02	0.206
2014-2015	£43.30	0.244

The value of ROCs fluctuates depending on the actual amount of renewable generation compared to the annual RO target.

Banding, grandfathering and headroom under the RO

The RO system was changed in 2009 as it became apparent that the UK was unlikely to meet its renewable energy targets set by the EU without accelerating the development of certain higher cost renewable energy technologies such as solar, offshore wind, biomass, wave and tidal (among others). After a series of Government consultations, banding was introduced in April 2009.

The recent PV Consultation and the Government Response to it confirms that during 2014, the RO will be changed (effective from April 2015) and that any new solar PV generating station (both ground and building mounted) above 5MWp will no longer be eligible for ROCs including any project increased in size to exceed 5MWp at any time after April 2015 (unless the ''grace periods'' referred to above apply). However, the RO should remain open for new registrations until 2017 for projects below 5MWp in size, so the Directors consider that all of the Group's existing pipeline PV assets below 5MW should be eligible for accreditation under the RO.

The UK Government is also consulting to introduce mechanisms to support RO for commercial rooftops to incentivise greater commercial rooftop deployment of solar PV. This is potentially significant as sub-5MWp projects were FIT eligible only projects generating lower revenues and now these projects will benefit from RO based revenues which are higher and include incentives such as LECs. There are current proposals to allow permitted development rights for solar panel rooftop systems up to 1MW, which, if approved, would relax planning requirements for rooftop developments which will improve the timetable and reduce the planning risk for such projects.

Banding involves different technologies being awarded different numbers of ROCs for every MWh of electricity produced. However, in order to mitigate the disturbance that could arise from banding (and changing ROC awards for projects already in operation or under construction), the banding levels for most technologies were grandfathered. This is a process whereby an accredited generating plant will receive the same level of ROC support for its generation output for the full 20 year period allowed under the RO, so long as it remains eligible.

At the same time, a system known as ''headroom'' was introduced to prevent the new banded RO from being oversupplied. Under this system, the target obligation level for the forthcoming year was set in advance based on a Government estimate of the supply of ROCs for that year plus an additional 10 per cent. margin.

The bands are reviewed on a regular basis with historical rights to banding levels being grandfathered as a matter of policy. The latest banding review occurred in 2012 and the

14 Source: Ofgem Information Note 12 February 2014 – The Renewables Obligation Buy-out Price and Mutualisation Ceiling 2014-15

Government can call an emergency review at any time, subject to the conditions in the Renewables Obligation Order 2009 (as amended).

Since the inception of the RO in 2002 ROC prices have varied between £42.10 and £54.37, with the buyout element escalating each year from £30 per MWh in 2002 to 2003 to £43.30 per MWh in 2014-2015. The obligation on suppliers to produce ROCs in 2014 to 2015 is 24.4 per cent.

Under the Energy Act 2013, from 2017 to 2027 the RO will be ''vintage''. This means it will close for new accreditation in 2017 but all existing PV assets will continue to produce ROCs in accordance with their grandfathered bands, and the headroom principle will still apply.

From 2027 to 2037, the current recycling system will no longer be in effect, and all accredited projects will simply receive a ''Fixed Price Certificate'', consisting of a premium payment of 110 per cent. of the buyout price for their ROCs. In July 2013, DECC announced a consultation which may result in bringing forward the implementation of the premium payment mechanism from 2027 to 2017.

The buyout price will continue to be indexed to RPI throughout the life of the RO.

The Government Response confirms that the RO remains open for new registrations until 31 March 2017 for projects below 5MWp in size, so all of the Group's existing pipeline PV assets below 5MW are eligible for accreditation under the RO. DECC confirmed however that they will continue to monitor the small scale solar PV deployment pipeline and will consider taking measures to protect the LCF. It should be noted that the proposed changes to the RO regime are being challenged by judicial review.

In the December 2012 Banding Review, DECC confirmed the level of Renewables Obligation support for large scale ground-based and roof mounted solar PV installations for the period 2013-2017.

As the levels of Renewables Obligation support for solar PV in the future will be lower than for other technologies, such as offshore wind and onshore wind, it can be inferred that the UK Government believes that solar PV requires less support than other technologies in order to be deployed.

Projects accredited by Ofgem in the RO year 2013/2014 will earn 1.6 ROCs per MWh. Those accredited in 2014/2015 will earn 1.4 ROCs per MWh; those in 2015/2016 must be less than 5MWp in installed capacity and will earn 1.3 ROCs per MWh (when the UK Government's recent proposals to change the RO come into effect).

Long-term visibility and viability of support

Whilst the RO and FIT support levels decrease over time for new projects due to anticipated reductions in the cost of installations, an objective from DECC has been to seek to create stability in the market for investors and to create a long-term sustainable regulatory framework. This is illustrated by the policy commitment to grandfathering, the long duration of Renewables Obligation, the early introduction of CfDs and FIT support levels and mechanisms such as banding reviews, degression and the Levy Control Framework which are designed to ensure that levels of support for renewables are sustainable.

Funding for support of solar PV, as with most financially supported renewables generation in the UK is controlled under the Levy Control Framework. A budget for low carbon electricity investment under the Levy Control Framework, running at £2.35 billion per annum and with an increase to £7.6 billion per annum (in 2012 prices) by 2020, was agreed in November 2012 as part of a budgetary settlement within Government.

Following the RO, Government has capped CfDs available to existing technology for 2015-16 at £50m per year and at £65m per year for 2016-2021.

Future of the RO

The UK Government has recently expressed concern at the speed of large scale solar PV deployment under the RO across the UK, and the impact this may have on the Levy Control Framework which sets the annual spending budget for certain DECC funded policies such as the RO. As a result, in the response to the PV Consultation the UK Government confirmed closure of the RO across England, Wales and Scotland to new solar PV generating stations (both ground and building mounted) above 5MW from 1 April 2015. It should be noted that the proposed changes to the RO regime are being challenged by PV JR. The PV JR hearing took place on 17 October

2014 and an outcome is expected shortly. Whilst all remedies are discretionary, one outcome could be an extension to the life of the RO. Regardless of PV JR, changes to the RO provide protection for some projects which may qualify for ''grace period'' arrangements such that they qualify for the RO after 31 March 2015.

Following the Government Response, all solar PV projects will continue to operate under the RO if accredited prior to 31 March 2014, and sub 5MWp projects may continue to gain accreditation under the RO until 31 March 2017.

Current regulation states that from 31 March 2017, the UK Government intends to close the RO to new accreditation, from when a closed pool of RO-supported electricity capacity will be created which will decrease over time until the end date for the RO of 31 March 2037.

ROCs issued after 1 April 2027 will be replaced with ''fixed price certificates'', a new form of ROC. Note that this date may be bought forward, possibly to as early as 2017, following a DECC Consultation. DECC has indicated that the intention is to maintain levels and length of support for existing participants under the RO with the long-term value of a fixed price certificate to be set at the prevailing buy-out price plus a fixed percentage. The Government has said that the price for a fixed price certificate will be fixed at the 2027 RO buyout price, plus 10 per cent. This will be inflation linked and there will be a legal obligation on a purchasing body to purchase fixed price certificates at that fixed price. However, details have still to be finalised.

Feed-in Tariff

FITs support renewable electricity generation by requiring certain licensed electricity suppliers to make generation and export payments in respect of certain kinds of renewable electricity generation up to 5MW (or up to 10MW in the case of ''community power generating projects'').

New small-scale electricity generating stations (including solar PV) above 50KW and up to 5MW in size have the option of choosing support from either the Renewables Obligation or the FITs scheme. Eligible technologies include solar PV. Generation payments are a fixed payment by the relevant electricity supplier to the FIT generator for every KWh generation by the installation.

Export payments are a payment by the relevant electricity supplier to the FIT generator for every kWh exported to the national grid (although electricity can alternatively be sold into the market).

Levels of FITs are determined by DECC and can only be adjusted pursuant to pre-determined criteria. FITs for solar PV are granted now for 20 years. Once an installation is FIT accredited, FIT payments are adjusted in accordance with RPI.

The policy commitment to grandfathering ensures that solar PV generating stations should continue to receive the FIT for which they were first accredited for the duration of their FIT support. FIT payments for newly accredited FIT installations are reduced over time by a mechanism known as degression.

Feed-in Tariffs with Contracts for Difference

White Paper ('Planning our electric future: a White Paper for secure, affordable and low-carbon electricity') initially set out the Government's intention to introduce a Feed-in tariff with Contracts for Difference (CfDs) as a new mechanism to support investment in low-carbon electricity generation. CfDs are a core part of EMR. The first solar CfDs are expected to be awarded by the end of this year and with the RO being closed to new projects from 1 April 2017, the CfD will become the key incentive for development of renewable projects not supported by the existing small scale FIT regime (which supports $\leqslant$ 5MW renewable generation).

The CfD works by stabilising revenues for generators at a fixed price level known as the ''strike price''. Generators will receive revenue from selling their electricity into the market as usual. However, when the market reference price is below the strike price they will also receive a top-up payment from suppliers for the additional amount. Conversely if the reference price is above the strike price, the generator must pay back the difference.

These characteristics mean that the CfD provides additional benefits when compared with the current RO and alternative mechanisms considered. It gives greater certainty and stability of revenues by removing exposure to volatile wholesale prices, and protects consumers from paying for support when electricity prices are high. Consequently it makes the development of low-carbon generation cheaper for both investors and consumers.

Levy Exemption Certificates

The Climate Change Levy (CCL) is a tax on the supply of energy products (including electricity) to non-domestic energy consumers. As such, the Climate Change Levy further supports renewable energy generation because one way for non-domestic energy consumers to avoid paying the tax is to purchase LECs instead.

LECs are produced by certain renewable energy generators including solar PV (but excluding for example hydro over 10MW) at a rate of one LEC per MWh, and they can be sold to avoid paying the CCL.

These are transferable exemptions to the CCL in the form of LECs.

The CCL has been indexed to inflation since its inception and HM Treasury has announced rates based on indexing to inflation up to 2015. The CCL is set as part of the annual UK budgetary cycle often giving visibility more than one year out. Legislation is intended to be introduced in the Finance Bill 2014 to increase the rates of the CCL in line with inflation (based on RPI) from 1 April 2015.

Embedded Benefits

In addition to the all-in price under the RO and FIT regimes, assets receives certain ''embedded benefits'' as a result of being connected entirely at the distribution network level, as opposed to at the transmission network level.

The UK electricity grid is broadly split between the high voltage main transmission system and the lower voltage distribution system. Electricity generated and fed into the grid at the distribution level is considered to be supplied to customers within that same distribution grid and is therefore deemed not to be using the transmission system. Suppliers who purchase power embedded PV assets therefore avoid paying some of the charges which would normally be associated with supplying customers in that area with power procured and delivered via the transmission grid.

The amounts saved by the avoidance of these charges are known as ''embedded benefits'', and embedded generators are able to capture a proportion of these benefits through the pricing of its PPAs.

Embedded benefits comprise the avoidance of the following charges: (i) transmission and distribution losses; (ii) Transmission Network Use of System (or Triad) charges; (iii) Balancing Services Use of System charges; (iv) Generator Distribution Use of System charges; and (v) Residual Cashflow Reallocation Cashflow payments. A number of factors determine whether the renewable electricity generator incurs network charges or is eligible for embedded benefits, including: (i) whether the generator is transmission or distribution connected; (ii) whether the generator is classed as licence exempt; (iii) the size and location of the generator; (iv) the treatment of the generator under the Connection and Use of System Code, which makes up the contractual national framework in the UK for connecting to and using the transmission system operated by National Grid; and (v) the type of bilateral connection agreement that the generator has with the National Grid for exporting power.

ACCESS TO CAPITAL AND COMMERCIAL OPPORTUNITY

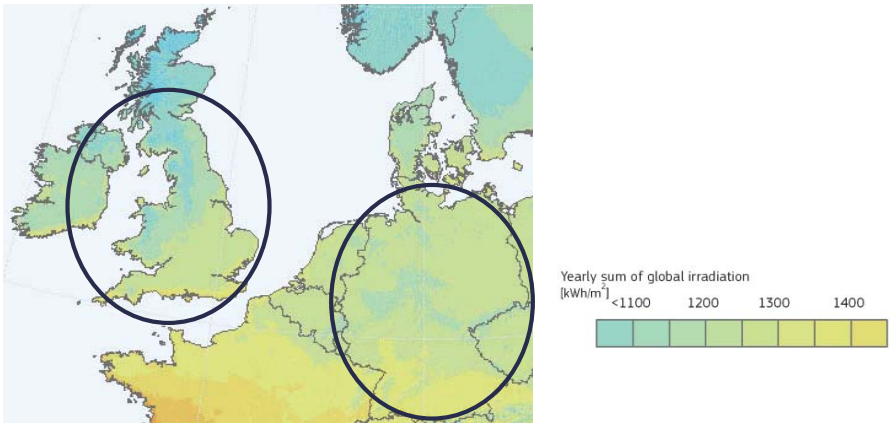
Solar subsidies like FIT, ROCs and CfDs for large scale PV are designed to decrease to track reducing technology costs and always targeting a minimum investor IRR. The management of regulatory support kick-started the solar PV industry in the UK in 2009 and has reduced in-line with reductions in installation costs yielding a reliable long-term return on investment.

As the global solar PV industry matures, the cost of installation has reduced significantly over the last few years. The reduction in system costs during 2010-2011 has resulted in the UK Government reviewing the FIT banding and scheduling an annual reduction in the number of ROCs available per MWh of Solar installed during the ROC year. In the period between 2008 and 2012 the cost of solar PV modules fell from an estimated $4 million (USD) per Megawatt to $1 million (USD) per Megawatt, with current prices at $700,000 (USD) per Megawatt, driving solar energy to be far more cost competitive relative to other renewable energy technologies than it had been previously.

The UK Government monitors market dynamics and reviews ROC banding to target an IRR for investors (hurdle rate) of 7.5 per cent. Dialogue with the UK Government suggests that the move

for larger scale projects to CfD is intended to maintain investor risk weighted returns, with CfD being lower revenue risk than the existing RO regulatory regime.

The market opportunity is also confirmed by the evidence of solar irradiation being available in the UK, for viable and economical investment in large solar PV assets. Daylight level (i.e. irradiation) in the South of England is similar to that in most of Germany, the largest solar market globally in 2012[15].



OVERVIEW OF ELECTRICITY MARKET REFORM

The UK Government is introducing a number of measures to help achieve its goals in terms of energy supply and energy efficiency and the promotion of low-carbon energy under its Electricity Market Reform ("EMR") package. Discussion of the changes to the support system for low carbon energy, began in 2010.

The Energy Act 2013 received Royal Assent on 18 December 2013 and included most of the EMR provisions which came into effect straight away. Other provisions came into force two months after Royal Assent or are being brought into force by various commencement orders.

There are four main components of the EMR package:

- Carbon price support or (CPS): this measure is already implemented and is designed to ensure a minimum price floor for carbon over the long term to 2030;
- Feed-in Tariffs with Contracts for Difference or (CfD): this reform of the support regime for new renewable generation above 5MW is expected to involve the award of project specific contracts providing a guarantee of the overall level of electricity price paid to that project for the duration of the contract. Under these contracts a generator would be paid or would pay the difference between the prevailing market price and the guaranteed or strike price in the CfD contract. This is discussed further below;
- Emissions Performance Standard (EPS): this is intended to prevent coal-fired power stations being built unless they are equipped with sufficient carbon capture and storage technology to meet the EPS; and
- Capacity Mechanism (CM): this is expected to involve the award of contracts for capacity aimed at ensuring a sufficient capacity margin at times of peak demand.

Feed-in Tariffs with Contracts for Difference

CfDs are proposed to provide efficient and long-term support for low carbon generation, including solar PV, and to reduce risks faced by generators by increasing revenue certainty through a long-term contract. Generators will receive revenue from selling their electricity into the market, but will also receive a top-up (the "feed-in tariff" element) to a pre-agreed 'strike price'. Conversely, if the market price is higher than the strike price then the generator must pay back the difference.

The Government's intention is that the CfD will reduce the costs to developers of financing clean energy projects by reducing exposure to wholesale prices and lowering project risks. The CfDs will

15 European Commission – PVgis Source

be established as private law contracts, with a single Government-owned counterparty that can raise money from electricity suppliers. However, the Government will not provide an explicit sovereign underwriting of the obligations of the CfD counterparty.

Initially, the Government had intended to allocate CfDs on a first-come, first-served basis, however CfD allocation for solar will now be through competitive auctions, whereby projects will compete for CfDs along with other technologies such as onshore wind. Therefore the actual strike price for a successful applicant for a CfD may be below the administrative strike price where demand for the CfD support is greater than the allocated pot of funds for that group of technologies. There will be certain qualifying criteria pre-allocation and potentially onerous commitments to deliver the project post-award.

Final administrative strike prices (which represents the maximum celing for strike process for a particular technology) were published in December 2013.[16] For all new solar PV developments the Government has set a strike price of £120/MWh (real 2012 prices) effective from the commencement of the CfD regime in 2014, falling to £100/MWh for projects entering generation in 2018.

The Directors believe that one of the main commercial impacts from the shift from the ROC regime to the CfD regime is expected to be that the single ''strike price'' based contracting mechanism brings together ROC and Brown Power sales. This will reduce the merchant risk associated with Brown Power sales; but shall also reduce the revenue associated with the current regime. Furthermore, as indicated above, energy price inflation is expected to be significant and higher than RPI with a reduction (with CfD) in upside potential which would be to the benefit of consumers (where these benefits are passed on by Supply Companies or the UK Government). Though on the face of it a CfD regime may reduce the investor returns due to risk reduction; the long-term significant continued growth in the renewables sector will drive down costs as it has already done, with the continued maintenance of a 7.5 per cent. IRR market target over the long term.

The PV Consultation confirms Government strategy to introduce CfD for larger (greater than 5MWp) solar PV projects earlier than originally proposed. This is a major shift and, supported with dialogue with DECC, shows the Government support for solar PV and renewables as a whole. The key issue of breaching LCF budget targets and gaining control of sector growth is firmly a Government objective.

The Directors believe that the investment strategy of the Company is supported fully by the proposed changes. The Directors have built business processes, supply arrangements and deal pipeline to support continued growth in all FIT, RO and CfD projects during the remaining 2014 and subsequent 2015 business cycles.

The Directors believe from their consideration of the EMR documentation, and current DECC question and answer, the CfD will make little impact to the company when introduced and that the Company will secure significant market capacity.

16 DECC: Investing in renewable technologies – CfD contract terms and strike prices, December 2013

PART 3

THE NEC GROUP, THE MANAGER, INVESTMENT ADVISER, DEVELOPER AND WISEENERGY: INVESTMENT PROCESS, STRATEGY AND PIPELINE

The NEC Group

The NEC Group includes the Manager, the Investment Adviser, the Developer and WiseEnergy, all of which are subsidiaries of NextEnergy Capital SarL (Luxembourg).

The NEC Group was founded in 2007 and has evolved into a leading solar PV specialist active internationally through the solar value chain. The NEC Group now conducts five activities through its subsidiaries: Financial Advisory, Investment Management, Asset Management, Principal Investments and Project Development. With a 33 strong team focussed entirely on the solar energy sector, the NEC Group has an operating presence in three of the most attractive solar markets globally (Italy, UK and South Africa). The Manager and the Investment Adviser do not and will not manage any other funds investing in the UK solar market.

The NEC Group provides financial and strategic advisory services to selected clients active in the renewable energy sector. Its team comprises professionals with senior experience in global investment banks in equity and debt raising, mergers and acquisitions, structured finance and strategic advisory as well as renewable energy sector specialists. Senior management and employees of the Investment Adviser have extensive renewable energy and public markets expertise including over €100 billion in energy and infrastructure transactions.

Through its subsidiary, NextEnergy Capital IM Limited, the NEC Group will manage the investments of the Company.

Through WiseEnergy, the NEC Group undertakes asset and portfolio management activities and provides a complete range of technical, financial, administrative, IT and operational services to its clients. These include leading equity investors (including private equity funds, public listed funds and institutional investors) as well as some of the largest lending banks active in the European renewable sector, to whom WiseEnergy provides loan portfolio management and risk management services. Founded in 2009, WiseEnergy manages and monitors a portfolio having an asset value of an estimated £3.1 billion, comprising over 1,100 solar power plants with more than 1.0GW of installed renewable energy capacity.

NEC Group has previously invested approximately £120 million of its own capital, third party equity and debt in, and developed, constructed and financed, a portfolio of 14 solar power plants across Italy and the UK. The NEC Group (alone) led the entire process on each of the projects, from project development to financing, construction, grid connection and asset management post-construction. The NEC Group retains ownership interests in 10 of these assets.

The NEC Group develops renewable energy projects from early-stage to project grid connection. The NEC Group actively identify development opportunities globally and undertake full development activities either independently or in conjunction with external partners. The Developer's team have developed (including creating and managing) solar projects representing over 500MW in various jurisdictions, including Italy, South Africa, and the UK. The NEC Group will carry out all its UK solar project development activities through the Developer (which has agreed to give the Company a right of first offer over suitable projects, in accordance with the Project Sourcing Agreement).

Manager

The Manager is a limited company registered in Guernsey (registered number: 57740) with its registered office at 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL and is licensed and regulated by the Commission to undertake the activity of investment management pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and acts as the AIFM of the Company.

The Manager has been appointed by the Company pursuant to the Management Agreement, which is summarised in Part 8 of this Prospectus.

Under the Management Agreement, the Manager has full discretion to make investments in accordance with the Company's investment policy and under the overall control and supervision of the Board. The Manager can exercise investment discretion only in respect of recommendations advanced by the Investment Adviser.

The Manager also acts as the AIFM of the Company and as such has responsibility for all risk management and portfolio management activities. The Manager is granted powers by the Company as regards the Holdco and the SPVs in order to facilitate the performance of its obligations.

A director of the Manager is nominated by the Investment Adviser, such nominee being drawn from the members of the Investment Committee.

The Manager is managed by its directors, Aldo Beolchini, Jeremy Thompson and Andrew Whittaker (Mr Beolchini having been nominated for the time being as a director of the Manager by the Investment Adviser). The biographies of Mr Beolchini, Mr Thompson and Mr Whittaker appear below.

Aldo Beolchini

Mr Beolchini is also CFO and a director of the Investment Adviser, a member of the Investment Committee and a director of the Developer and WiseEnergy. Mr Beolchini's biographical details are set out under ''Investment Adviser'', below.

Jeremy Thompson

Mr Thompson is a Guernsey resident with multiple-sector experience including engineering, energy and finance. Since 2009, Mr Thompson has been a consultant to a number of businesses and a non-executive director of investment vehicles relating to the BT pension scheme. He is also a non-executive director of two private equity funds and of several listed funds. Between 2005 and 2009 he was a director of multiple businesses within a private equity group, a role which entailed an active participation on both private and listed companies. Prior to that he was CEO of four autonomous businesses within Cable & Wireless PLC (operating in both regulated and unregulated markets), and earlier held managing directorships within the Dowty Group. Additionally, Mr Thompson has worldwide experience within the oilfield services sector gained within what is now National Oilwell Varco. Mr Thompson has served on the State of Guernsey's Renewable Energy Team for five years and as chairman for the last two years. He additionally serves as a commissioner within the Alderney Gambling Control Commission and is a member of the panel of Guernsey Tax Tribunal. He holds a B.Sc Engineering degree from Brunel University and an MBA from Cranfield University. He was an invited member to the UK's senior defence course (RCDS). He has successfully completed the Institute of Directors Certificate and Diploma in Company Direction in 2013.

Andrew Whittaker

Mr Whittaker has over 15 years' experience in the fund industry with an extensive experience of onshore and offshore vehicles, open and closed, traditional and alternative funds and most recently AIFMD and FATCA implementations. Andrew is managing director of Ipes' Guernsey business after previously heading up the Ipes UK office. He founded Ipes' AIFMD Depositary Service, seeing it approved under the FCA's transitional provisions and working with two of the first three AIFMs to be approved on 22 July 2013. Andrew is a director of Starwood European Finance Partners Limited, the Investment Manager of Starwood European Real Estate Finance Limited (LSE:SWEF). Mr Whittaker joined Ipes in January 2011 from Capita Financial Group's Specialist Fund Services (formally Sinclair Henderson) where he was managing director. Mr Whittaker also held senior management roles at Moscow Narodny (now VTB Capital), DML and he trained as an accountant while at HSBC. Mr Whittaker graduated from Cardiff University, is a Chartered Management Accountant, a member of the Chartered Institute for Securities & Investment and a member of the Guernsey Society of Chartered and Certified Accountants. He is a member of the Association of Investment Companies' (AIC) Technical Committee; the Association of Real Estate Funds' (AREF) Regulatory Committee; the Guernsey Investment Fund Association (GIFA) Executive and Chairs the British Venture Capital Association (BVCA) Channel Islands Working Group.

Investment Adviser

The Investment Adviser is a limited company registered in England (registered number: 05975223) with its registered office at 7/10 Chandos Street, London, W1G 9DQ, United Kingdom and is authorised and regulated by the Financial Conduct Authority under number FRN 471192.

The Investment Adviser has been appointed by the Manager pursuant to the Investment Advisory Agreement, which is summarised in Part 8 of this Prospectus.

The Investment Adviser acts in an advisory capacity to the Manager, only. All decisions in respect of investments and disposals relating to the Company's portfolio will be the responsibility of the Manager.

The Investment Adviser's role entails the origination, preparation and recommendation of investment opportunities and the related provision of investment advice to the Manager in respect of acquisitions and disposals as well as general investment strategy. In addition, the Investment Adviser seeks to identify and advise on asset and portfolio efficiencies and leverage.

Investment Committee

The Investment Adviser maintains the Investment Committee, comprising senior members of its staff. The Investment Committee will be the primary interface between the Manager and the Investment Adviser. The Investment Committee comprises Michael Bonte-Friedheim, Aldo Beolchini, and Abid Kazim (a biography for each is included below).

The role of the Investment Committee is to consider and, if thought fit, to recommend actions to the Manager in respect of the Company's potential and actual investments.

Michael Bonte-Friedheim

Mr Bonte-Friedheim is CEO and a director of the Investment Adviser, a member of the Investment Committee and a director of the Developer and WiseEnergy. Mr Bonte-Friedheim has over 19 years' specialist experience in the European power and energy sector and over 20 years' experience in banking and finance. Mr Bonte-Friedheim has extensive experience in principal investing across the energy sector, with a particular focus on solar PV, and has invested his own capital in the 14 solar power projects undertaken by the NEC Group. Mr Bonte-Friedheim has led the development of the NEC Group, including the financing, construction and grid connection of 14 solar PV projects in the UK and Italy and has invested directly in all projects. Mr Bonte-Friedheim has spearheaded WiseEnergy's activities, covering asset management activities for corporate counterparties. Mr Bonte-Friedheim has successfully undertaken a number of public and private fund-raising activities in energy and renewable energy, as well as having negotiated multiple JVs and commercial agreements with entities co-investing in assets developed and financed by the NEC Group, as well as third-party solar PV acquisition transactions. Mr Bonte-Friedheim has also held various roles at listed companies including Valiant Petroleum (where he was acting CEO and a senior independent member of the board of directors) and Mediterranean Oil & Gas (where he was the non-executive chairman and subsequently CEO). Mr Bonte-Friedheim was a managing director at Goldman Sachs in the energy and power division of the investment banking group in London and prior to this held senior roles in the London investment banking departments of Morgan Stanley and at Credit Suisse First Boston. Mr Bonte-Friedheim graduated from the University of San Diego in 1989 and earned a MBA from INSEAD in 1994.

Aldo Beolchini

Mr Beolchini is CFO and a director of the Investment Adviser, a member of the Investment Committee and a director of the Manager, the Developer and WiseEnergy. He has over 15 years' experience primarily in investment banking and renewable energy. Mr Beolchini joined the NEC Group in 2008 and is responsible for the design, structuring and execution of the NEC Group asset financing strategy and for covering relationships with lending banks, institutional investors and financial intermediaries. Mr Beolchini is also a director of WiseEnergy, and has been instrumental in growing WiseEnergy's assets under management from zero to €4bn, whilst designing WiseEnergy's administration and financial management services. Mr Beolchini previously obtained 8 years of investment banking experience including M&A, structured finance and capital markets as a Vice President at Morgan Stanley in London, and was responsible for the identification, execution and ongoing management of structured finance principal investments, targeting a variety of assets including renewable energy generation globally. Prior to this, Mr Beolchini was an Officer at the Financial Guard Corps in Italy, assigned to its academy where he held classes on financial reporting and tax regulations. Mr Beolchini holds a masters degree in Business and Finance from LUISS University, Italy.

Abid Kazim

Mr Kazim is the managing director of WiseEnergy UK and the Developer, is a consultant to the Investment Adviser and is a member of the Investment Committee. Mr Kazim has over 25 years' experience in strategy development and large programme delivery. He spent 10 years in business outsourcing and strategic sales, within excess of $3bn in deals originated and/or delivered across

Government and clean energy. Since 2009, Mr Kazim has advised on, originated, structured and/or delivered solar PV assets generating in excess of 200 MWp, with 46MWp by 2012 and the balance originated during 2013 for delivery in 2013 and 2014. Mr Kazim has delivered operational services for organisations including the BBC, UK Passport Office, National Air Transport, National Savings and Investments (NS&I) and other local Government organisations. Previously, Mr Kazim advised on the 1998 deregulation of Eastern Energy and on corporate strategy for Yorkshire Electricity. Mr Kazim also co-founded ClusterSeven and PW Global e-Business Consulting. Mr Kazim earned a MBA from the Manchester Business School in 1993.

Track Record

Senior management of the NEC Group have extensive renewable energy and public markets transaction expertise including roles in over €100 billion of energy and infrastructure transactions including:

- Equity and debt raising for projects, asset portfolios and corporate clients;
- Capital markets transactions, including bond issuance, regulatory capital optimisation and securitisations;
- Buyside and sellside advisory mandates on renewable infrastructure assets and portfolios; and
- Strategic advice across the entire renewable energy value chain.

Developer

The Developer, a member of the NEC Group, is a limited company registered in England (registered number: 06363524) with its registered office at 7/10 Chandos Street, Cavendish Square, London, W1G 9DQ, United Kingdom.

The Developer, the Investment Adviser and the Company have entered into the Project Sourcing Agreement, which is summarised in Part 8 of this Prospectus.

Abid Kazim, who is the managing director of the Developer, is also a consultant to the Investment Adviser, a member of the Investment Committee and is the managing director of WiseEnergy UK. Mr Kazim will be primarily responsible for the performance of the Developer's obligations under the Project Sourcing Agreement. Mr Kazim's biographical details are set out under ''Investment Adviser'', above.

Under the terms of the Project Sourcing Agreement (which are summarised in Part 8 of this Prospectus), the Developer has sourced and presented to the Company (and will continue to source and present) (via the Investment Advisor and the Manager, as contemplated in the Project Sourcing Agreement) large scale ground-mounted or building-integrated solar PV projects located in the United Kingdom, falling within the Company's investment objective and investment policy.

The Investment Adviser evaluates all the projects presented to the Company by the Developer. The Investment Adviser is obliged to recommend, nor will the Company be obliged to acquire, any project proposed by the Developer under the Project Sourcing Agreement. The Company, the Manager and/or the Investment Adviser may establish relationships with other developers, or otherwise source investment opportunities as they deem appropriate.

The Developer has agreed, pursuant to the Project Sourcing Agreement that it will not receive fees in respect of projects introduced by it, though it is entitled to reimbursement of transaction costs, expenses and disbursements paid by it or on its behalf in connection with any project introduced by it which is accepted by the Company (whether or not such project is ultimately acquired by the Group).

WiseEnergy

WiseEnergy International Limited and certain other members of the NEC Group are engaged in the provision of asset management services.

WiseEnergy UK, a limited company registered in England (registered number 8822067) with its registered office at 7/10 Chandos Street, London, W1G 9DQ, United Kingdom, is appointed, on an arm's length basis, by each SPV to provide asset management services. Further detail of these services can be found under ''Activities of WiseEnergy'' in this Part 3.

WiseEnergy UK is responsible for managing all operation and maintenance service providers, suppliers, creditors and debtors relating to such SPVs as well as portfolio monitoring and reporting.

WiseEnergy also provides these services in respect of joint ventures in which the Group participates, and to entities in which the Group has a majority interest.

Senior management of the NEC Group

Mr Bonte-Friedheim is the CEO and a director of the Investment Adviser, a member of the Investment Committee and a director of WiseEnergy and the Developer.

Mr Beolchini is the CFO and a director of the Investment Adviser, a member of the Investment Committee and a director of the Manager, the Developer and WiseEnergy.

Mr Kazim is the managing director of WiseEnergy UK, the managing director of the Developer, a consultant to the Investment Adviser and a member of the Investment Committee.

Investment process

The NEC Group has extensive experience in advising internal and external clients on investments in solar projects in the UK and other countries. Its advisory process has been tested and optimised over multiple transactions since its formation in 2007, including in respect of the eight solar projects in which the NEC Group has co-invested its equity directly.

Project evaluation by the Investment Adviser

The investment process begins, in each case, with an evaluation by the Investment Adviser of a potential investment. Potential investments may be originated by the Developer (as described in ''Activities of the Developer'' below and in the summary of the Project Sourcing Agreement in Part 8 of this Prospectus) or from other sources including proposals sourced by the Directors, or arising from the Manager's or the Investment Adviser's other activities.

Projects that are deemed to be of potential interest to the Company are subject to a comprehensive analysis conducted by the Investment Adviser and including due diligence conducted by external advisers. Following the completion of initial due diligence on a potential investment, the Investment Adviser prepares an investment memorandum for submission to the Investment Committee.

Each investment memorandum summarises the analysis conducted by the Investment Adviser, including:

- Background to the project
- Summary of the investment considerations
- Due diligence reports including:
  - Legal adviser's review and summary (including title and planning considerations)
  - Technical adviser's review and summary
  - Summary of project design and grid connection offers
  - Summary of technology and creditworthiness of counterparties
- Project timetable
- Detailed description of the sites
- Description of the relevant contractual framework
- Key contracts, terms and conditions (including EPC and O&M warranties)
- Summary of key delivery securities, warranties and bonds
- Financial analysis and valuation (including summary of PPA terms)
- Description of methodology and assumptions
- Detailed project budget
- Valuation and IRR analysis
- Key sensitivities
- Risk factors, mitigating factors and potential actions

The Investment Committee considers each investment memorandum and, if thought fit, recommends the relevant project for consideration by the Manager.

If a proposal is deemed not to be worthy of consideration by the Manager, the Investment Committee may return the proposal to the Investment Adviser's broader team for further work, or reject the potential investment entirely. Where a potential investment has been originated by the Developer and is rejected entirely, at this stage the project will be released to the Developer who may pass the opportunity to other clients.

Approval by the Manager and execution

On receipt of a recommendation from the Investment Committee, the Manager considers each investment opportunity at board level. The director of the Manager nominated by the Investment Adviser presents the Investment Committee's recommendation to the other directors of the Manager. The board of the Manager considers the recommendation and, if thought fit, may approve the investment for the Company. Any such approval shall be given by unanimous resolution of the board.

If the project is so approved, it moves to the execution stage, such execution to be implemented by the Manager, with assistance and advice of the Investment Adviser where appropriate, in accordance with the terms of the Management Agreement, and the Investment Advisory Agreement.

If the project is not so approved, the Manager may either reject the proposed investment entirely or return it to the Investment Adviser for further consideration and advice. Where the potential investment was originated by the Developer and is rejected entirely, at this stage the project will again be released to the Developer who may pass the opportunity to other clients.

The Manager will only consider for the Company investment opportunities recommended to it by the Investment Adviser.

The Shareholders authorise the Company to acquire projects that fall within the Company's investment objective and policy and the Company will not seek the approval of Shareholders for acquisitions of assets in the ordinary course of its investment policy. In the event that a potential investment is identified which falls outside the Company's investment objective and policy, the Manager may request that the Company seek the approval of Shareholders to the making of such investment.

Activities of the Developer

The Developer's activities include primarily sourcing and evaluating investment opportunities, and taking forward the legal, technical and financial development of those opportunities that pass the Developers' initial selection process. Once the investment opportunities are deemed by the Developer to be sufficiently developed and de-risked, the Developer decides to market investment opportunities to interested parties on the basis of the agreements it has entered into with interested parties or, if no such agreement exists or the contractual counterparties decline such investment opportunities, to external, unconnected parties.

The activities of the Developer include:

- Sourcing of solar energy projects in the pre-construction, construction and operating phases in the general market from entities owning such projects or through intermediaries
- Working with early-stage developers to source projects in the planning stage for future investment
- Preparing and packaging of solar energy projects to ensure that they are fit for purpose and suitable for the Company. Activities shall include, by way of example but without limitation, completion and preparation of datarooms, resolution of project issues that may hamper good delivery, negotiating new or revised arrangements with landowners and grid connection providers; and consultation with and alignment of key stakeholders
- Negotiating exclusivity and option agreements for the benefit of investors
- Working with counterparties to progress the pre-construction projects in terms of technical, legal, financial and operational processes, structures and contracts
- Selecting key counterparties to involve on the projects (EPC, O&M, technical, legal and financial advisers, etc.)
- Negotiating contractual rights for investors to acquire potential projects
- Structuring and preparing, in conjunction with selected advisers, the project contracts

- Project managing, in conjunction with partners, of all or selected workflows to progress pre-construction contracts to make projects shovel-ready
- Working with selected partners to finalise all pre-construction activities necessary to start construction
- Preparing completeness reviews to ensure investors can conduct efficient and effective due diligence in required time frames

Pipeline

Through the Project Sourcing Agreement, and as at the date of this document, the Company has the opportunity to acquire a pipeline of projects which the Developer has identified and in respect of which the Developer has secured exclusivity of negotiations, which represent (if completed) an installed capacity in excess of 182MWp and approximately £213 million of investment.

In addition, the Developer is in advanced negotiations on a further pipeline of projects that could be acquired by the Company if deemed suitable, including 2015 CfD regime projects.

The pipeline of projects is shown below:

Location	MWp Capacity	Plant Status	Expected Operational Date
Bedfordshire	4.8	Under Construction	Nov-14
Norfolk	6.0	In Operation	In Operation
Northampton	8.5	In Operation	In Operation
Somerset	12.0	To Be Constructed	Dec-15
Cambridgeshire	21.0	To Be Constructed	Mar-15
Essex	21.2	To Be Constructed	Mar-15
Essex	18.5	To Be Constructed	Nov-14
Cardigan	8.1	To Be Constructed	Mar-15
Essex	19.4	To Be Constructed	Mar-15
Wiltshire	19.2	To Be Constructed	Mar-15
Bedfordshire	30.5	To Be Constructed	Feb-15
Lincolnshire	12.9	To Be Constructed	Feb-15
TOTAL	**182**		

Activities of WiseEnergy

WiseEnergy is the operating asset management division of the NEC Group and includes WiseEnergy UK which is appointed on an arm's length basis by each underlying SPV to conduct selected asset management activities. The main role of WiseEnergy UK is to supervise the technical and administrative operations of the assets and provide the Manager with detailed portfolio monitoring information to enable it to optimize the investments of the Group. WiseEnergy UK may also provide these services in respect of joint ventures in which the Company participates.

The activities of WiseEnergy UK include, *inter alia*, assistance with technical plant management, identification of improvements and optimisation, continuous monitoring of plant performance with proprietary data analysis tools, provision of portfolio management IT systems, data storage, preparation of weekly, monthly and quarterly reports for the use of the Investment Adviser and the Manager, assistance in management of SPV contractual counterparties, assistance in enforcement of EPC and O&M contracts by the Investment Adviser and the Manager and sitevisits.

The provision and cost of these services is governed by a separate Asset Management Agreement which serves as a framework agreement for each project company once assets have been acquired and the exact scope of the asset monitoring activities can be finalised. The Asset Management Agreement and charging schedules for each project are negotiated on an arm's length basis and always subject to full Board review and approval. In addition to fees payable to WiseEnergy, WiseEnergy is also entitled to reimbursement of customary expenses (excluding ordinary overhead operating expenses).

Each listed solar fund has operating asset management and reporting arrangements in place but, typically, these services are provided by external third parties. Given the NEC's Group's significant asset management and monitoring experience, the Board believes that the most effective and cost efficient manner of obtaining these services is through WiseEnergy.

The Asset Management Agreement was entered into on 15 May 2014 and was deemed to be a ''smaller related party transaction'' under Listing Rule 11.1.10. The agreement was therefore subject to the disclosure requirements in relation to smaller related party transactions in force prior to 16 May 2014. Details of the arrangements will be included in the Company's annual accounts (including details of the aggregate costs payable under the Asset Management Agreement and any other relevant details), and are also set out in Part 8 of this document.

Conflicts of interest

The Manager, the Investment Adviser, the Developer and WiseEnergy and any of their associates and their respective members, directors, officers, consultants, agents and employees, agents and connected persons, and any person or company with whom they are affiliated or by whom any of them are employed (''Interested Parties'') may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company, the Group and on its investments. Interested Parties may provide services, including services similar to those provided to or in respect of the Group, to other persons and entities and will not be liable to account for any profit earned from any such services. In particular:

- the Investment Adviser, which is under common control with the Manager and other members of the NEC Group, may provide advisory services to other clients in the renewable energy sector;
- the Manager, which is under common control with the Investment Adviser, the Developer and WiseEnergy and other members of the NEC Group, may provide management services to other clients in the renewable energy sector.
- the Developer, which is under common control with the Manager and other members of the NEC Group, may provide project development and related services to other clients in renewable energy sector; and
- WiseEnergy, which is under common control with the Manager and other members of the NEC Group, will provide asset management services to the Group.

The NEC Group has since its inception in 2007 carried out a varied range of activities in the solar sector. These include, but are not limited to, the development, financing, operation and monitoring of solar assets across a range of jurisdictions. The NEC Group will carry out all of its UK solar project development activities through the Developer, which has agreed to give the Company a right of first offer over suitable projects, in accordance with the Project Sourcing Agreement. Other subsidiaries of the NEC Group are typically engaged in business and activities separate and distinct from the Developer. Consequently, although such other subsidiaries' primary business is not (and is not expected to be) developing UK solar projects, there is a potential for conflicts of interest to arise in the future.

The Manager, the Investment Adviser, the Developer and WiseEnergy and their respective directors, officers, employees and agents will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly. Subject to the arrangements explained above, the Company may (directly or indirectly) acquire securities or investments from or dispose of securities or investments to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts, notwithstanding that similar investments may be held by the Group (directly or indirectly).

An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity, any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Group effected by it for the account of the Group, provided that in each case the terms are no less beneficial to the Group than a transaction involving a disinterested party and any commission is in line with market practice.

The Directors have noted that the Manager, the Investment Adviser, the Developer and WiseEnergy have other clients and have satisfied themselves that the Manager, the Investment Adviser, the Developer and WiseEnergy have procedures in place to address potential conflicts of interest. Relevant conflicts of interest will be disclosed to the Board, as will decisions by the Manager or Investment Adviser to allocate an investment opportunity appearing to fall within the Company's investment objective and policy to any other client.

The Directors have noted that the senior members of the NEC Group have various roles in respect of the Group as set out below:

- Mr Bonte-Friedheim is the CEO and a director of the Investment Adviser, a member of the Investment Committee and a director of WiseEnergy and the Developer.
- Mr Beolchini is the CFO and a director of the Investment Adviser, a member of the Investment Committee and a director of the Manager, the Developer and WiseEnergy.
- Mr Kazim is the managing director of WiseEnergy UK, the managing director of the Developer, a consultant to the Investment Adviser and a member of the Investment Committee.

The Directors are satisfied that the NEC Group has procedures in place to address any conflicts of interest which may arise out of such roles. It is further noted that the other directors of the Manager, Mr Whittaker and Mr Thompson, are not otherwise engaged by any member of the NEC Group.

The Administrator is independent of the Company and of the NEC Group, though it should be noted that:

- Andrew Whittaker, who is a director of the Manager, is also a managing director of the Administrator; and
- the Administrator also provides administration and corporate secretarial services to the Manager.

PART 4

DIRECTORS, MANAGEMENT AND ADMINISTRATION

Directors

The Board comprises three directors, each of whom is non-executive and independent of the Investment Adviser. Details of each of the Directors are set out below.

Kevin Lyon *(Chairman)*

Mr Lyon is a qualified chartered accountant, with over 30 years of experience in private equity and senior Director positions in a number of different companies. He spent approximately 17 years with the 3i Group, responsible for their core private equity business across the UK, with a team of 10 Directors and 40 executives. Mr Lyon is currently chairman of Mono Global Group and also serves as an independent director of DCK Group. He was former chairman of Smart Metering Systems plc, Valiant Petroleum plc, RBG, Wyndeham Press Group, Whittards of Chelsea, Julian Graves, Craneware plc, Incline GTS and was a Non-Executive Director on Booker plc, David Lloyd Leisure and Phase 8. He is a full member of the Institute for Turnaround Professionals and won the Institute of Directors Scotland, Non-Executive Director of the Year Award in March 2013. Mr Lyon graduated from Edinburgh University in 1982 and has attended management courses at INSEAD, IESE and Ashridge. Mr Lyon is also Chairman of Cutis Developments Ltd and a non-executive Director of Ambrian plc (formerly East West Resources plc).

Patrick Firth

Mr Firth is a non-executive director of the Company. He qualified as a Chartered Accountant with KPMG Guernsey in 1991 and is also a member of the Chartered Institute for Securities and Investment. Patrick is a director of a number of management companies, general partners and investment companies including Riverstone Energy Limited, JZ Capital Partners Limited, ICG-Longbow Senior Secured UK Property Debt Investments Limited, BH Credit catalysts Limited and GLI Finance Limited. He has worked in the fund industry in Guernsey since joining Rothschild Asset Management C.I Limited in 1992 before moving to become Managing Director at Butterfield Fund Services (Guernsey) Limited (subsequently Butterfield Fulcrum Group (Guernsey) Limited), a company providing third party fund administration services, where he worked from April 2002 until June 2009. Mr Firth is a former Chairman of the Guernsey Investment Fund Association (GIFA) and is currently Deputy Chairman of the Guernsey International Business Association (GIBA) Council. He is a resident of Guernsey.

Vic Holmes

Mr Holmes is a FCCA and a non-executive director of the Company. He has been involved in financial services for over 30 years. In 1986, Mr Holmes joined the board of Guernsey International Fund Management Limited, Guernsey's largest fund administration company. In 1990, he was appointed managing director of the newly established Irish based Baring Asset Management subsidiary, providing international fund administration services from a Dublin base. He continued in that position until 2003, when he was appointed head of fund administration services for the Baring Asset Management group of companies, providing services out of London, Dublin, Guernsey, Isle of Man and Jersey. Subsequent to the acquisition of the Baring Asset management Financial Services Group by Northern Trust in 2005, he was appointed country head of Northern Trust's Irish businesses and, in 2007, he returned to Guernsey to assume the position of jurisdictional head of Northern Trust's Channel Island businesses. Since 1986, Mr. Holmes has served on a wide range of fund-related boards, based mainly in Guernsey and Ireland, but also in the UK, and the Cayman Islands. Mr Holmes' current directorships include Permira Holdings Limited, Generali Worldwide Insurance Company Limited, Picton Property Income Limited (London listed), a range of Ashmore funds, and a range of F&C funds. Mr Holmes was the first chairman of what is now known as the Irish Fund Industry Association which he was instrumental in establishing in 1991, and was elected as chairman of the Executive Committee of the Guernsey Investment Fund Association in April 2013.

Management

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy of the Company and have overall responsibility for the

Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

As a general matter, it is the Directors (and not the Manager, although it owes certain duties to the Company under the Management Agreement) who owe certain fiduciary duties to the Company, which require them to, among other things, act in good faith and in what they consider to be in the best interests of the Company and in doing so, the Directors act in a manner that ensures the fair treatment of Shareholders. In exercising their discretions, the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions do not result in the unfair treatment of Shareholders.

The Directors may delegate certain functions to other parties such as the Manager, the Administrator and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the assets comprised in the Company's portfolio to the Manager. The Directors also have responsibility for exercising overall control and supervision of the Manager. As a general matter of Guernsey and English law, the Manager owes duties to the Company only, and not directly to the Shareholders.

Corporate Governance

The Company has voluntarily committed to comply with the UK Code and the AIC Code. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Corporate Governance Code), will provide better information to shareholders. The Company is a member of the AIC.

The Listing Rules require that the Company must ''comply or explain'' against the UK Code. In addition, the Disclosure and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it voluntarily complies; and (ii) describe its internal control and risk management arrangements.

The Company complies, so far as is possible given the Company's size and nature of business, with the UK Code. The areas of non-compliance by the Company with the UK Code are as follows:

(A) the separation of the roles of the chief executive and Chairman as all the Directors are non-executive;

(B) the need for an internal audit function as the Administrator, overseen by the Board, is responsible for monitoring all accounting or control operations, whether outsourced or otherwise;

(C) as all the Directors are independent and non-executive, it is proposed that the functions of the Nomination or Remuneration committee will be undertaken by the full Board;

(D) the Company does not have a policy on length of service for Directors; and

(E) due to the structure of the Board it is considered unnecessary to identify a senior non-executive Director.

For the reasons set out in the AIC Guide, and as explained in the UK Corporate Governance Code, the Board considers these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The GFSC Code came into effect on 1 January 2012 and applies to Guernsey regulatory licensees and collective investment schemes. As the Company has committed to comply with the AIC Code and the UK Code, it is deemed to meet the requirements of the GFSC Code.

Audit Committee

The Company's Audit Committee, comprising all the Directors**,** meets formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Patrick Firth acts as chairman of the

Audit Committee. The principal duties of the Audit Committee are to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

Other committees

As noted above, the Board fulfils the responsibilities typically undertaken by a nomination committee and a remuneration committee. The Board as a whole also fulfils the functions of a management engagement committee and reviews the actions and judgments of the Manager and also the terms of the Management Agreement.

Directors' Share dealings

The Directors have adopted a code of directors' dealings in Ordinary Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "Model Code"). The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Administrator and secretary

Ipes (Guernsey) Limited is the Administrator to the Company pursuant to the Administration Agreement (further details of which are set out in Part 8 of this Prospectus) and provides company secretarial services and a registered office to the Company. For the purposes of the Rules, the Administrator is the designated manager of the Company. The Administrator also provides administration and corporate secretarial services to the Manager.

The Administrator is responsible for the safekeeping of any share and loan note certificates in respect of the Group's unquoted investments, the implementation of the Group's cash management policy, production of the Company's accounts, regulatory compliance, providing support to the Board's corporate governance process and its continuing obligations under the Listing Rules and the Disclosure and Transparency Rules, and for dealing with dividend payments and investor reporting. In addition, the Administrator is responsible for the day to day administration of the Company (including but not limited to the calculation, in conjunction with the Investment Adviser, of the Net Asset Value and of the Shares) and for general secretarial functions required by the Companies Law (including but not limited to the maintenance of the Company's accounting and statutory records).

Registrar, UK transfer agent and receiving agent

Capita Registrars (Guernsey) Limited acts as the Company's Registrar and acts as the Company's UK transfer agent. Capita Asset Services acts as the Company's UK receiving agent.

Auditor

PricewaterhouseCoopers CI LLP provides audit services to the Company and will audit the Company's annual report and financial statements in accordance with International Standards on Auditing. The directors of the Company are responsible for the preparation and approval of the annual report and financial statements and for ensuring that the financial statements comply with International Financial Reporting Standards and the provisions of the Companies Law and the Listing Rules of the UKLA. The Company has entered into an engagement letter with PricewaterhouseCoopers CI LLP. The terms of such engagement letter include certain limitations of liability in favour of PricewaterhouseCoopers CI LLP. PricewaterhouseCoopers LLP will provide audit services to the Holdco, and will be appointed on terms which are materially the same as those between the Company and PricewaterhouseCoopers CI LLP. Neither PricewaterhouseCoopers CI LLP or PricewaterhouseCoopers LLP will receive indemnification from the Company or Holdco pursuant to their respective terms of engagement.

Fees and expenses

Expenses of the Placing Programme

The expenses incurred by the Company in connection with the Placing Programme are expected to amount to two per cent. or less of the Gross Issue Proceeds. Consequently, the expenses incurred

by the Company in connection with any Placing or Offer under the Placing Programme are expected to amount to two per cent. or less of the Gross Issue Proceeds.

Ongoing expenses

Manager's fees and expenses

The Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as below:

- for the tranche of NAV up to and including £200 million, 1 per cent.
- for the tranche of NAV above £200 million and up to and including £300 million, 0.9 per cent.
- for the tranche of NAV above £300 million, 0.8 per cent.

The Manager's Fee is prima facie payable by the Company, but may be paid by the members of the Group (to reflect the extent to which the services provided by the Manager are provided to the relevant member of the Group) should the Company so determine. It is expected that the majority of the Manager's fees will be borne by the Company. The Manager shall also be entitled to reimbursement of customary expenses incurred in providing its services (excluding ordinary overhead operating expenses).

The Manager is responsible for the fees and expenses of the Investment Adviser, which will be payable at a rate agreed between them from time to time.

In addition, with the prior approval of the Board, the Manager has agreed to make certain payments out of its Manager's Fee to any Cornerstone Shareholder, provided that, until such time as the reported NAV first exceeds £300 million, any such Cornerstone Shareholder agrees to subscribe for at least 25 per cent. of the shares to be issued pursuant to any subsequent issues (further information on these potential payments is set out in paragraph 12.3 of Part 8).

Project costs

The Group also bears project costs in connection with its investments. These project costs cover the performance of the operating asset management and reporting activities that are essential to ensuring optimal performance of each project's assets. These project costs include the arm's length fees and expenses of WiseEnergy for performing for the Group the operating asset monitoring and reporting activities typically required in projects of the type intended to be acquired by the Company. Please refer to ''Activities of WiseEnergy'' in Part 3 of this Prospectus for further details.

The Developer is entitled to recover all transaction costs, expenses and disbursements paid by or on behalf of the Developer in connection with any project introduced by it which is accepted by the Company (whether or not such project is ultimately acquired by the Group). Such transaction costs may include, *inter alia*, due diligence costs, down-payments for grid offer acceptances and similar costs and expenses. The Developer has no right to receive reimbursement for costs, expenses and disbursements in respect of projects rejected by or on behalf of the Group (unless first accepted). The Developer is not entitled to receive any fees in respect of the projects introduced by it under the Project Sourcing Agreement.

Other fees and expenses

The Company also incurs and will incur further on-going annual fees and expenses, which include the following:

- *Administrator*

  Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee in respect of administration, accounting, corporate secretarial, corporate governance, regulatory compliance and Listing Rule continuing obligations, accruing daily and calculated on a sliding scale based on Net Asset Value subject to a minimum annual payment of £105,000. The Administrator will, in addition, be entitled to recover third party expenses, disbursements.

  In addition, the Administrator will be entitled to receive a fee of £2,500 for each ad hoc meeting of the Board at which its attendance is required.

- *Registrar*

  The Registrar is entitled to a minimum annual fee from the Company equal to £9,450 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

- *Directors*

  The Directors are remunerated at a rate of £30,000 per annum (£60,000 for the Chairman). The chairman of the Audit Committee receives an additional £3,000 per annum for services in this role. Further information on the remuneration of the Directors is set out in Part 8 of this Prospectus.

Other operational expenses

All other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company are borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual listing fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Adviser, the Administrator, the Registrar and the Directors relating to the Company are borne by the Company or Holdco. The on-going operational expenses of the Company (and the Group) are not capped, and the amount of such expenses will depend on a variety of factors.

Meetings and reports

All general meetings of the Company shall be held in Guernsey. The Company expects to hold its first annual general meeting in Guernsey in June 2015. The Company's audited annual report and accounts will be prepared to 31 March each year, commencing in 2015, and it is expected that copies will be sent to Shareholders in June each year, or earlier if possible (or required by law or regulation). Such annual report will comply with the requirements of Article 22 of the AIFM Directive. There is currently no annual report pursuant to Article 22 of the AIFM Directive as the Company is recently formed.

Shareholders will receive an unaudited interim report each year commencing in respect of the period to 30 September, expected to be despatched in November each year, or earlier if possible. The Company's audited annual report and accounts will be available on the Company's website, www.nextenergysolarfund.co.uk.

The Company's accounts and the annual report will be drawn up in Sterling and in accordance with IFRS.

The following information will be disclosed to Shareholders on an annual basis by way of the annual report sent to Shareholders:

- the percentage of the Company's assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, deferrals of redemptions, suspension);
- any new arrangements for managing the liquidity of the Company including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Manager;
- the current risk profile of the Company, the Holdco and the risk management systems employed by the AIFM to manage those risks; and
- the total amount of leverage employed by the Company.

Investors should note that the Manager is not required to employ risk management systems in accordance with the AIFM Directive.

Any changes to the maximum level of leverage of the Company, any right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement will be provided by the Manager to Shareholders without undue delay and in accordance with the AIFM Directive and relevant rules.

Valuations

The Administrator is responsible for calculating the NAV which is presented to the Directors for their approval and adoption. The valuation will be carried out on a six monthly basis as at

30 September and 31 March each year (the first such calculation being as at 30 September 2014). The valuation principles used in such methodology (which will apply to all of the assets of the Company, including its 'hard to value' assets) will be based on a discounted cash flow methodology, and adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines.

The NAV calculation is mainly driven by the fair market value of the Group's investments in solar PV assets. Fair market value for each investment is calculated by the Manager as derived from the present value of the investment's expected future cash flows, using reasonable assumptions and forecasts for revenues and operating costs, and an appropriate discount rate. The Manager will exercise its judgement in assessing the expected future cash flows from each investment. The Investment Adviser will produce, for each SPV, detailed financial models and the Manager will take the following into account:

- potential adjustments to expected technical performance based on evidence derived from project performance to date;
- potential adjustments to the expected monetization strategy (terms of any PPA arrangements when renewed, adjustments to energy price inflation or RPI expectations);
- the terms of any debt financing that may have been put in place;
- potential adjustments to the business plan deriving from changes in the economic, legal, taxation or regulatory environment;
- claims or other disputes or contractual uncertainties;
- changes to revenue and cost assumptions; and
- discount rates used by other willing buyers in the UK solar sector, as relevant driver of fair market value of the Company's assets.

The NAV will be reported to Shareholders in the Company's interim and annual financial statements. All NAV calculations by the Administrator will be made, in part, on valuation information provided by the Manager. Although the Administrator will evaluate all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. The latest NAV, together with the historical performance and NAV per Ordinary Share is available from the Administrator upon request.

The Board may request the Administrator and the Manager to provide additional NAV calculations at such times as the Board may deem appropriate. In such circumstances, the revised NAV will be announced through a Regulatory Information Service.

The Board may determine that the Company shall temporarily suspend the determination of the Net Asset Value per Ordinary Share when the prices of any investments owned by the Group cannot be promptly or accurately ascertained; however, in view of the nature of the Company's proposed investments, the Board does not envisage any circumstances in which valuations will be suspended. Details of any such suspension will be announced through a Regulatory Information Service.

PART 5

THE PLACING PROGRAMME, THE OFFER AND THE INITIAL PLACING

The Placing Programme

The Placing Programme will open on 10 November 2014 and will close on 9 November 2015 (or any earlier date on which it is fully subscribed). The Placing Programme is structured as a series of one or more Placings, and the Offer.

The maximum number of New Shares to be issued pursuant to the Placing Programme is 250 million, being up to 200 million New Ordinary Shares and/or C Shares which may be issued pursuant to one or more Placings and up to 50 million New Ordinary Shares which may be issued under the Offer. As at the date of this Prospectus, the actual number of New Shares to be issued under the Placing Programme is not known. The maximum number of New Shares to be issued under the Placing or the Offer should not be taken as an indication of the number of New Shares finally to be issued.

As part of the Placing Programme, the Company is undertaking an Initial Placing, which is expected to close at 4:00 pm on 12 November 2014, with Admission taking place on 19 November 2014.

The Offer will open on 10 November 2014 and close on 9 November 2015. The Directors may close the Offer on such earlier date as they may determine and announce through a Regulatory Information Service. Only New Ordinary Shares will be issued under the Offer. It is expected that first closing under the Offer is expected to take place at 1.00 pm on 12 November 2014, the initial allotment of New Ordinary Shares under the Offer will take place on 13 November 2014 and that Admission in respect of that allotment would take place on 19 November 2014. Thereafter the Directors reserve the right to allot New Ordinary Shares under the Offer at any time whilst it remains open. In relation to each such closing, allotment and Admission, the Company will, ahead of each such closing and allotment, make an announcement through a Regulatory Information Service of the number of New Ordinary Shares available to be allotted, the date of allotment and Admission and the Issue Price.

The issue of New Shares under the Placing Programme is at the discretion of the Directors. The Company will have the flexibility to issue both New Ordinary Shares and/or C Shares under the Placings. The Directors will decide on the most appropriate type of Share and method at the time of issuance factoring in, *inter alia*, the level of investor appetite for the Company's New Shares, likely timing for making further investments, the operational status of such investments at the time they are likely to be acquired and the timing of the issue relative to the next dividend.

An announcement of each Placing will be released through an RIS, including details of the number of New Shares allotted, the applicable Issue Price and, in respect of each issue of C Shares, the ISIN for the class of C Shares, and the issue expenses relating to that C Share issue.

It is anticipated that dealings in the New Shares will commence no more than three Business Days after Admission in respect of the relevant issue of New Shares. Whilst it is expected that all New Shares issued pursuant to a particular Issue will be issued in Uncertificated Form, if any New Shares are issued in Certificated Form it is expected that share certificates would be despatched approximately two weeks after Admission of the relevant New Shares. No temporary documents of title will be issued.

Subject to complying with the public hands test set out in Listing Rule 6.1.19(4)R, there are no minimum gross proceeds required for Issues of C Shares pursuant to the Placing Programme. Applications for New Shares under the Placing Programme must be for a minimum subscription amount of £50,000 in the case of Placings and £1,000 in the case of the Offer. There is no maximum subscription, unless notified to investors. The Joint Bookrunners (in consultation with the Directors) may in their absolute discretion waive the minimum application amounts in respect of any particular application for New Shares under the Placing Programme.

Issues of Shares under the Placing Programme are not being made on a pre-emptive basis and, accordingly, existing Shareholders who do not participate in the Placing Programme may have their percentage holding of the relevant class of Shares diluted (i) on issue of New Ordinary Shares; and/or (ii) on conversion of the C Shares.

The Placing Programme will be suspended at any time when the Company is unable to issue New Shares pursuant to the Placing Programme under any statutory provision or other regulation

applicable to the Company or otherwise at the Directors' discretion. The Placing Programme may resume when such conditions cease to exist, subject to the final closing date of the Placing Programme being 9 November 2015.

The Placing Programme is not being underwritten.

Proceeds of the Placing Programme

The Net Issue Proceeds will be invested in accordance with the Company's investment policy save to the extent that some of the Net Issue Proceeds may be retained for working capital purposes, and subject to the availability of sufficient investment opportunities. The Company will invest the Net Issue Proceeds in accordance with its investment policy and is likely to apply the Net Issue Proceeds to repay part or all of any amount drawn down under the Revolving Credit Facility and, to use the balance of the Net Issue Proceeds to make further investments.

The Placing Programme Agreement

The Company, the Manager, the Investment Adviser, the Sponsor and the Joint Bookrunners have entered into the Placing Programme Agreement pursuant to which the Joint Bookrunners have agreed, as agents for the Company, to use their reasonable endeavours to procure subscribers (in certain jurisdictions outside the United States) for the New Shares under the Placing Programme at the Issue Price in return for the payment by the Company of placing commission. A summary of the terms of the Placing Programme Agreement is set out in Part 8 of this Prospectus.

The terms and conditions which shall apply to any subscriber for New Shares procured by the Joint Bookrunners as a Placee pursuant to the Placing Programme are contained in Part 10 to this Prospectus.

The Company is also offering New Ordinary Shares to investors through the Offer. Terms and Conditions applicable to the Offer are set out in Part 11 and the application form and notes on how to complete it are set out at the end of the Prospectus. These should be carefully read and investors should consult their respective stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in any doubt about the contents of this Prospectus. Application forms must be posted or hand delivered during business hours to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent BR8 4TU so as to arrive no later than 1.00 p.m. on the Closing Date specified for the Offer, unless extended. Applications must be for a minimum amount of £1,000 and in £1,000 multiples. Applications are payable in full, in Sterling by cheque or bankers' draft drawn on a UK clearing bank or building society cheque. Applications are irrevocable, subject to statutory withdrawal rights.

The Directors may refuse any application, in their sole discretion.

Scaling back and allocation

To the extent that commitments under a Placing exceed a level that the Directors determine, in their absolute discretion at the time of closing such Placing, to be the appropriate maximum size for that Placing, the Joint Bookrunners reserve the right, at their sole discretion, but after consultation with the Company, to scale back applications in such amounts as they consider appropriate. The Company reserves the right to decline in whole or in part any application for New Shares pursuant to the Placing Programme but does not expect to scale back applications under the Offer. Accordingly, applicants for New Shares may, in certain circumstances, not be allotted the number of New Shares for which they have applied.

The Company will notify investors of the number of New Shares in respect of which their application has been successful.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant as soon as practicable after the result of that Placing has been announced.

The Issue Price and costs associated with the Placing Programme

In order to ensure that the Placing Programme is not dilutive of the Company's Net Asset Value the Issue Price will be:

In respect of any New Ordinary Shares issued under the Placings, the Issue Price will be set at a premium to the Net Asset Value per Ordinary Share at the time that the New Ordinary Shares are allotted. The premium will also factor in issuing costs and expenses that the Directors believe are applicable to the New Ordinary Shares. The Issue Price of 104.9 pence under the Initial Placing reflects a premium of 1.75 per cent. to Net Asset Value per Share.

The price of a New Ordinary Share under the Offer is intended to achieve this result, however given the duration of the Offer this may not be the case. The Issue Price under the Offer is based on the Pricing Formula, and is set at 101.75 per cent. of the Company's last published Net Asset Value per Ordinary Share (being, as at the date of this document 104.9 pence per New Ordinary Share), provided (in order to comply with the Listing Rules) this price may not be lower than 90 per cent. of the closing mid-market price on the date before announcement of the relevant closing and allotment under the Offer.

However, no New Shares will be issued if such an issue would result (after taking into account the costs of the Issue) in the dilution of the Net Asset Value of the Ordinary Shares.

In respect of an issue of C Shares at £1.00 per Share, where the Net Asset Value per C Share immediately following each Admission is not expected to be less than £0.98.

It is intended that there may be more than one series of C Shares in issue at any one time. Issue costs applicable to the C Shares at the time of issue, will include factoring in, *inter alia*, placing commissions, and any other costs and expenses that the Directors believe are applicable to the C Shares.

The Directors will determine the premium at which New Shares are issued and the costs attributable to an issue of C Shares with the intention that the cumulative premium over the life of the Placing Programme should cover the costs and expenses of the Placing Programme for which the Company will be responsible and in addition be accretive to the Net Asset Value for Shareholders.

Fractions

Fractions of New Shares will not be issued.

General

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, the Company and its agents (and their agents) or the Manager may require evidence in connection with any application for New Shares, including further identification of the applicant(s), before any New Shares are issued.

In the event that there are any significant changes affecting any of the matters described in this Prospectus or where any significant new matters have arisen after the publication of this Prospectus and prior to Admission, the Company will publish a supplementary prospectus. The supplementary prospectus will give details of the significant change(s) or the significant new matter(s).

Should the Placing Programme or any Placing or the Offer be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

Clearing and settlement

Payment for the New Shares should be made in accordance with settlement instructions to be provided to Placees by the Joint Bookrunners.

New Shares will be issued in registered form and may be held in either Certificated or Uncertificated Form and settled through CREST from the relevant Admission. In the case of New Shares to be issued in Uncertificated Form (that is, in CREST) pursuant to the Placing Programme, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the New Shares following an Admission may take place within the CREST system if any Shareholder so wishes.

CREST is a paperless book-entry settlement system operated by Euroclear which enables securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

It is expected that the Company will arrange for Euroclear to be instructed on each Admission date to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to the New Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

The transfer of New Shares out of the CREST system following an Issue should be arranged directly through CREST. However, an investor's beneficial holding held through the CREST system may be exchanged, in whole or in part, only upon the specific request of the registered holder to CREST for share certificates or an Uncertificated holding in definitive registered form. If a Shareholder or transferee requests New Shares to be issued in Certificated form and is holding such New Shares outside CREST, a share certificate will be despatched either to him or his nominated agent (at his risk) within 21 days of completion of the registration process or transfer, as the case may be, of the New Shares. Shareholders holding definitive certificates may elect at a later date to hold such New Shares through CREST or in Uncertificated Form provided they surrender their definitive certificates.

Dealings

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for the New Ordinary Shares issued pursuant to the Placing Programme to be admitted to listing and trading on the premium segment of the Official List and the London Stock Exchange's main market for listed securities, respectively.

Applications will be made to the Financial Conduct Authority and the London Stock Exchange for the C Shares issued pursuant to the Placing Programme to be admitted to listing and trading on the standard segment of the Official List and the London Stock Exchange's main market for listed securities, respectively.

It is expected that Admission will become effective and that unconditional dealings in the New Shares will commence no more than three Business Days after the relevant Admission. Dealings in New Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

Subject to those matters on which the Placing Programme is conditional, the Board, with the prior approval of the Joint Bookrunners, may bring forward or postpone the closing time and date for the Placing Programme. In the event that such date is changed, the Company will notify investors who have applied for New Shares of changes to the timetable either by post, by electronic mail or the publication of a notice through a Regulatory Information Service.

The Company does not guarantee that at any particular time market maker(s) will be willing to make a market in the New Shares, nor does it guarantee the price at which a market will be made in the New Shares. Accordingly, the dealing price of the New Shares may not necessarily reflect changes in the Net Asset Value per Share.

C Share issues and Conversion of C Shares

C Shares may be issued in a number of series, having different Conversion Dates.

The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further shares of an existing issued class for cash. In particular:

- the assets representing the Net Proceeds of a C Share issue would be accounted for as a separate pool of assets from the pool of assets representing Ordinary Shares and, therefore, holders of Ordinary Shares would not be exposed to a portfolio containing uninvested cash pending investment;
- the Net Asset Value of the Ordinary Shares will not be diluted by the expenses associated with the issue of C Shares, which will be borne by the subscribers for C Shares; and
- under the terms of the Articles, any C Shares issued by the Company convert into New Ordinary Shares on the basis of a Net Asset Value for Net Asset Value basis at the time of conversion. Therefore, existing Ordinary Shareholders will suffer no dilution in Net Asset Value terms as a result of the issue of the C Shares or their conversion into Ordinary Shares.

C Shares will convert into Ordinary Shares on the basis of the Conversion Ratio (a Net Asset Value for Net Asset Value basis).

The rights and restrictions attaching to the C Shares are set out in the Articles and summarised in Part 8 of this document.

Initial Placing

The Company is undertaking an Initial Placing. The Initial Placing is expected to close at 4.00pm on 12 November 2014. It is expected that Admission will become effective and that unconditional dealings in those New Shares will commence at 8.00am on 19 November 2014.

Overseas investors

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 157 to 158 of this Prospectus which set out restrictions on the holding of New Shares by such persons in certain jurisdictions. In particular investors should note that the New Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the U.S. Investment Company Act. Accordingly, the New Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any U.S. Persons except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the U.S. Securities Act.

Anti-money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and Guernsey, any of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Manager and the Joint Bookrunners, may require evidence in connection with any application for New Shares (including further identification of the applicant(s)) before any New Shares are issued.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Manager and the Joint Bookrunners reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Board, in consultation with any of the Company's agents, including the Administrator, the Registrar, the Receiving Agent, the Manager and the Joint Bookrunners may refuse to accept a subscription for New Shares, or may refuse the transfer of New Shares held by any such Shareholder.

ISA, SSAS and SIPP

General

The Shares should be ''qualifying investments'' for the stocks and shares component of an ISA and the Board will use its reasonable endeavours to manage the affairs of the Company so as to enable this status to be maintained. Save where an account manager is acquiring Shares using available funds in an existing stocks and shares ISA, an investment in Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into a stocks and shares ISA (for the tax year 2014/15 an individual may invest £15,000 worth of stocks and shares in a stocks and shares ISA).

Sums received by a Shareholder on a disposal of Shares will not count towards the Shareholder's annual subscription limit but a disposal of Shares held in a stocks and shares ISA will not serve to make available again any part of the annual subscription limit that has already been used by the Shareholder in that tax year. Individuals wishing to invest in Shares through a stocks and shares ISA should contact their professional advisers regarding their eligibility.

Eligibility

Shares acquired under the Offer, subject to applicable subscription limits as set out above, are eligible for inclusion in a stocks and shares ISA, but shares allotted under any Placing will not be so eligible.

Secondary market purchases

Shares acquired by an account manager by purchase in the secondary market, subject to applicable subscription limits, as set out above, should be eligible for inclusion in a stocks and shares ISA.

UK small self-administered schemes and self-invested personal pensions ("SIPP")

The Shares should be eligible for inclusion in a SSAS or a SIPP.

Purchase and transfer restrictions

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, New Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the Manager, the Investment Adviser or the Joint Bookrunners.

The Company has elected to impose the restrictions described below on the Placing Programme and on the future trading of the New Shares so that the Company will not be required to register the offer and sale of the New Shares under the Securities Act and will not have an obligation to register as an investment company under the Investment Company Act and related rules and also to address certain ERISA, Internal Revenue Code and other considerations. These transfer restrictions, which will remain in effect until the Company determines in its sole discretion to remove them, may adversely affect the ability of holders of the New Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the New Shares made other than in compliance with the restrictions described below.

Restrictions due to lack of registration under the Securities Act and Investment Company Act restrictions

The New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and the New Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the New Shares in the United States. The New Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

Moreover, the Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act.

The New Shares and any beneficial interests therein may only be transferred in an offshore transaction in accordance with Regulation S: (i) to a person outside the United States and not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

Subscriber warranties

Each subscriber of New Shares in the Initial Placing, Offer or subsequent Placing will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in Parts 10 and 11 of this Prospectus.

The Company, the Manager, the Investment Adviser, the Joint Bookrunners and their respective directors, officers, agents, employees, advisers and others will rely upon the truth and accuracy of the foregoing representations, warranties, acknowledgments and agreements.

If any of the representations, warranties, acknowledgments or agreements made by the investor are no longer accurate or have not been complied with, the investor will immediately notify the Company.

Publishing the results of the Offer

Following the Closing Date of the Offer and following each allotment pursuant to the Offer, the Company will announce through an RIS the number of New Ordinary Shares issued and the Gross Issue Proceeds attributable thereto.

Legal implications of investment in the Company

The main legal implications of the contractual relationship entered into for the purpose of investment in the Company as follows:

(A) By submitting the Application Form to the Administrator, the investor makes an offer to subscribe for New Shares which, once it is accepted by the Company, has the effect of a binding contract. The terms of such contract are governed by the Application Form (read together with the Prospectus).

(B) Upon the issue of New Shares and the entry of the Shareholder's name in the Company's register of members, such investor becomes a Shareholder of the Company and the Prospectus of the Company and its Articles, take effect as a contract between the Shareholders and the Company.

(C) The Articles of the Company may only be amended in accordance with the provisions thereof and the Companies Law.

(D) A Shareholder's liability to the Company will generally be limited to the amount, if any, unpaid on the New Shares held by such Shareholder.

(E) The Articles are subject to and governed exclusively by the law of Guernsey and shall be construed in accordance therewith.

(F) A final and conclusive judgment, capable of execution, obtained in a superior court of a reciprocating country, having jurisdiction over a defendant for a fixed sum (other than for taxes or similar charges)) and after a hearing of the merits in that court, would be recognised and enforced by the Royal Court of Guernsey without re-examination of the merits of that case, but subject to compliance with procedural and other requirements of Guernsey's reciprocal enforcement legislation, provided such judgment satisfies certain criteria.

None of the agreements appointing the Manager, the Developer, the Auditors, legal counsel or any other of the Company's service providers provides for any third party rights for investors.

PART 6

TAXATION

General

The statements on taxation below are intended to be a general summary of certain tax consequences that may arise in relation to the Company and Shareholders. This is not a comprehensive summary of all technical aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective investors should familiarise themselves with, and where appropriate should consult their own professional advisers on, the overall tax consequences of investing in the Company. The statements relate to investors acquiring Ordinary Shares for investment purposes only, and not for the purposes of any trade. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each investor of investing in the Company may depend upon the investor's own tax position and upon the relevant laws of any jurisdiction to which the investor is subject.

Guernsey taxation

The Company

The Company has applied for and obtained exempt status for Guernsey tax purposes (and Ipes (Guernsey) Limited has confirmed it will apply annually for exempt status for Guernsey tax purposes). In return for the payment of a fee, currently £600, a registered closed-ended collective investment scheme is able to apply annually for exempt status for Guernsey tax purposes.

If exempt status is granted, the Company will not be considered resident in Guernsey for Guernsey income tax purposes. A company that has exempt status for Guernsey tax purposes is exempt from tax in Guernsey on both bank deposit interest and any income that does not have its source in Guernsey. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company is not expected to incur any additional liability to Guernsey tax.

In the absence of exempt status, the Company would be treated as resident in Guernsey for Guernsey tax purposes and would be subject to the standard company rate of tax, currently zero per cent.

Additionally, since May 2012, entities which form part of, or contribute to, the business of an exempt company are also eligible to claim exempt company status, provided that they meet certain conditions.

Guernsey currently does not levy taxes upon capital inheritances, capital gains gifts, sales or turnover (unless the varying of investments and the turning of such investments to account is a business or part of a business), nor are there any estate duties (save for registration fees and *ad valorem* duty for a Guernsey Grant of Representation where the deceased dies leaving assets in Guernsey which require presentation of such a Grant).

No stamp duty or other taxes are chargeable in Guernsey on the issue, transfer, disposal, conversion or redemption of Ordinary Shares.

In keeping with its on-going commitment to meeting international standards, the States of Guernsey completed a review of its corporate income tax regime. During the course of the review an announcement was made in relation to the removal of certain ''deemed distribution'' provisions which are not relevant to tax exempt companies. In addition, although the standard rate for corporate income tax will remain at zero per cent., with effect from 1 January 2013 the company intermediate income tax rate of ten per cent. was extended to income arising from the carrying on of business as a licensed fiduciary (in respect of regulated activities), a licensed insurer (in respect of domestic insurance business) and a licensed insurance intermediary and a licensed insurance manager. The changes, however, are not expected to impact the Company.

Shareholders

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on Ordinary Shares owned by them but will suffer

no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

The Company is required to provide the Director of Income Tax in Guernsey with such particulars relating to any distribution paid to Guernsey resident Shareholders as the Director of Income Tax may require, including the names and addresses of the Guernsey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Guernsey should note that where income is not distributed but is accumulated, then a tax charge will not arise until the holding is disposed of. On disposal the element of the proceeds relating to the accumulated income will have to be determined.

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in Ordinary Shares in the Company, with details of the interest.

Shareholders are not subject to tax in Guernsey as a result of purchasing, owning or disposing of Ordinary Shares or either participating or choosing not to participate in a redemption of Shares.

Implementation of the EU Savings Directive in Guernsey

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. From 1 July 2011 paying agents in Guernsey must automatically report to the Director of Income Tax in Guernsey any interest payment to individuals resident in the contracting EU Member States which falls within the scope of the EU Savings Directive (2003/48/EC) (the "EU Savings Directive") as applied in Guernsey. However, whilst such interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are, or are equivalent to, UCITS, in accordance with EC Directive 85/611/EEC (as recast by EC Directive 2009/65/EC (recast)) and guidance notes issued by the States of Guernsey on the implementation of the bilateral agreements, the Company should not be regarded as, or as equivalent to, a UCITS. Accordingly, any payments made by a paying agent in Guernsey to Shareholders will not be subject to reporting obligations pursuant to the agreements between Guernsey and EU Member States to implement the EU Savings Directive in Guernsey. It is unclear whether paying agents in other jurisdictions that have implemented the EU Savings Directive or equivalent measures will also view the Company as outside the scope of the EU Savings Directive.

The operation of the EU Savings Directive was reviewed by the European Commission and Council Directive 2014/48/EU was adopted on 24 March 2014 which amends the EU Savings Tax Directive. It is not yet known what these measures are likely to be but a number of proposed changes may significantly widen its scope to additional types of funds and could lead to the Company being required to comply with the EU Savings Directive. As a result it is expected that the Company could also be subject to equivalent measures. The amending directive will have effect from 1 January 2017. Prospective investors are recommended to check how the amending directive will impact on their investment.

Anti-Avoidance

Guernsey has a wide-ranging anti-avoidance provision. This provision targets transactions where the effect of the transaction or series of transactions is the avoidance, reduction or deferral of a tax liability. At his discretion, the Director of Income Tax will make such adjustments to the tax liability to counteract the effect of the avoidance, reduction or deferral of the tax liability.

FATCA – US-Guernsey Intergovernmental Agreement

On 13 December 2013, Guernsey signed an intergovernmental agreement regarding the implementation of FATCA. The intergovernmental agreement is subject to ratification by Guernsey's parliament and implementation of the agreement will be through Guernsey's domestic legislative procedure. It is currently anticipated that any such legislation will come into force in 2014 and its operative provisions will take effect from 1 July 2014. Such an agreement is not expected to have a significant impact on the Company or impose onerous reporting and withholding responsibilities on the Company (if any) pursuant to FATCA as implemented in Guernsey but the position is not currently clear. Guidance Notes clarifying the exact scope and implications of the agreement are expected shortly.

UK-FATCA – UK-Guernsey Intergovernmental Agreement

On 22 October 2013 Guernsey signed a FATCA-style intergovernmental agreement with the UK ("UK-Guernsey IGA") under which mandatory disclosure requirements may be imposed in respect of Investors in the Company who are UK resident or who are non-UK entities controlled by one or more UK resident individuals, unless a relevant exemption applies. The UK-Guernsey IGA is subject to ratification by Guernsey's parliament and implementation of the agreement would be through Guernsey's domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2014 at the earliest. The UK-Guernsey IGA is not expected to have a significant impact on the Company or impose onerous reporting responsibilities on the Company pursuant to the UK-Guernsey IGA but the position is not currently clear. Guidance Notes clarifying the exact scope and implications of the agreement are expected shortly.

United Kingdom taxation

The following statements do not constitute tax advice. They are based on current UK tax law and published practice of HM Revenue & Customs ("HMRC"), both of which are subject to change at any time (possibly with retrospective effect). The statements refer to certain limited aspects of the UK tax treatment of Shareholders and (except to the extent stated otherwise) apply only to persons who are the direct absolute beneficial owner of the Ordinary Shares; hold their Ordinary Shares as an investment and not as securities to be realised in the course of a trade; and have not (and are not deemed to have) acquired their Ordinary Shares by virtue of an office or employment (whether current, historic or prospective) and are not officers or employees of any member of the group.

The information given is by way of general summary only and does not purport to be a comprehensive analysis of the tax consequences applicable to Shareholders and may not apply to certain classes of Shareholders, such as dealers in securities, insurance companies or collective investment schemes, or to Shareholders who are not absolute beneficial owners of their Ordinary Shares. In addition, except where the position of non-UK residents is expressly referred to, the following statements relate solely to Shareholders who are resident (and in the case of individuals, resident and domiciled) in the UK for UK tax purposes.

Any Shareholder who is in doubt as to their tax position or who is or may be subject to in a jurisdiction other than the UK should consult an appropriate professional adviser without delay.

The Company

The Directors intend that the affairs of the Company will be managed and conducted so that it does not become resident in the UK for UK taxation purposes. Accordingly, and provided that the Company does not carry on a trade in the UK through a permanent establishment, the Company will not be subject to UK income tax or corporation tax on its profits other than on any UK source income.

Certain interest and certain other types of income received by the Company which have a UK source may be subject to UK withholding taxes.

Income

Individual Shareholders

Shareholders who are resident and domiciled in the UK for taxation purposes may, depending on their circumstances, be liable to UK income tax in respect of dividends paid by the Company.

UK resident individual Shareholders who are additional rate taxpayers will be liable to income tax at 37.5 per cent. (for the 2014/15 tax year) on any gross dividends paid by the Company in respect of their Ordinary Shares. If such Shareholders are higher rate taxpayers, they will be liable to income tax at 32.5 per cent. (for the 2014/15 tax year) save to the extent, that when it is treated as to the top slice of the Shareholder's income, it exceeds the threshold for the additional rate of income tax. A Shareholder who is liable to UK tax at the basic rate will be liable to income tax at 10 per cent. (for the 2014/15 tax year). A tax credit equal to 10 per cent. of the gross dividend (also equal to one-ninth of the grossed up cash dividend received (2014/2015)) may be available to reduce an individual Shareholder's total income tax liability. The effect of the tax credit is that a basic rate taxpayer will have no further tax to pay, a higher rate taxpayer will have to account for income tax at the rate of 22.5 per cent. of the gross dividend (which also equals 25 per cent. of the net dividend received) and an additional rate taxpayer will have to account for income

tax at the rate of 27.5 per cent. of the gross dividend (or 30.6 per cent. of the net dividend received). Individual Shareholders who are not liable to UK tax on dividends received from the Company are not entitled to a tax credit in respect of those dividends.

Corporate Shareholders

A UK resident corporate Shareholder (which is not a ''small company'' for the purposes of the UK taxaction of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently 21 per cent (2014/2015) and falling to 20 per cent in April 2015) unless the dividend falls within one of the exempt classes set out in Part 9A. Dividends may fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their professional advisers to determine the UK corporation tax treatment of such dividends.

Chargeable gains

A disposal or deemed disposal of Ordinary Shares by a Shareholder who is (at any time in the relevant UK tax year) resident in the UK for tax purposes, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Individual Shareholders

UK resident and domiciled Shareholders who are individuals (or otherwise not within the charge to UK corporation tax) and who are basic rate taxpayers are currently subject to tax on their chargeable gains at a rate of 18 per cent (2014/2015). Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a rate of 28 per cent (2014/2015), subject to an annual exempt amount (£11,000 for the 2014/15 tax year).

Corporate Shareholders

Corporate Shareholders within the charge to UK corporation tax may be subject to UK corporation tax on chargeable gains in respect of any gain arising on a disposal or deemed disposal of Ordinary Shares. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Ordinary Shares but will not create or increase an allowable loss.

Corporation tax is charged on chargeable gains at the rate applicable to that company.

The Directors have been advised that the Company should not be an offshore fund for the purposes of the provisions of Part 8 of the Taxation (International and Other Provisions) Act 2010.

Other UK tax considerations

The attention of Shareholders who are resident in the United Kingdom for tax purposes are drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. This provides that for so long as the Company is a company that would be a close company if UK resident, Shareholders could (depending on individual circumstances) be liable to U.K. capital gains taxation on their *pro rata* share of any capital gain accruing to the Company (or, in certain circumstances, to a subsidiary or investee company of the Company). No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain accruing to the Company if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for UK taxation purposes does not exceed one quarter of the gain (2014/2015). It is not anticipated that the Company would be regarded as a close company if it were resident for tax purposes in the UK although this cannot be guaranteed. Section 13 is complex, and prospective Shareholders should consult their own independent professional advisers.

Individuals resident in the UK for taxation purposes should note that Chapter 2 of Part 13 of the UK Income Tax Act 2007 contains anti-avoidance provisions dealing with the transfer of assets to overseas persons that may in certain circumstances render such individuals liable to taxation in respect of undistributed income profits of the Company.

If the Company were at any time to be controlled, for U.K. tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the ''Controlled Foreign Companies'' provisions in Part 9A of Taxation (International and Other Provisions) Act 2010 could apply to U.K. resident corporate Shareholders. Under these provisions, part of any ''chargeable profits'' accruing to the Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a Shareholder and may in certain circumstances be chargeable to U.K.

corporation tax in the hands of the Shareholder. The Controlled Foreign Companies provisions are complex, and prospective Shareholders should consult their own independent professional advisers.

Inheritance tax

The Ordinary Shares are assets situated outside the UK for the purposes of UK inheritance tax. A gift of shares by, or the death of, an individual Shareholder may (subject to certain exemptions and relief) give rise to a liability to UK inheritance tax if the Shareholder is domiciled or deemed to be domiciled in the UK for inheritance tax purposes.

The inheritance tax rules are complex and specialist advice should be taken.

Stamp duty and stamp duty reserve tax (SDRT)

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares.

Transfers of Ordinary Shares should not be liable to UK stamp duty unless the instrument of transfer is executed within the UK (or in certain cases brought into the UK) when the transfer will be liable to UK *ad valorem* stamp duty at the rate of 0.5 per cent. of the consideration paid rounded up to the nearest £5 (unless the consideration for the transaction is £1,000 or less). No UK stamp duty reserve tax is payable on transfers of Ordinary Shares, or agreements to transfer Ordinary Shares provided that Ordinary Shares are not registered in any register of the Company kept in the UK and are not paired with shares issued by a UK company.

NISAs, SSAS and SIPPs

It is expected that the Ordinary Shares will be ''qualifying investments'' for inclusion in the stocks and shares component of a New ISA ''NISA'' (except where they are allotted under the Issue). The overall subscription limit for a cash NISA and a stocks and shares NISA account is £15,000 for the 2014/2015 tax year. Where the Ordinary Shares are held in a cash NISA or stocks and shares NISA, income and gains arising in respect of them will be exempt from UK taxation.

It is also expected that the Ordinary Shares should qualify as a permissible asset for inclusion in a UK SSAS or SIPP.

PART 7

HISTORICAL FINANCIAL INFORMATION AND DOCUMENTS INCORPORATED BY REFERENCE

PART A – Accountants' Report on the historical financial information of the Company for the period from incorporation to 31 July 2014

The Directors
NextEnergy Solar Fund Limited
1 Royal Plaza
Royal Avenue
St Peter Port
Guernsey
GY1 2HL

Shore Capital and Corporate Limited (the "**Sponsor**")
Bond Street House
14 Clifford Street
London
W1S 4JU

10 November 2014

Dear Sirs

NextEnergy Solar Fund Limited (the "Company")

We report on the historical financial information set out in Part B of this Part 7 below (the "**IFRS Financial Information Table**" of the Company. The IFRS Financial Information Table has been prepared for inclusion in the prospectus dated 10 November 2014 (the "**Prospectus**") of the Company on the basis of the accounting policies set out in note 2. This report is required by item 20.1 of Annex I to the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

The Directors of the Company are responsible for preparing the IFRS Financial Information Table in accordance with International Financial Reporting Standards.

It is our responsibility to form an opinion as to whether the IFRS Financial Information Table gives a true and fair view, for the purposes of the Prospectus and to report our opinion to you.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgments made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error.

Opinion

In our opinion, the Financial Information Table gives, for the purposes of the Prospectus dated 7 November 2014, a true and fair view of the state of affairs of the Company as at the dates stated and of its profits, cash flows and changes in equity for the periods then ended in accordance with International Financial Reporting Standards.

Declaration

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex I to the PD Regulation.

Yours faithfully

PricewaterhouseCoopers LLP
Chartered Accountants

PricewaterhouseCoopers, 1 Embankment Place, London WC2N 6RH
T: +44(0)20 7583 5000, F: +44(0)20 7822 4652, www.pwc.co.uk

Part B – Historical financial information relating to the Company for the period from incorporation to 31 July 2014

Investment Portfolio

As at 31 July 2014

	Notes	Cost Paid GBP[1]	Directors' Valuation GBP
Higher Hatherleigh		7,300,000	7,526,835
Shacks Barn		8,200,000	8,430,706
Bilsham	2	11,510,250	11,510,250
Gover Farm	2	1,578,432	1,578,432
Ellough		17,056,933	17,162,829
Brickyard	2	—	—
Total Company		**45,645,615**	**46,209,052**

Notes to the Investment Portfolio

1. Cost includes working capital financing
2. Bilsham, Gover Farm and Brick Yard are not yet operational at 31 July 2014.

Statement of Comprehensive Income
For the period ended 31 July 2014

	Notes	20 December 2013 to 31 July 2014 GBP
Income		
Net changes in fair value of financial assets at fair value through profit or loss	5	563,437
Total net income		563,437
Expenditure		
Management fees	13	227,093
Directors' fees	16	64,575
Administration fees		35,000
Sundry expenses		29,580
Audit fees	12	14,583
Insurance		14,134
Legal and professional fees		13,879
Regulatory fees		5,741
Total expenses		404,585
Operating profit		158,852
Finance income		66,914
Profit and comprehensive income for the period		225,766
Earnings per share – Basic – (pence)	8	0.6p

There were no potentially dilutive instruments in issue at 31 July 2014. All activities are derived from ongoing operations.

There is no other comprehensive income or expense apart from those disclosed above and consequently a Statement of Other Comprehensive Income has not been prepared.

Statement of Financial Position
As at 31 July 2014

	Notes	31 Jul 2014 GBP
Non-current assets		
Investments	5	46,209,052
Total non-current assets		46,209,052
Current assets		
Cash and cash equivalents		39,131,727
Receivables from related parties	14	731,749
Trade and other receivables		4,703
Total current assets		39,868,179
Total assets		86,077,231
Current liabilities		
Trade and other payables		251,464
Total current liabilities		251,464
Net assets		85,825,767
Equity		
Share capital		85,600,001
Reserves		225,766
Total equity attributable to Shareholders		85,825,767
Net assets per share – (pence)	9	100.26p

The accompanying Notes are an integral part of these financial statements.

Statement of Changes in Equity
For the period ended 31 July 2014

	Notes	Share capital GBP	Retained earnings GBP	Total Equity GBP
Shareholders' equity at 20 December 2013		—	—	—
Profit for the period		—	225,766	255,766
Share capital issued	7	85,600,001	—	85,600,001
Shareholders' equity at 31 July 2014		85,600,001	225,766	85,825,767

Cash Flow Statement
For the period ended 31 July 2014

	Notes	20 December 2013 to 31 July 2014 GBP
Cash flow from operating activities		
Profit and comprehensive income for the period		225,766
Adjustments for:		
Change in fair value on investments	5	(563,437)
Finance income		(66,914)
Operating cashflows before movements in working capital		(404,585)
Changes in working capital		
(Increase) in trade receivables		(4,703)
Increase in trade payables		251,464
Net cash used in operating activities		(157,824)
Cashflows from investing activities		
Purchase of investments	5	(45,645,615)
Finance income		66,914
Recoverable from Investment Adviser		(731,749)
Net cash used in investing activities		(46,310,450)
Cash flows from financing activities		
Proceeds from issue of shares	7	85,600,001
Net cash generated from investing activities		85,600,001
Net increase in cash and cash equivalents during period		39,131,727
Cash and cash equivalents at the beginning of the period		—
Cash and cash equivalents at the end of the period		39,131,727

Notes to the Financial Statements

For the period ended 31 July 2014

1. General Information

The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 20 December 2013 with registered number 57739, and has been authorised by the GFSC as an authorised closed-ended investment company. The registered office and principal place of business of the Company is 1, Royal Plaza, Royal Avenue, St Peter Port, Guernsey, Channel Islands, GY1 2HL.

On 16 April 2014, the Company announced the results of its initial public offering, which raised net proceeds of £85.6 million. The Company's ordinary shares were admitted to the premium segment of the UK Listing Authority's Official List and to trading on the Main Market of the London Stock Exchange as part of its initial public offering which completed on 25 April 2014.

The Company seeks to provide investors with a sustainable and attractive dividend that increases in line with retail price index over the long term by investing in a diversified portfolio of solar photo-voltaic assets that are located in the UK. In addition, the Company seeks to provide investors with an element of capital growth through the reinvestment of net cash generated in excess of the target dividend in accordance with the Company's investment policy.

The Company currently anticipates that it will make its investments through holding companies and special-purpose-vehicles, which are wholly-owned by the Company. The Company controls the investment policy of each of the holding companies and its wholly-owned special-purpose-vehicles in order to ensure that each will act in a manner consistent with the investment policy of the Company.

The Company has appointed NextEnergy Capital IM Limited as its investment manager (the "Investment Manager") pursuant to the Management Agreement dated 18 March 2014. The Investment Manager is a Guernsey registered company, incorporated under the Companies Law with registered number 57740 and is licensed and regulated by the GFSC and is a member of the NEC Group. The Investment Manager is licensed and regulated by the GFSC and will act as the Alternative Investment Fund Manager of the Company.

The Investment Manager has appointed NextEnergy Capital Limited as its investment adviser pursuant to the Investment Advisory Agreement. The Investment Adviser is a company incorporated in England with registered number 05975223 and is authorised and regulated by the Financial Conduct Authority.

The financial statements are presented in pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

2. Significant accounting policies

a) Basis of accounting

The financial statements, which give a true and fair view, have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain investments and financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below. These policies have been consistently applied.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety which are described as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

b) Going concern

The Directors have reviewed the current and projected financial position of the Company making reasonable assumptions about future performance. The key areas reviewed were:

- Timing of future investment transactions
- Expenditure commitments
- Forecast income

The Company has cash and short term-deposits as well as projected positive income streams and as a consequence the Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly they have adopted the going concern basis of accounting in preparing the financial statements.

c) Basis of non-consolidation

The Company holds investments through holding companies. The Company meets the definition of an investment entity as described by IFRS 10. Under IFRS 10 investment entities are required to be hold subsidiaries at fair value through the Statement of Comprehensive Income rather than consolidate them.

Characteristics of an investment entity

Under the definition of an investment entity, as set out in the standard, the entity must satisfy all three of the following tests:

I. Obtains funds from one or more investors for the purpose of providing those investors with investment management services; and

II. Commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both (including having an exit strategy for investments); and

III. Measure and evaluate the performance of substantially all of its investments on a fair value basis.

In assessing whether the Company meets the definition of an investment entity set out in IFRS 10 the Directors note that:

I. the Company has multiple investors and obtains funds from a diverse group of Shareholders who would otherwise not have access individually to investing in solar energy infrastructure due to high barriers to entry and capital requirements;

II. the Company's purpose is to invest funds for both investment income and capital appreciation. The Company's investments have indefinite lives however the underlying assets do not have an unlimited life and therefore minimal residual value and therefore will not be held indefinitely; and

III. the Company measures and evaluates the performance of all of its investments on a fair value basis which is the most relevant for investors in the Company. Management use fair value information as a primary measurement to evaluate the performance of all of the investments and in decision making.

The Directors are of the opinion that the Company has all the typical characteristics of an investment entity and therefore meet the definition set out in IFRS 10.

The Directors believe the treatment outlined above provides the most relevant information of investors.

d) Taxation

Under the current system of taxation in Guernsey, the Company is exempt from paying taxes on income, profit or capital gains. Therefore, income from investments is not subject to any further tax in Guernsey, although these investments will bear tax in the individual jurisdictions in which they operate.

e) Segmental reporting

The Chief Operating Decision Maker, which is the Board, is of the opinion that the Company is engaged in a single segment of business, being investment in solar power, in a single economic environment, being the United Kingdom. The financial information used by the Chief Operating Decision Maker to manage the Company presents the business as a single segment.

f) Dividends

Dividends to the Company's Shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved at the annual general meeting.

g) Income

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within dividend income when the Company's right to receive payments is established.

h) Expenses

All expenses are accounted for on an accruals basis.

i) Cash and cash equivalents

Cash and cash equivalents includes deposits held at call with banks and other short-term deposits with original maturities of three months or less.

j) Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently where necessary re-measured at amortised cost using the effective interest method.

k) Reimbursed expenses

The Investment Advisor agreed to meet all of the expenses of the initial share issue. These expenses have been recorded as recoverable in the Statement of Financial Position and have not been recognised in the Statement of Comprehensive Income. See note 14 for further details.

l) Finance income

Finance income comprises interest earned on cash held on deposit. Finance income is recognised on an accruals basis.

m) Financial instruments

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the investment. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 Financial instruments: Recognition and measurement.

Investments

The costs of investments are recognised when they become contractually payable.

Investments are designated upon initial recognition to be accounted for at fair value through profit or loss in accordance with IFRS 10. After initial recognition, investments at fair value through profit or loss are measured at fair value with changes recognised in the Statement of Comprehensive Income.

3. New and revised standards

The Company has early adopted Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27) with a date of initial application of 20 December 2013.

Management concluded that the Company meets the definition of an investment entity (see note 2c).

The following accounting Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

IFRS 9 (amendments)	Financial Instruments
IFRS 11 (amendments)	Joint arrangements
IFRS 14	Regulatory Deferral Accounts
IFRS 15	Revenue from Contracts with Customers
IAS 36 (amendments)	Recoverable amount disclosures for non-financial assets
IAS 39 (amendments)	Novation of derivatives and continuation of hedge accounting
IFRIC Interpretation 21	Levies

The Directors do not expect that the adoption of the accounting Standards, amendments and Interpretations listed above will have a material impact on the financial statements of the company in future periods.

4. Critical accounting judgements and key sources of estimation uncertainty

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historic experience and other factors believed to be reasonable under the circumstances.

Investments at fair value through profit or loss

The Company's investments are measured at fair value for financial reporting purposes. The Board has appointed the Investment Manager to produce investment valuations based upon projected future cashflows. These valuations are reviewed and approved by the Board.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Board bases the fair value of the investments on the information received from the Investment Manager.

The investments at fair value through profit or loss, whose fair values include the use of level 3 inputs, are valued by discounting future cash flows from investments to the Company at a discount rate when the assets are operational. The discount rate applied in the 31 July 2014 valuation was in a range between 7.9% and 9.3%. The discount rate is a significant level 3 input and a change in the discount applied could have a material effect on the value of the investments. Investments which are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Level 3 investments amount to £46,209,052 and consist of six investments. The Company utilises discounted cash flow forecasts in arriving at the valuation of the investments. Level 3 valuations are reviewed on a monthly basis by the Investment Manager who reports to the Board of Directors on a periodic basis. The Investment Manager considers the appropriateness of the valuation model and inputs, as well as the valuation result.

The table below sets out information about significant unobservable inputs used at 31 July 2014 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Fair value at 31 July 2014 GBP	Valuation technique	Unobservable input	Range	Sensitivity to change in significant unobservable inputs
Unlisted investments	33,120,370	Discounted cash flows	Discount rate	7.9-9.3%	The estimated fair value would increase if the discount rate was lower.
Unlisted investments	13,088,682	Price per recent transaction	Share purchase agreement	N/A	N/A

5. Investments at fair value through profit or loss

	20 December 2013 to 31 July 2014 GBP
Level 3 investments	
Purchases during the period	45,645,615
Disposals during the period	—
Closing cost	45,645,615
Realised gains during the period	—
Unrealised gains during the period	563,437
Closing valuation	46,209,052

All investments are level 3 on the fair value hierarchy.

6. Subsidiaries

The Company holds investments through subsidiary companies which have not been consolidated as a result of the early adoption of the amendment to IFRS 10: Investment entities exemption to consolidation. The following subsidiaries have not been consolidated.

Name	Country	Ownership
NextEnergy Solar Holding Limited	UK	100%
Hive Solar Charlie Ltd	UK	100%
Luminance Energy Ltd	UK	100%
Ellough Solar LLP	UK	100%
NESF – Ellough LTD	UK	100%
B L Solar 2 Limited[(1)]	UK	100%
Blaze Energy Limited[(1)]	UK	100%
Sunglow Power Limited[(1)]	UK	100%

(1) Under construction

The subsidiaries listed above include both purchases that are complete and those that are in the construction phase and the purchase has not yet fully completed. For those investments not yet fully completed, the investments have been recognised in line with the accounting policy in note 2. Please refer to note 17 for the remaining commitments on the investments.

7. Share Capital

The authorised share capital is unlimited and there are 85,600,001 shares in issue. The table below outlines the movement of shares in the year.

Founder share – Issued on 20 December 2013	1
Issued on 25 April 2014	85,600,000
Total issued at 31 July 2014	85,600,001

The Company currently has one class of ordinary shares in issue.

8. Earnings per share

	Period ended 31 July 2014
Net profit – GBP	225,766
Weighted average number of ordinary shares	37,450,001
Earnings per ordinary share – pence	0.6p

9. Net assets per ordinary share

	As at 31 July 2014
Shareholders' equity at 31 July – GBP	85,825,767
Number of shares at 31 July	85,600,001
Net assets per ordinary share at 31 July – pence	100.26p

10. Financial risk management

Capital management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to Shareholders. In accordance with the Company's investment policy, the Company's principal use of cash (including the proceeds of the IPO) has been to fund investments as well on going operational expenses.

The Board with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an on-going basis. The capital structure of the Company consists entirely of equity (comprising issued capital, reserves and retained earnings).

The Company is not subject to any externally imposed capital requirements.

Financial risk management objectives

The Board with the assistance of the Investment Manager monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse exposures by degree and magnitude of risk. These risks include market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Market risk

The value of the investments held by the company is affected by the discount rate of their expected future cash flows and as such will vary with movements in interest rates, market prices and competition for these assets.

Interest rate risk

The Company is exposed to interest rate risk as it holds significant cash in short term deposits. If interest rates decrease the finance income of the Company would decrease. The Company is not exposed to interest rate risk on investments as all investments are made via equity rather than loans. The Company has no loan borrowings.

Currency risk

The Company operates in the UK and invests solely in the UK and therefore is not exposed to currency risk as all assets and liabilities are in Pounds Sterling, the Company's functional and presentational currency.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

The Company does not have any significant credit risk exposure to any single counterparty in relation to trade and other receivables. On-going credit evaluation is performed on the financial condition of accounts receivable. As at 31 July 2014 there were no receivables considered impaired.

At investment level, the credit risks relating to significant counterparties are received on a regular basis and adjustments to the discount rate are applied to recognised changes to these risks where applicable.

The Company maintains its cash and cash equivalents across two separate banks to diversify credit risk. These are subject to the Company's credit monitoring policies.

	Cash GBP	Short term fixed deposits GBP	Total as at 31 July 2014 GBP
Barclays Bank PLC	111,332	10,500,046	10,611,378
Lloyds Bank PLC	10,349	28,510,000	28,520,349
Total	121,681	39,010,046	39,131,727

Liquidity risk

The Board has established an appropriate liquidity risk management framework for the management of the Group's short-, medium- and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves by monitoring forecast and actual cash flows and by matching the maturity profiles of assets and liabilities.

The table below shows the maturity of the Company's non-derivative financial assets and liabilities. The amounts disclosed are contractual, undiscounted cash flows and may differ from the actual cash flows received or paid in the future as a result of early repayments.

	Up to 3 months GBP	Between 3 and 12 months GBP	Between 1 and 5 years GBP	Total GBP
Assets				
Cash and cash equivalents	39,131,727	—	—	39,131,727
Trade and other receivables	4,703	—	—	4,703
Receivables from related parties	731,749	—	—	731,749
Liabilities				
Trade and other payables	(251,464)	—	—	(251,464)
	39,616,715	—	—	39,616,715

Level 3 financial instruments

Valuation methodology

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. All operational investments are at fair value through profit or loss and are valued using a discounted cash flow methodology. Investments which are not yet operational are held at fair value, where the cost of the investment is used as an appropriate approximation of fair value.

Discount rates

The discount rates used for valuing each renewable infrastructure investment are based on both the industry discount rate and on the specific circumstances of each investment. The risk premium takes into account risks and opportunities associated with the investment earnings.

The discount rates used for valuing the investments in the Portfolio are as follows:

Period ending	Range	Weighted Average
31 July 2014	7.9% to 9.3%	8.50%

A change to the weighted average rate of 8.5% by plus or minus 0.5% has the following effect on the valuation.

Discount rate	+0.5% change	Total Portfolio value	-0.5% change
Directors' valuation	(£1.37m)	£46.2m	£1.35m

Power price

The power price forecasts are based on the base case assumptions from the valuation date and throughout the operating life of the Portfolio. The base case power pricing is based on the current forecast real price reference curve data provided by a leading power price forecaster, adjusted to reflect the value the market will place on such generation in an arm's length transaction.

A change in the forecast electricity price assumptions by plus or minus 10% has the following effect on the valuation.

Power price	-10% change	Total Portfolio value	+10% change
Directors' valuation	(£1.83m)	£46.2m	£1.83m

Energy yield

The Portfolio's aggregate production outcome for a 10 year period would be expected to fall somewhere between a P90 10 year underperformance (downside case) and a P10 10 year outperformance (upside case).

The effect of a P90 10 year underperformance and of a P10 10 year outperformance would have the following effect on the valuation.

Energy yield	P90 10 year under-performance	Total Portfolio value	P10 10 year out-performance
Directors' valuation	(£1.90m)	£46.2m	£1.90m

Inflation rates

The Portfolio valuation assumes long-term inflation of 2.50% per annum for investments (based on UK RPI). A change in the inflation rate by plus or minus 0.5% has the following effect on the valuation.

Inflation yield	-0.5% change	Total Portfolio value	+0.5% change
Directors' valuation	(£1.17m)	£46.2m	£1.24m

Operating costs

The table below shows the sensitivity of the Portfolio to changes in operating costs by plus or minus 10% at project company level.

Operating costs	-10% change	Total Portfolio value	+10% change
Directors' valuation	(£0.62m)	£46.2m	£0.62m

Tax rates

It has been noted that the UK Government has announced a reduction in the rate of corporation tax to 21% from 1 April 2014 and 20% from 1 April 2015.

The UK corporation tax assumption for the Portfolio valuation was 21%, which was consistent with the approach in the IPO valuation.

11. Financial assets and liabilities not measured at fair value

Cash, and cash equivalents are level 1 items on the fair value hierarchy. Current assets and current liabilities are level 2 items on the fair value hierarchy. The carrying value of current assets and current liabilities approximates fair value as these are short term items.

12. Auditor's remuneration

The analysis of the Auditor's remuneration is as follows:

	Period ended 31 July 2014 GBP
Fees payable to the Company's auditor for the audit of the Company's financial statements	14,583
Total audit fees	14,583
Other services	—
Total non-audit fees	—

13. Management fee

The Investment Manager is entitled to receive an annual fee, accruing daily and calculated on a sliding scale, as

- for the tranche of NAV up to and including £200 million, 1 per cent of the Net Asset Value ("NAV") of the Company.
- for the tranche of NAV above £200 million and up to and including £300 million, 0.9 per cent of NAV.
- for the tranche of NAV above £300 million, 0.8 per cent of NAV.

For the period ending 31 July 2014 the company has incurred £227,093 in management fees of which £nil was outstanding at 31 July 2014.

14. Related parties

The Investment Manager, NextEnergy Capital IM Limited, is a related party due to having common key management personnel with the Company. Management fee transactions with the Investment Manager are disclosed in note 13.

The Investment Advisor, NextEnergy Capital Limited, is a related party due to sharing common key management personnel with the Company. There are no advisory fee transactions between the Company and the Investment Advisor who is reimbursed by the Investment Manager. The Investment Advisor agreed to meet all of the expenses of the initial share issue. Costs in relation to the share issue of £1,081,749 have been incurred by the Company in the period to 31 July 2014 of which £350,000 has been reimbursed and £731,749 was outstanding at 31 July 2014. The remainder of the reimbursement has been received since 31 July 2014.

15. Controlling party

In the opinion of the Directors, on the basis of Shareholdings advised to them, the Company has no immediate nor ultimate controlling party.

16. Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, was £64,575 which consisted solely of short-term employment benefits.

17. Contingent commitments

The Company has the following commitments to its investments as at 31 July 2014:

	As at 31 July 2014
Investment	
Bilsham	3,483,500
Gover Farm	8,944,448
Ellough	2,518,944
Brickyard	3,905,280
Total Commitments	18,852,172

The above contingent commitments become payable when their respective contractual terms are met, usually when the asset becomes fully operational and accredited. At period end, those terms had not yet been met and as a result an agreement to buy shares in the future is deemed to be a derivative contract under IAS 39. These forward share commitments are accounted for at fair value, with gross assets and liabilities not recognised under forward agreements. This has resulted in the forward share commitments being fair valued at nil at period end as cost has been used as an approximation of fair value as disclosed in Note 4.

18. Events after the balance sheet date

On 9 September 2014 the Company announced the signing of a purchase agreement to acquire Poulshot solar plant.

On 18 September 2014 NextEnergy Solar Holding Limited, a subsidiary of the Company, entered into a revolving credit facility with Macquarie Bank Limited for up to £31.5m.

On 9 October 2014 the Company announced a proposed Issue Programme in respect of 250 million new shares.

On 29 October 2014 the Company announced the agreement to acquire Condover: a 10.2MW plant located in Shropshire for a total acquisition price of £11.6 million assuming 1.4 ROC accreditation. The purchase will be completed at commission.

There were no other material events after the reporting period.

PART C – Interim financial information

The interim financial information for the Company for the period from incorporation to 30 September 2014 is hereby incorporated by reference into this Prospectus in order to provide the information required pursuant to the Prospectus Rules and to ensure that potential investors are aware of all information which is necessary to enable potential investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company. In addition information on the following can be found in the interim financial information for the period to 30 September 2014:

i. A description of the Company's financial condition, changes in financial condition and results of operations for the period covered in the historical financial information to the extent necessary for an understanding of the Company's business as a whole;

ii. Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting income from operations, indicating the extent to which income was so affected;

iii. Material changes in net sales or revenues, including a narrative discussion of the reasons for such changes including exceptional items; and

iv A breakdown of total revenues by category of activity and geographic market for the period covered by the historical financial information.

Following a number of assets becoming operational since the Company's IPO on 25 April 2014, this has resulted in a reduction in discount rates being applied to operational projects from an average of 8.5% (as shown in the historical financial information in Part B of this Part 7) to 7.8% (as shown in the interim financial information incorporated by reference in this Part C of this Part 7), which has resulted in an increase in the underlying Net Asset Value at 30 September 2014 by 2.1%.

PART 8

ADDITIONAL INFORMATION

1. Incorporation and administration

1.1 The Company was incorporated with liability limited by shares in Guernsey under the Companies Law, on 20 December 2013 with registration number 57739 and is a Registered Closed-ended Collective Investment Scheme pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. Registration of the Company was received from the GFSC on 19 March 2014. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated by the Financial Conduct Authority or any other regulator.

1.2 The registered office and principal place of business of the Company is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey GY1 2HL, and the telephone number is +44 (0) 1481 713 843. The statutory records of the Company are kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees.

1.3 The Directors confirm that, as at the date of this Prospectus, no accounts of the Company have been made up since its incorporation on 20 December 2013. The Company's accounting period will end on 31 March of each year, with the first financial period ending on 31 March 2015. To date the Company has not published any historical financial information, save for that in Part 7 of this Prospectus.

1.4 The annual report and accounts will be prepared according to IFRS.

1.5 At incorporation, the Company had one issued Ordinary Share (the "Founder Share"). Pursuant to an initial public offering, the Company announced on 25 April 2014 that 85.6 million new Ordinary Shares in the Company were admitted to the premium listing segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities under the ticker "NESF". On 24 October 2014 the Company redeemed the Founder Share. As at the date of this Prospectus, there have been no further changes to the issued share capital of the Company since this redemption, and accordingly the issued share capital of the Company as at the date of this document comprises 85,600,000 Ordinary Shares.

1.6 Save for its entry into the material contracts summarised in Part 8 of this Prospectus, an agreement dated 7 October 2014 under which the Company entered into a legal charge in respect of its Shares in Holdco in favour of Macquarie Bank Limited, a guarantee of Holdco's obligations in relation to certain sale and purchase agreements for acquisition of the current portfolio and certain non-material contracts, since its incorporation the Company has not incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.

1.7 Since incorporation the Company has acquired eight solar farms, as detailed on page 57. In addition, on 18 September 2014, the Company entered into the Revolving Credit Facility.

1.8 The Company and/or Holdco have the following subsidiaries, as at the date of this document:

Name	***Parent Entity***	***Related Project***
Holdco	Company	N/A
Luminance Energy Limited	Holdco	Higher Hatherleigh
Hive Solar Charlie Ltd	Holdco	Shacks Barn
Ellough Solar LLP	2 members: (1) Holdco (2) NESH Ellough Ltd	Ellough
NESH-Ellough Limited	Holdco	Ellough

1.9 The Company, Holdco and/or its subsidiaries are parties to the following lease related documents:

Related Project	***Document***	***Parties***
Higher Hatherleigh	Lease dated 12 December 2012 as varied by a deed of variation dated 14 January 2014	Dennis Victor Sweet, Mary Elizabeth Sweet and Luminance Energy Limited
	Cable Route Lease dated 9 August 2013	Donald Maurice Cocks and Luminance Energy Limited
	Deed of easement dated 14 January 2014	Dennis Victor Sweet, Mary Elizabeth Sweet, Dennis Victor Sweet and Luminance Energy Limited
Shacks Barn	Lease dated 10 January 2013	Andrew Norman Kitchin, Paul Robert Turney and Andrew Philip Turney (Landlords) and Hive Solar Charlie Limited
	Deed causing variations to the existing lease dated 8 May 2014	Andrew Norman Kitchin, Paul Robert Turney and Andrew Philip Turney (Landlords) and Hive Solar Charlie Limited
	Deed of assignment dated 5 March 2012 relating to option agreement dated 3 February 2011 between the Landlords and Hive Energy Limited	Hive Energy Limited and Hive Solar Charlie Limited
	Deeds of variation dated 20 February 2012 and 12 October 2012	Landlords, Hive Energy Limited and Hive Solar Charlie Limited
Ellough	Lease dated 26 February 2014	Waveney Grain 2 Seed, Paul Stanley Newson, Pamela Jill Newson, Jennifer Betsy Newson and Ellough Solar LLP

2. Share Capital

2.1 The share capital of the Company consists of an unlimited number of unclassified shares of no par value which upon issue the Directors may classify into such classes as they may determine. Notwithstanding this, the total issued share capital of the Company comprises 85.6 million Ordinary Shares, and a maximum number of 250 million New Shares will be issued pursuant to the Placing Programme, these may be C Shares or Ordinary Shares.

2.2 C Shares are shares which convert into Ordinary Shares following certain events and, specifically the earliest of:

(A) close of business on the date to be determined by the Directors after the day on which the Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Investment Adviser shall agree) shall have been invested; or

(B) close of business on the Business Day at the end of such period after allotment of the relevant class of C Shares or on such specific date; in each case, as shall be determined by the Directors for that particular class of C Shares and as shall be stated by the terms of issue of the relevant class of C Share; or

(C) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(D) close of business on such date as the Directors may determine,

(prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the other classes of shares). The issue of C Shares would therefore permit the Board to raise further capital for the Company whilst limiting any dilution of investment returns for existing Shareholders which might otherwise result.

2.3 As at the date of this Prospectus, the Company's issued share capital comprises 85.6 million Ordinary Shares of which all 85.6 million were issued at a price of £1.00 per Share on 25 April 2014. The Company's founder share, issued on incorporation, was redeemed on 24 October 2014.

2.4 As at the date of this Prospectus, the following share capital of the Company has been issued to and is held by the Directors and Jeremy Thompson, a director of the Manager:

Name	Number of Ordinary Shares
Jeremy Thompson	10,000
Kevin Lyon	60,000
Patrick Firth	20,000
Vic Holmes	10,000

2.5 The Directors have absolute authority to allot New Shares under the Articles.

2.6 The New Shares will be issued and created in accordance with the Articles and the Companies Law. The New Shares are denominated in Sterling.

2.7 In relation to the IPO, by written ordinary and special resolutions of the Company's sole Shareholder passed on 24 February 2014:

(A) the Directors had authority to issue up to 200 million Ordinary Shares in connection with the IPO;

(B) the Directors have authority to issue such number of Ordinary Shares equal to 10 per cent. of the number of Ordinary Shares issued pursuant to the IPO, without being obliged to first offer any Ordinary Shares to Shareholders *pro rata* basis, such authority extending until the conclusion of the first annual general meeting of the Company; and

(C) the Directors have authority to sell such number of treasury shares as is equal to the number of Ordinary Shares held in treasury at any time following Admission without being obliged to first offer any treasury shares sold to Shareholders on a *pro rata* basis, such authority extending until the conclusion of the first annual general meeting of the Company.

2.8 At present there are no shares held in Treasury.

2.9 On 4 November 2014 the Company's authority set out in 2.7(B) above was superseded by an authority to allot and issue up to 250 million Shares on a non-pre-emptive basis pursuant to the Placing Programme, such authority to expire on the date falling 12 months from the date of this document.

2.10 Pursuant to a written ordinary resolution of the Company's sole Shareholder passed on 24 February 2014, the Directors are authorised to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following the IPO. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of Ordinary Shares taken from The London Stock Exchange Daily Official List for the five Business Days before the purchase is made; and (ii) the higher of the last independent trade or the highest current independent bid for Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed.

2.11 The Ordinary Shares are in registered form and, from Admission, will be capable of being held in Uncertificated Form and title to such Ordinary Shares may be transferred by means of a computerised settlement system (as defined in the CREST Regulations). Where the Ordinary Shares are held in Certificated Form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Where Ordinary

Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 46 of this Prospectus, maintains a register of Shareholders holding their Ordinary Shares in CREST.

2.12 None of the actions specified in paragraph 2.10 above shall be deemed an action requiring the approval of Shareholders pursuant to the rights attached to those Shares.

2.13 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

2.14 As at 7 November 2014, being the latest date prior to the publication of this document, the Company had been advised of the following interests in Shares exceeding 5% of its issued Share capital:

Shareholder	% of issued Ordinary Share capital	Number of Ordinary Shares
Prudential plc	25.0%	21,400,000
Investec Wealth & Investment Limited	23.02%	19,703,120
Baillie Gifford & Co.	9.81%	8,400,000
AXA Investment Managers S.A.	7.01%	6,000,000
Smith & Williamson Holdings Limited	6.12%	5,240,000

3. Directors' and other Interests

3.1 Save as set out in paragraph 2.4 above and paragraph 3.2 below, at the date of this Prospectus, none of the Directors or any person connected with any of the Directors has a Shareholding or any other interest in the share capital of the Company.

3.2 Jeremy Thompson and the Board have in aggregate 100,000 Ordinary Shares of the Company with Jeremy Thompson holding 10,000 (in his personal capacity) and the Board holding 90,000 (60,000 by Kevin Lyon, 20,000 by Patrick Firth and 10,000 by Vic Holmes) of this total, respectively.

3.3 Major Shareholders – please refer to paragraph 2.14 above.

3.4 The Company is not aware of any person who, immediately following Admission, could, directly or indirectly, jointly or severally, exercise control over the Company.

3.5 The Company knows of no arrangements, the operation of which may result in a change of control of the Company.

3.6 All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.

3.7 There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.

3.8 The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 March 2015 which will be payable out of the assets of the Company are not expected to exceed £153,000. Each of the Directors is entitled to receive £30,000 per annum, other than the Chairman who is entitled to receive £60,000 per annum and the chairman of the Audit Committee is entitled to receive an additional fee of £3,000 per annum. In addition, in recognition of the additional work the Directors have done in connection with the Placing Programme, the Company has agreed that each Director is entitled to receive an additional fee of £5,000 on completion of the Initial Placing, and a further additional fee of £5,000 on completion of the second Issue pursuant to the Placing Programme. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.

3.9 Each of the Directors has been appointed pursuant to a letter of appointment dated 22 January 2014 in respect of Vic Holmes and Patrick Firth, and 5 February 2014 in respect of Kevin Lyon. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by,

among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.

3.10 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

3.11 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

3.12 Pursuant to the Articles, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a Director of the Company.

3.13 In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

Kevin Lyon

Current directorships/partnerships	*Past directorships/partnerships*
DCK Group Limited	Barney Holdings Limited (dissolved 26 January 2010)
KJ Lyon Associates Ltd	BCC Realisations Limited (dissolved 12 February 2014)
Mono Global Limited	Bezier Acquisitions Limited (June to August 2011, during which the company was sold under a pre-pack due to underlying financial circumstances prior to the directorship having commenced – dissolved 20 May 2013)
Mono Global Group Limited	Booker Group plc
Inoapps Limited	Cameron Topco Limited
Cutis Developments Ltd (Chairman)	David Lloyd Leisure Operations Holdings Limited
Ambrian plc (formerly East West Resources plc) (non-executive Director)	Daybreak Acquisitions Limited (dissolved 26 January 2010)
	Daybreak Holdco Limited (dissolved 21 July 2009)
	Daybreak Midco Limited (dissolved 21 July 2009)
	Ithaca Petroleum Limited
	Java Acquisitions Limited (dissolved 11 August 2009)
	Pyle Limited (dissolved 25 May 2010)
	Pyrrha Investments Limited
	Smart Metering Systems plc
	SouthernPrint (Holdings) Limited
	Stork Technical Services (Holdings) Limited
	SW10 Acquisitions Limited (dissolved 9 June 2009)
	Tigermetal Topco Limited
	Walstead Investments Limited
	Whittard and Company Limited (put into administration on 23 December 2008, dissolved 9 June 2009, due to Icelandic financial crisis)
	Wyndeham Press Group Limited

Patrick Firth

Current directorships/partnerships	*Past directorships/partnerships*
Associated Partners GP Limited	Asset Management Investment Company Limited (formerly Asset Management Investment Company PLC) (in liquidation and dissolved 5 January 2014)
BH Credit Catalysts Limited	
Bullion Funds GP Limited	
Celtic Pharma Holdings GP Limited	Butterfield Fulcrum Corporate Nominees Limited (Resigned 30 June 2009 and subsequently put into
Celtic Pharma Holdings GP III Limited	

Current directorships/partnerships

FF&P Asset Management (Guernsey) Limited
FF&P Enhanced Opportunities PCC Limited
FF&P Venture Funds Subsidiary Limited
Guernsey Finance LBG
GLIF BMS Holdings Limited
GLI Finance Limited (formerly Greenwich Loan Income Fund Limited)
Heritage Diversified Investments PCC Limited (formerly Rufford & Ralston PCC Limited)
Ingenious International Asset Management Limited
Saltus (Channel Islands) Limited
Guernsey Portfolios PCC Limited
ICG-Longbow Senior Secured UK Property Debt Investments Limited
Inflexion Buyout Fund IV General Partner Guernsey Limited
Inflexion (2010) General Partner Limited
Inflexion Partnership Capital Fund General Partner Guernsey Limited
JZ Capital Partners Limited
L&S Distribution V Limited
London & Stamford Property Limited
London & Stamford Property Subsidiary Limited
London & Stamford Offices Limited
London & Stamford Offices Unitholder 2 Limited
LMP Bell Farm Limited
LMP Green Park Cinemas Limited
LMP Omega 1 Limited
LMP Retail Warehouse JV Holdings Limited
LMP Retail Warehouse JV Management Limited
LMP Thrapston Limited
LSP Green Park Distribution Holdings Limited
LSP Green Park Management Limited (formerly LSP Cavendish Management Limited)
LSP London Residential Investments Limited
LSP London Residential Holdings Limited
LSP Marlow Limited (formerly LSP Green Park Marlow Limited)
LSP RI Moore House Limited
MRIF Guernsey GP Limited
Patria Brazil Fund Limited
Pera Capital Partners GP Limited
Riverstone Energy Limited
Sierra GP Limited
Sniper Capital Logistics Properties Limited

Past directorships/partnerships

liquidation on 20 December 2013)
Butterfield Fulcrum Group (Guernsey) Limited (formerly Butterfield Fund Services (Guernsey) Limited)
CLL Hedge Portfolio Ltd (formerly Cardona Lloyd Hedge Portfolio Limited) (voluntary winding up)
CLL Management Ltd (formerly Cardona Lloyd Limited) (voluntary winding up)
DWM Inclusive Finance Income Fund
EISER Infrastructure II Limited
EuroDekania Limited (Resigned 18 December 2013, voluntary winding up on 19 December 2013)
FF&P Alternative Strategy Income Subsidiary Limited
FF&P Russia Real Estate Adviser Holdings Limited
FP Holdings Limited
JPMorgan Progressive Multi-Strategy Fund Limited (voluntary winding up)
L&S Battersea Limited
L&S Business Space II Limited
L&S Business Space Limited
L&S Distribution II Limited
L&S Distribution III Limited (formerly L&S Distribution II Unitholder 2 Limited)
L&S Distribution IV Limited
L&S Distribution Limited
L&S Highbury Limited
L&S Leeds Limited (Resigned 1 October 2012. Voluntary winding up, dissolved 15 August 2012)
London & Stamford (Anglesea) II Limited
London & Stamford Offices II Limited
London & Stamford Retail Limited (voluntary winding up, dissolved)
LSP Green Park Logistics Holdings Limited (Resigned 28 November 2013. Application for voluntary strike off has been made)
LSP Green Park Offices Holdings Limited (Resigned 28 November 2013. Application for voluntary strike off has been made)
LSP Leatherhead Limited (formerly LSP Green Park Leatherhead Limited) (to enter liquidation)
LSP RI Moore House (Ground Rents) Limited (Resigned 28 November 2013. Application for voluntary strike off has been made)
LSP RI Wandsworth Limited (Resigned 28 November 2013. Application for voluntary strike off has been made)
Maple Leaf Canada Fund Limited (Voluntary winding up)
Moneda Latin American Fund PCC Limited
MQ Helix GP Limited
Olivant Limited
Porton Capital Technology Funds
Professional Investor Fund PCC Limited (The)
Prosperity Quest II Unlisted Limited
Rosebank Management Limited (Resigned 30 June 2009. In liquidation as at 30 December 2013)
Star Asia Finance, Limited

Current directorships/partnerships	*Past directorships/partnerships*
	Stratos Ventures General Partner 1 Limited
	Sunningdale Alpha Fund Limited (dissolved)
	Victoria Capital PCC Limited (Resigned 22 August 2013. Voluntary winding up, liquidator final meeting on 18 November 2013)
	Waveland Partners, Ltd

Vic Holmes

Current directorships/partnerships	*Past directorships/partnerships*
Ashmore Asian Special Opportunities Fund Limited	Ashmore Global Consolidation and Recovery Fund PCC Limited (Resigned. In voluntary winding up)
Ashmore Emerging Markets Corporate High Yield Fund Limited	Ashmore Multi Strategy Fund Holding Company Limited
Ashmore Emerging Markets Debt and Currency Fund Limited	Ashmore Institutional Multi Strategy Holding Company Limited
Ashmore Emerging Markets High Yield Plus Fund Limited	Ashmore Greater China Balanced Holding Company Limited
Ashmore Emerging Markets Short Duration Corporate Debt Limited	Ashmore Global Special Situations Ireland Public Limited Company (voluntary liquidation)
Ashmore Emerging Markets Short Duration Corporate Debt Fund Limited	Cantrip Investments Limited (voluntary liquidation)
Ashmore Emerging Markets Sovereign and Corporate Debt Fund Limited	Cazenove Euro Alpha Return Fund Limited (voluntary liquidation)
Ashmore Emerging Markets Special Situations Opportunities Fund (GP)	Cazenove European Equity Absolute Return Fund Limited (voluntary liquidation)
Ashmore Emerging Markets Tri Asset Fund Limited	Cazenove International Fund plc
Ashmore Global Special Situations 3 (GP) Limited	Cazenove Leveraged UK Equity Absolute Return Fund Limited (voluntary liquidation)
Ashmore Global Special Situations Fund 2 Limited	Cazenove UK Dynamic Absolute Return Fund Limited (voluntary liquidation)
Ashmore Global Special Situations Fund 4 (GP) Limited	Cazenove UK Equity Absolute Return Fund Limited (voluntary liquidation)
Ashmore Global Special Situations Fund 5 (GP) Limited	Cazenove Worldwide Absolute Return Fund Limited (voluntary liquidation)
Ashmore Global Special Situations Fund 6 (GP) Limited	Cambridge Park Pendulum Fund Limited
Ashmore Global Special Situations Fund Limited	Conversus GP Limited
Ashmore Greater China Fund Limited	Conversus Investment GP Limited
Ashmore Growing Multi Strategy Fund Limited	IIBU Fund II Public Limited Company
Ashmore Investments (Brazil) Limited	Korea Special Opportunities Fund plc (voluntary liquidation)
Ashmore Management CI (Brasil) Ltd	Northern Trust Fiduciary Services (Jersey) Limited
Ashmore Management Company Limited	Northern Trust International Fund Administration Services (Guernsey) Limited
Asset Holder PCC Limited	Northern Trust International Fund Administration Services (Jersey) Limited
Asset Holder PCC No 2 Limited	The Leveraged Fund Limited
Atlantis Investment Management (Ireland) Limited	Thames River 1X Currency Alpha Fund Limited (voluntary liquidation)
Cambridge Park Pendulum Fund Limited	Thames River Capital Holdings Limited (voluntary liquidation)
DBG Management GP (Guernsey) Limited	Thames River Traditional Multi Funds Public Limited Company (voluntary liquidation)
F&C Alternative Strategies Limited	Stenham Real Estate Equity Fund Limited
F&C Directional Opportunities Fund Limited	Nelson Representatives Limited
F&C Property Growth & Income Fund Limited	Northern Trust Directors Services (Guernsey) Limited
F&C Warrior Fund II Limited	Northern Trust GFS Holdings Limited
F&C Warrior Fund Limited	Northern Trust Guernsey Holdings Limited
Generali International Limited	Northern Trust Partners Guernsey Limited
Generali Portfolio Management (CI) Limited	
Generali Worldwide Insurance Company Limited	
GPF Real Estate Co Investment Ltd	

Current directorships/partnerships	*Past directorships/partnerships*
Lake Erie Real Estate GP Ltd	Saline Nominees Limited
MMIP Investment Management Limited	Trafalgar Representatives Limited
Nevsky Fund plc	Lux Suitcase 1 SarL (involuntary liquidation on 28 June 2010)
Permira Holdings Limited	Permira (Europe) Limited
Picton (UK) Listed Real Est Nom (No 1)	Permira (Guernsey) Limited
Picton (UK) Listed Real Est Nom (No 2)	Permira Advisors Group Holdings Limited
Picton (UK) Listed Real Estate Ltd	Permira Advisors LLP
Picton Capital (Guernsey) Ltd	Permira Carried Interest G.P. Limited
Picton Finance Limited	Permira Debt Managers Group Holdings Limited
Picton General Partner No 2 Ltd	Permira Europe I Nominees Limited
Picton General Partner No 3 Ltd	Permira Europe II Managers BV
Picton Property Income Limited	Permira Europe II Nominees Limited
Picton Property No 3 Ltd	Permira Europe III G.P. Limited
Picton Property Nominee No 3 Ltd	Permira Group Investments Limited
Picton Property Nominee No 4 Ltd	Permira Investments Limited
Picton UK Real Est Trust (Prop) No 2 Ltd	Permira IP Limited
Picton UK Real Estate (Property) Ltd	Permira IV GP Limited
Picton UK REIT (SPV No 2) Ltd	Permira IV Limited
Picton UK REIT (SPV) Ltd	Permira IV Managers Limited
Picton ZDP Limited	Permira Nominees Limited
Renshaw Bay GP 1 Ltd	Permira V G.P. Limited
Renshaw Bay GP2 Ltd	
Renshaw Bay GP3 Limited	
Renshaw Bay Partners GP Ltd	
Roundshield Co Investment GP1 Limited	
Roundshield Fund 1GP Limited	
Roundshield Holdings Limited	
RS Carry 1GP Limited	
Thames River Guernsey Property Holdings Limited	
Thames River Multi Hedge PCC Limited	
The AUB Pan Asian Investment Fund I	
Townsend Lake Constance GP Limited	
Traditional Funds plc	

3.14 As at the date of this Prospectus:

(A) none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;

(B) save as the noted above against relevant companies above in the directorships of each Director, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;

(C) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and

(D) none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this Prospectus.

3.15 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

4. Memorandum and Articles

4.1 The Memorandum provides that the Company's objects are unrestricted and it shall therefore have the full power and authority to carry out any object not prohibited by the Companies Law or any other applicable laws.

4.2 The Articles contain provisions, among others, to the following effect:

5. Share capital

5.1 The Company may issue an unlimited number of shares in any currency including, without limitation, unclassified shares which may be designated and issued as Ordinary Shares, C Shares or otherwise as the Directors may from time to time determine.

Ordinary Shares

The rights attaching to the Ordinary Shares shall be as follows:

(A) As to income – subject to the rights of any Ordinary Shares which may be issued with special rights or privileges, the Ordinary Shares of each class carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relative NAVs of each of the classes of Ordinary Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of such class held by them.

(B) As to capital – on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares in accordance with the provision of the Articles and the Companies Law), the surplus assets of the Company attributable to the Ordinary Shares remaining after payment of all creditors shall, subject to the rights of any Ordinary Shares that may be issued with special rights or privileges, be divided amongst the holders of Ordinary Shares of each class *pro rata* to the relative NAVs of each of the classes of Ordinary Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of that class held by them.

(C) As to voting – the holders of the Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company.

C Shares

The rights attaching to the C Shares shall be as set out in paragraph 5.18.

General

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine. To the extent required by sections 292 and 293 of the Companies Law, the Board is authorised to issue an unlimited number of shares (or options, warrants or other rights in respect of shares) including without limitation, Ordinary Shares and C Shares (subject only to any limitation in this paragraph 5.1) which authority shall expire five years after the date of incorporation or the date of adoption of the Articles; in the event that the restrictions in section 292(3)(a) and/or (b)(i) are amended or removed, such authority shall be to the extent and for as long as is legally permissible. This authority may be further extended in accordance with the provisions of the Companies Law.

5.2 Offers to Shareholders on a pre-emptive basis

(A) The Company shall not allot equity securities to a person on any terms unless:

(i) it has made an offer to each person who holds shares of the relevant class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares; and

(ii) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.

(B) Equity securities that the Company has offered to allot to a holder of shares in accordance with paragraph 5.2(A) may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening the restriction referred to in paragraph 5.2(A), and, if paragraph 5.2(A) applies in relation to the grant of such right, it will not apply in relation to the allotment of equity securities in pursuance of that right.

(C) Shares held by the Company as treasury shares shall be disregarded for the purposes of the restriction referred to in paragraph 5.2(A), so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company.

(D) Any offer required to be made by the Company pursuant to the restriction referred to in paragraph 5.2(A) should be made by a notice (given in accordance with paragraph 5.10) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be), pursuant to paragraph 5.10.

(E) The restriction referred to in paragraph 5.2(A) shall not apply in relation to the allotment of bonus shares, nor to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash. For the avoidance of doubt, and for the purposes of paragraph 5.2(A), C Shares shall not constitute the same class of shares as the Ordinary Shares into which they may or will convert pursuant to paragraph 5.18(K).

(F) The Company may by special resolution resolve that the restriction referred to in paragraph 5.2(A) shall be excluded or that the restriction referred to in paragraph 5.2(A) shall apply with such modifications as may be specified in the resolution:

(i) generally in relation to the allotment by the Company of equity securities;

(ii) in relation to allotments of a particular description; or

(iii) in relation to a specified allotment of equity securities;

and any such resolution must: (i) state the maximum number of equity securities in respect of which the restriction referred to in paragraph 5.2(A) is excluded or modified; and (ii) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.

(G) Any resolution passed pursuant to the provisions referred to in paragraph 5.2(F) may:

(i) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and

(ii) be revoked or varied at any time by special resolution of the Company.

(H) In this paragraph 5:

(i) ''equity securities'' means: (i) any class of shares of the Company; or (ii) rights to subscribe for, or to convert securities into, any class of shares of the Company;

(ii) references to the allotment of equity securities includes; (i) the grant of a right to subscribe for, or to convert any securities into, any class of shares of the Company (but excludes the allotment and/or conversion of any class of shares of the Company pursuant to the exercise of such a right); and (ii) the sale of any class of shares of the Company that immediately before the sale are held by the Company as treasury shares.

5.3 Issue of shares

Subject to the authority to issue shares referred to in paragraph 5.1 or any extension thereof, and to paragraph 5.2, the unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount to par value (if applicable) except in accordance with the Companies Law and so that the amount payable on application on each share shall be fixed by the Board.

5.4 Variation of class rights

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

5.5 Winding up

(A) Subject to paragraph 5.21, the Company shall have an indefinite life.

(B) If the Company is wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the Shareholders in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction shall think fit.

(C) In case any of the securities or other assets to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said assets may within 14 clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

5.6 Dividends

(A) Subject to compliance with section 304 of the Companies Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.

(B) The method of payment of dividends shall be at the discretion of the Board.

(C) No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.

(D) The Board may deduct from any dividend payable to any Shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

(E) The Board may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

(F) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.

(G) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Company's register. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in Uncertificated Form, by means of a computerised settlement system (as defined in the CREST Regulations) in any manner permitted by the rules of the computerised settlement system concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.

(H) No dividend or other moneys payable on or in respect of a share shall bear interest against the Company.

(I) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

5.7 Scrip dividends

The Board may offer Shareholders the right to elect to receive further shares, credited as fully paid, instead of cash in respect of all or part of any dividend. The Board shall give notice to the Shareholders of their rights of election and shall specify the procedure to be followed in order to make an election. The dividend in respect of which an election is made shall not be paid and instead further shares shall be allotted in accordance with elections duly made.

5.8 Transfer of shares

(A) The Articles provide that the Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST system. The Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the CREST Regulations.

(B) Subject to such of the restrictions of the Articles as may be applicable:

(i) any Shareholder may transfer all or any of his Uncertificated shares in such manner provided for, and subject as provided, in the CREST Regulations, any regulations issued for this purpose under the Companies Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company and accordingly no provision of the Articles shall apply in respect of an Uncertificated share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the shares to be transferred;

(ii) any Shareholder may transfer all or any of their Certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and

(iii) an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a certificated share need not be under seal.

(C) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated Form or Uncertificated Form which is not fully paid up or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may also refuse to register a transfer of shares unless such transfer is in respect of only one class of shares, is in favour of a single transferee or no more than four joint transferees, and is delivered for registration to the Company's registered office or such other place as the Board may decide, and is accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

(D) Subject to the provisions of the CREST Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may decide and either generally or in respect of any class of share provided that such suspension shall not be for more than 30 days in any year. Any such suspension shall be communicated to Shareholders, giving reasonable notice of such suspension by means of a recognised Regulatory Information Service.

5.9 Alteration of capital and purchase of shares

(A) The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares; subdivide all or any of its shares into shares of a smaller amount subject to paragraph 5.9(B); cancel shares which, at the date of the passing of the resolution, have not been taken up or

agreed to be taken up by any person, and diminish the amount of its share capital by the amount of shares so cancelled; convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than 3 significant figures) current on the date of the resolution or on such other day as may be specified therein; or where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

(B) In any subdivision under paragraph 5.9(A) above, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.

(C) The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Companies Law.

(D) The Board on any consolidation of shares may deal in fractions of shares in any manner.

5.10 Notices

(A) A notice or other communication may be given by the Company to any Shareholder either personally or by sending it by prepaid post addressed to such Shareholder at his registered address (or, subject to paragraph 5.10(G)) in electronic form) or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose.

(B) Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served on the third day after the day on which the same was posted from Guernsey to an address in the United Kingdom, the Channel Islands or the Isle of Man and, in any other case, on the seventh day following that on which the same was posted.

(C) Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.

(D) (Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produce or enable the production of a document containing the text of the communication, shall, be regarded as served when it is received.

(E) A notice may be given by the Company to the joint holders of a share by giving the notice to the joint holder first named in the Company's register in respect of the share.

(F) Any notice or other communication sent to the address of any Shareholder shall, notwithstanding the death, disability or insolvency of such Shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any share registered in the name of such Shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such share.

(G) All Shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and schedule 3 of the Companies Law unless a Shareholder notifies the Company otherwise. Such notification must be in writing and signed by the Shareholder and delivered to the Company's registered office or such other place as the Board directs.

5.11 Notice of general meetings

(A) A general meeting (including an annual general meeting) of the Company (other than an adjourned meeting) must be called by notice of at least 14 clear days.

(B) A general meeting may be called by shorter notice than otherwise required if all the Shareholders entitled to attend, speak and vote so agree.

(C) Notices and other documents may be sent in electronic form or published on a website in accordance with section 208 of the Companies Law.

(D) Notice of a general meeting of the Company must be sent to every Shareholder entitled to attend, speak and vote thereat, every Director and every alternate Director registered as such.

(E) In paragraph 5.11(D) above, the reference to Shareholders includes only persons registered as a Shareholder.

(F) Notice of a general meeting of the Company must state the time and date of the meeting, state the place of the meeting, specify any special business to be put to the meeting, contain the information required under section 178(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a special resolution at the meeting, contain the information required under section 179(6)(a) of the Companies Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting, and contain the information required under section 180(3)(a) of the Companies Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

(G) Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

(H) The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution or any proposed resolution otherwise duly approved.

(I) General meetings may be held in Guernsey or elsewhere at the discretion of the Directors.

5.12 Conflicts of interest

(A) A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Companies Law:

(1) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or

(2) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.

(B) The obligation referred to in paragraph 5.12(A) does not apply if:

(i) the transaction or proposed transaction is between the Director and the Company; and

(ii) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

(C) A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

(D) Nothing in paragraphs 5.12(A), (B) or (C) applies in relation to:

(i) remuneration or other benefit given to a Director;

(ii) insurance purchased or maintained for a Director in accordance with section 158 of the Companies Law; or

(iii) qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Companies Law.

(E) Subject to paragraph 5.12(F), a Director is interested in a transaction to which the Company is a party if the Director:

(i) is a party to, or may derive a material benefit from, the transaction;

(ii) has a material financial interest in another party to the transaction;

(iii) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;

(iv) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or

(v) is otherwise directly or indirectly materially interested in the transaction.

(F) A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

(G) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

(H) Subject to due disclosure in accordance with the provisions referred to in this paragraph 5.12, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

(I) Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing contained in the Articles shall authorise a Director or his firm to act as auditor to the Company.

(J) Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

5.13 Remuneration and appointment of Directors

(A) The Articles provide that the Directors shall be paid out the funds of the Company by way of fees such sums as shall be approved by the Company in general meeting. Directors' fees shall be deemed to accrue from day to day. The Directors shall also be paid all reasonable travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. The Board may determine that additional remuneration may be paid, from time to time, to any one or more Directors in the event such Director or Directors are requested by the Board to perform extra or special services on behalf of the Company.

(B) A Director shall cease to hold office: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the registered office of the Company; (ii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of twelve months and the Board resolves that their office shall be vacated; (iii) if he dies or becomes of unsound mind or incapable; (iv) if he becomes insolvent, suspends payment or compounds with his creditors; (v) if he is requested to resign by written notice signed by all the other Directors; (vi) if the Company in general meeting shall declare that he shall cease to be a Director; (vii) if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom; or (viii) if he becomes ineligible to be a Director in accordance with section 137 of the Companies Law.

5.14 Indemnity

The Directors, secretary and officers (excluding, for the avoidance of doubt, the Auditors) for the time being of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Companies Law, be fully indemnified out of the assets and profits of the Company from and against all actions expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts receipts neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any moneys or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any moneys of the Company shall be placed out or invested or for any loss misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts except the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

5.15 Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Questions arising at any meeting shall be decided by a majority of votes. A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board. Where any of the Directors attending the meeting is present in Guernsey, such meeting shall be deemed to have been held in Guernsey. If no Director attending the meeting is present in Guernsey, such meeting shall be deemed to have been held in the place where the Chairman is present, unless otherwise determined by the Directors. A Director at the time of any such meeting may participate in a meeting by means of video link, telephone conference call or other electronic or telephonic means of communication.

The Board may elect a chairman of their meetings and determine the period for which he is to hold office. If no such chairman be elected, or if at any meeting the chairman be not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be chairman of the meeting. The quorum necessary for the transaction of the business of the Board may be fixed by the Board, and unless so fixed, shall be two except that where the minimum number of Directors has been fixed at one a sole Director shall be deemed to form a quorum and provided that if a majority of Directors present are resident in the United Kingdom, the Directors present, irrespective of number, shall not constitute a quorum. For the purposes of this paragraph, an alternate appointed by a Director shall be counted in a quorum at a meeting at which the Director appointing him is not present. The Board may delegate any of its powers to committees consisting of one or more directors as they think fit, provided that a majority of members of such committees are not resident in the United Kingdom.

5.16 Borrowing powers

The Board may exercise all the powers of the Company to borrow money and to mortgage, hypothecate, pledge or charge all or part of its undertaking property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party. The Board may exercise all the powers of the Company to engage in currency or interest rate hedging in the interests of efficient portfolio management.

5.17 Audit

Auditors shall be engaged in accordance with Part XVI of the Companies Law.

5.18 C Shares

(A) The following definitions apply for the purposes of this paragraph 5.18:

"Calculation Date" means the earliest of the:

(i) close of business on the date to be determined by the Directors after the day on which the Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Investment Adviser shall agree) shall have been invested; or

(ii) the close of business on the Business Day at the end of such period after allotment of the relevant class of C Shares or on such specific date; in each case, as shall be determined by the Directors for that particular class of C Shares and as shall be stated in the terms of issue of the relevant class of C Share;

(iii) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or

(iv) close of business on such date as the Directors may determine;

"Conversion" means, in relation to any class of C Shares, conversion of that class of C Shares in accordance with paragraph 5.18(K) below;

"Conversion Date" means a date which falls after the Calculation Date and is the date on which the admission of the New Ordinary Shares arising on Conversion to trading on the London Stock Exchange becomes effective, such date being either the earlier of:

(a) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than 20 Business Days after the Calculation Date; and

(b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are imminent.

"Conversion Ratio" is the ratio of the Net Asset Value per C Share of the relevant class of C Share to the Net Asset Value per Share of the corresponding class, which is calculated to 6 decimal places as at the Calculation Date as:

"Conversion Ratio" =

$$\frac{A}{B}$$

where:

$$A = \frac{(C - d) - D}{E}$$

$$B = \frac{(F - d) - G}{H}$$

where:

"C" is the value of the investments of the Company attributable to the C Shares of the relevant class calculated in accordance with the accounting principles adopted by the Company from time to time (as if that class was equity);

"D" is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant class on the Calculation Date) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant class on the Calculation Date;

"E" is the number of C Shares of the relevant class in issue on the Calculation Date;

"F" is the value of the investments of the Company attributable to the Ordinary Shares calculated in accordance with the accounting principles adopted by the Company from time to time;

"G" is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the Calculation Date.

Notwithstanding the accounting treatment of the C Shares as a liability of the Company, for the purposes of calculating the Conversion Ratio (and in particular G), the C Shares will be treated as a class of equity issued by, and not a liability of, the Company;

"H" is the number of Ordinary Shares in issue on the Calculation Date (excluding any Ordinary Shares of the relevant class held in treasury); and

"d" is, to the extent not already taken into account in D or G (as appropriate) the amount of any dividend payable in respect of any period ending before the Conversion Date and payable by reference to a record date falling on or prior to the Conversion Date;

provided that the Directors shall make such adjustments to the value or amount of A and B as the Auditors shall report to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class.

"Existing Shares" means the Ordinary Shares in issue immediately prior to Conversion;

"Force Majeure Circumstances" means in relation to any class of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of that class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

"Net Proceeds" means the net cash proceeds of the issue of the C Shares of the relevant class (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to the auditors confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to "shareholders" and "C shareholders" in this paragraph 5.18 should be construed as references to holders for the time being of Ordinary Shares of the relevant class and C Shares of the relevant class respectively.

(B) For the purposes of paragraph (a) of the definition of Calculation Date and the definition of Force Majeure Circumstance in relation to any class of C Shares, the assets attributable to the C Shares of that class shall be treated as having been "invested" if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanism.

(C) The holders of the C Shares shall, subject to the provisions of the Articles, have the following rights as to income:

(i) subject to the rights of any C Shares which may be issued with special rights or privileges, the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relevant NAVs of each of the classes of C Shares and within each such class income shall be divided *pari passu* amongst the holders of that class in proportion to the number of C Shares of such class held by them;

(ii) the Ordinary Shares of the relevant class into which C Shares of the relevant class shall convert shall rank *pari passu* with the Existing Shares of the relevant class for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and

(iii) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(D) At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Companies Law): the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to any rights of C Shares that may be issued with special rights or privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative NAVs of each of the classes of C Shares and within each such class such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of that class held by them.

(E) As regards voting the C Shares shall carry the right to receive notice of and to attend, speak and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Shares as if the C Shares and Ordinary Shares were a single class.

(F) Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Ordinary Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:

(i) no alteration shall be made to the Memorandum or the Articles;

(ii) no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares;

(iii) no resolution of the Company shall be passed to wind-up the Company; and

(iv) no change shall be made to the accounting reference date.

For the avoidance of doubt but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Ordinary Shares and C Shares, as described above, shall not be required in respect of:

(i) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Ordinary Shares by the issue of such further Ordinary Shares); or

(ii) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

(G) For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall in relation to each class of C Shares:

(i) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;

(ii) allocate to the assets attributable to the C Shares of the relevant class such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds attributable to such C Shares and the Calculation Date relating to such C Shares of the relevant class (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and

(iii) give appropriate instructions to the Investment Adviser so that such undertakings can be complied with by the Company.

(H) The C Shares are issued on such terms that they shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Directors may determine to redeem the C Shares then in issue by agreement with holders thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST), in accordance with the provisions of the Articles and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant C shareholders.

(I) In relation to each class of C Shares, the C Shares of that class for the time being in issue shall be sub-divided and converted and redesignated into Ordinary Shares of the corresponding class on the Conversion Date in accordance with the following provisions of this paragraph 5.18:

(i) the Directors shall procure that within 10 Business Days of the Calculation Date;

i. the Conversion Ratio as at the Calculation Date and the numbers of Shares of the relevant class to which each C Shareholder shall be entitled on Conversion shall be calculated; and

ii. the administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 5.18(A) above. If the auditor is unable to confirm the calculations of the administrator or independent accountant, as described above, the Conversion shall not proceed.

(J) The Directors shall procure that, as soon as practicable following such confirmation, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of New Ordinary Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.

(K) Conversion shall take place at the Conversion Date. On Conversion:

(i) each issued C Share shall automatically convert and be redesignated into such number of new Ordinary Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Ordinary Shares equals the aggregate number of C Shares of that class in issue at the Conversion Date multiplied by the Conversion Ratio (rounded down to the nearest whole new Share);

(ii) the new Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Shares of the relevant class *pro rata* according to their respective former holdings of C Shares of the relevant class (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to new Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in Certificated Form, to execute any stock transfer form and to do any other act or thing as may be required to give

effect to the same including, in the case of a share in Uncertificated Form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;

(iii) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the new Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their new Ordinary Shares in Uncertificated Form;

(iv) the Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to trading on the London Stock Exchange main market for listed securities; and

(v) the Directors may make such adjustments to the terms and timings of Conversion as they, in their discretion, consider fair and reasonable having regard to the interest of all shareholders.

5.19 Disclosure of third party interests in shares

(A) The Directors shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an interested party) who has any interest in the shares held by the Shareholder and the nature of such interest.

(B) Any such notice shall require any information in response to such notice to be given in writing within the prescribed period which shall be twenty-eight (28) days after the service of the notice, or fourteen (14) days if the shares concerned represent 0.25 per cent. or more in value of the issued shares of the relevant class, or such other reasonable time period as the Directors may determine.

(C) If any Shareholder has been duly served with a notice given by the Directors in accordance with paragraph 5.19(A) and is in default for the prescribed period in supplying to the Company the information thereby required the Directors may in their absolute discretion at any time thereafter serve a notice (a ''Direction Notice'') upon such Shareholder as follows:

(i) a direction notice may direct that, in respect of: (i) the shares comprising the Shareholder account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the ''default shares''); and (ii) any other shares held by the Shareholder, the Shareholder shall not be entitled to attend or vote (either personally or by representative or by proxy) at any general meeting or meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to any such meetings; and

(ii) where the default shares represent at least 0.25 per cent. of the class of shares concerned, then the direction notice may additionally direct that: (i) in respect of the default shares, any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Shareholder; and (ii) no transfer other than an approved transfer of any of the shares held by such Member shall be registered except in limited circumstances.

5.20 Untraced shareholders

(A) The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:

(i) during the period of not less than 12 years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least 3 dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and

(ii) the Company shall following the expiry of such period of 12 years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and

(iii) during the period of 3 months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person; and

(iv) notice shall have been given to the stock exchanges on which the Company is listed, if any.

(B) The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

5.21 Discontinuation vote

If either:

(i) in the third or any subsequent financial year of the Company the Ordinary Shares have traded, on average over that year, at a discount in excess of ten per cent. to the Net Asset Value per Ordinary Share; or

(ii) the NAV has not reached (at any point) £300 million on or before the fifth anniversary of Admission,

then the Board shall propose a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form.

If such a special resolution is passed (requiring the approval of at least 75 per cent. of the votes cast in respect of it), the Board shall be required to put forward proposals to Shareholders at a general meeting of the Company, to be held within four months of the resolution being passed, to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets.

The discount prevailing on each business day will be determined by reference to the closing market price of Ordinary Shares on that day and the most recently published Net Asset Value per Ordinary Share.

6. Material contracts

The following are all of the contracts, not being contracts entered into in the ordinary course of business, that have been entered into by the Company since its incorporation and are, or may be, material or that contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Prospectus:

6.1 Placing Programme Agreement

Pursuant to the Placing Programme Agreement dated 10 November 2014 between the Company, the Manager, the Investment Adviser, the Sponsor and SCS, Cantor and Macquarie, and subject to certain conditions, the Sponsor was appointed as sponsor in connection with the applications for Admission and the issue of Shares for the Placing Programme. In addition, the Joint Bookrunners agreed on a several and not a joint or joint and several basis to use their respective reasonable endeavours to procure subscribers for the Shares at the Issue Price (as set out in the Prospectus) pursuant to the placing of Shares pursuant to the Placing Programme. The Placing Programme is not underwritten.

The obligations of the Company to issue the Shares are typical for an agreement of this nature. These conditions included, among others: (i) the admission by the UK Listing Authority of Shares issued pursuant to an Issue to the Official List and the admission of these New Shares to trading on the London Stock Exchange's Main Market for listed securities occurring by not later than 8.00 a.m. on such date as the Company, the Sponsor and SCS, Cantor and Macquarie may agree from time to time; and (ii) the Placing Programme Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to the placing of Shares pursuant to the Placing Programme and conditional upon completion of the placing of Shares pursuant to the Placing Programme, the Sponsor and Cantor were to be paid a corporate finance fee and SCC, Cantor and Macquarie were each to be paid a commission calculated by reference to the gross issue proceeds of all Placing Programme Shares issued pursuant to the Placing Programme.

The Company, the Investment Adviser and the Manager gave warranties to the Sponsor and the Joint Bookrunners concerning, *inter alia*, the accuracy of the information contained in the Prospectus. The Directors gave certain warranties to the Sponsor and Joint Bookrunners as to the accuracy of certain information in the Prospectus and as to themselves. The Company, the Investment Adviser and the Manager also gave indemnities to the Sponsor and the Joint Bookrunners. The warranties and indemnities given by the Company, the Investment Adviser and the Manager and the Directors were standard for an agreement of this nature.

The Placing Programme Agreement can be terminated by the Sponsor and Joint Bookrunners in certain customary circumstances.

The Placing Programme Agreement is governed by the laws of England and Wales.

6.2 Revolving Credit Facility

Pursuant to the Revolving Credit Facility Agreement dated 18 September 2014 between Holdco, Luminance Energy Limited (the SPV for the Higher Hatherleigh site), Hive Solar Charlie Limited (the SPV for the Shacks Barn site), Ellough Solar LLP and NESF-Ellough Limited (the two SPVs for the Ellough site) and Macquarie Bank Limited, London Branch, and subject to certain conditions, Macquarie Bank Limited, London Branch have made available a Revolving Credit Facility of up to £31,500,000.

The use of the funds under the Revolving Credit Facility is restricted to specific purposes which include the acquisition of operational assets, the finance of construction, and the making of certain investments by the Company. Pursuant to the Revolving Credit Facility Agreement the minimum amount of each loan requested is £1,000,000. The maximum amount available for drawdown is the remaining available commitment under the facility.

The Revolving Credit Facility Agreement contains representations, warranties and default provisions usual for agreements of this nature, including a negative pledge. In addition, there are borrowing covenants which require operational assets to comply with specific criteria (in particular in relation to performance) and levels of gearing.

At the date of this document, there is no amount currently outstanding under the Revolving Credit Facility.

The Revolving Credit Facility is governed by the laws of England and Wales.

6.3 Receiving Agent's Agreement

The Company and the Receiving Agent entered into a Receiving Agent Agreement dated 7 November 2014, pursuant to which the Company appointed Capita Registrars Limited to act as receiving agent to each Offer to subscribe for New Shares under the Placing Programme, the terms and conditions of which are set out in the terms and conditions of the Offer for subscription in Appendix 1 of this document. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,000 (excluding VAT and disbursements) and a minimum aggregate processing fee in relation to the offer for subscription of £5,000 (excluding VAT and disbursements), as well as reasonable out-of-pocket expenses. The agreement contains certain standard indemnities from the Company in favour of the Receiving Agent. The Receiving Agent Agreement may be terminated by either the Company or the Receiving Agent giving to the other written notice if

(A) the other party commits a material breach of its obligations under the Receiving Agent Agreement which that party has failed to remedy within 14 days of receipt of a written notice requiring it to do so; or

(B) certain acts of insolvency occur in respect of the other party.

The Receiving Agent's liability under the Receiving Agent's Agreement is subject to a financial limit.

6.4 Asset Management Agreement with WiseEnergy

Pursuant to the Asset Management Agreement dated 15 May 2014 between WiseEnergy UK and the Company, WiseEnergy UK have been engaged by the Company to provide asset management services (on an exclusive basis) to the Company. WiseEnergy UK is a company which provides asset management services to parties that own and/or operate photovoltaic plants and systems and is a subsidiary of WiseEnergy, details of which are given in Part 3 of this document.

The Asset Management Agreement is a framework agreement whereby the Company will procure that its affiliates (in practice the project SPVs) enter into a specific asset management agreement with WiseEnergy UK substantially in the same form as provided in the schedule to the Asset Management Agreement. WiseEnergy UK agrees to enter into the specific asset management agreements no later than the date of the acquisition by the relevant affiliate of a solar photovoltaic system.

The project specific asset management agreement template as scheduled to the Asset Management Agreement provides that WiseEnergy UK is appointed by the relevant affiliate (project SPV) to provide asset management services with a view to ensuring the relevant affiliate provides efficient and long-term management of the photovoltaic plants and systems it owns. WiseEnergy UK is to be appointed on an exclusive basis, and the services provided include periodic site visits and periodic site reports.

The entry into of the Asset Management Agreement on 15 May 2014 constituted a ''smaller related party transaction'' under Listing Rule 11.1.10. The agreement was therefore subject to the disclosure requirements in relation to smaller related party transactions in force prior to 16 May 2014. In the context of the definition of a smaller related party transaction under the Listing Rules, it is expected that the aggregate value of the costs payable under the Asset Management Agreement for the initial portfolio of assets is not expected to materially exceed 0.25 per cent. of the Net Asset Value of the Company, and in any event will not exceed 5 per cent. of the Net Asset Value of the Company. Such costs will not exceed the threshold beyond which Shareholder approval would be required pursuant to the Listing Rules. Please refer to page 151 for further details.

6.5 Placing and Offer Agreement

Pursuant to the Placing and Offer Agreement dated 18 March 2014 between the Company, the Manager, the Investment Adviser, NextEnergy Capital SarL, the Directors, the Sponsor, SCC and Cantor, and subject to certain conditions, the Sponsor was appointed as sponsor in connection with the applications for admission and the issue of Ordinary Shares for the IPO. In addition, the Joint Bookrunners agreed on a several and not a joint or joint and several basis to use their respective reasonable endeavours to procure subscribers for the Ordinary Shares at the issue price (as set out in the IPO prospectus) pursuant to the placing of Ordinary Shares pursuant to the IPO. The IPO was not underwritten.

The obligations of the Company to issue the Ordinary Shares were typical for an agreement of this nature. These conditions included, among others: (i) admission to trading on the London Stock Exchange's main market for listed of securities of the Ordinary Shares becoming effective in accordance with the LSE Admission Standards and admission of the Ordinary Shares to listing on the premium segment of the Official List occurring not later by 8:00 a.m. on 3 April 2014 (or such later time and/or date as the Company, the Sponsor, and the Joint Bookrunners agreed, but in any event not later than 8:00 am on 30 April 2014); and (ii) the Placing and Offer Agreement not having been terminated in accordance with its terms.

In consideration for its services in relation to the placing of shares pursuant to the IPO and conditional upon completion of the placing of shares pursuant to the IPO, the Sponsor and the Financial Adviser were to be paid a corporate finance fee and the Joint Bookrunners were each to be paid a commission calculated by reference to the gross issue proceeds of the IPO.

The Company, the Investment Adviser, the Manager and NextEnergy Capital SarL gave warranties to the Sponsor and the Joint Bookrunners concerning, *inter alia*, the accuracy of the information contained in the IPO prospectus. The Directors gave certain warranties to the Sponsor and Joint Bookrunners as to the accuracy of certain information in the IPO prospectus and as to themselves. The Company, the Investment Adviser and the Manager

also gave indemnities to the Sponsor and the Joint Bookrunners. The warranties and indemnities given by the Company, the Investment Adviser, the Manager and the Directors were standard for an agreement of this nature.

The Placing and Offer Agreement could have been terminated by the Sponsor and Joint Bookrunners in certain customary circumstances prior to admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities.

The Placing and Offer Agreement is governed by the laws of England and Wales.

On 10 April 2014 the parties to the Placing and Offer Agreement entered into a deed of variation relating thereto, pursuant to which the minimum proceeds of the issue of Ordinary Shares pursuant to the IPO were reduced to £85 million, and the dates of 3 April 2014 and 30 April 2014 were replaced by the following dates of 25 April 2014 and 9 May 2014.

6.6 Lock-up Agreement

The Investment Adviser entered into a lock-up agreement dated 18 March 2014 with the Company and the Joint Bookrunners. Pursuant to the lock-up agreement the Investment Adviser covenanted with the Company and the Joint Bookrunners that it shall not, without the prior written consent of the Joint Bookrunners and the Company, effect a disposal of the Ordinary Shares acquired by it in the IPO before 12 months following the date of admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO, except in accordance with certain circumstances standard for a lock-up agreement, where the Investment Adviser has given notice to the Joint Bookrunners and the Company prior to the disposal.

Thereafter, for a period of six months, all sales of such Ordinary Shares by the Investment Adviser shall be made in consultation (in good faith and taking into account the reasonable requests of the Joint Bookrunners) with the Company and the Joint Bookrunners and with the intention of maintaining an orderly market.

The lock-up agreement could be terminated if admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO did not occur by 3 April 2014 (or such later date as the Company and the Joint Bookrunners may agree).

The lock-up agreement was governed by the laws of England and Wales.

On 10 April 2014, the lock-up agreement was terminated by virtue of a deed of termination relating thereto, on the basis that no member of the NEC Group was to subscribe for Ordinary Shares in the IPO.

6.7 Management Agreement

Pursuant to an agreement dated 18 March 2014 between the Company and the Manager, the Manager has been appointed as the sole discretionary investment manager of the Company, to the exclusion of any other person, to consider and approve potential investments for the Company (in accordance with the Company's investment objective and policy) and otherwise to manage and invest the Company's portfolio on a day-to-day and discretionary basis, subject to the overall control and supervision of the Board. The powers of the Manager in respect of the Company's investments are limited to investments (or potential investments) recommended to the Manager by the Investment Adviser. The Manager will also act as the AIFM of the Company.

The Manager is entitled to the management fee described in Part 3 of this Prospectus.

The Management Agreement is terminable by either the Manager or the Company giving to the other not less than 12 months' written notice, such notice not to be given before the fourth anniversary of admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO.

The Management Agreement may be terminated forthwith by a party, *inter alia*, if:

(A) certain events of insolvency occur in respect of the other party or the Investment Adviser;

(B) the Manager breaches any provision of the Management Agreement and such breach results in either trading of any class of Ordinary Shares or C Shares on the London Stock Exchange being suspended or terminated or results in the Company losing its exempt tax status for the purposes of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 or the Company becoming resident in the UK for tax purposes or any action taken or omitted to be taken by the Investment Adviser results in either trading of any class of Ordinary Shares or C Shares on the London Stock Exchange being suspended or terminated or results in the Company losing its exempt tax status for the purposes of the Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 or the Company becoming resident in the UK for tax purposes;

(C) the other party has committed any fraud, gross negligence, wilful default or material breach of its obligations under the Management Agreement and, if such breach is capable of remedy, fails to remedy such breach (to the reasonable satisfaction of the notifying party) within 45 days of receiving written notice requiring it so to do;

(D) the Investment Adviser ceases to provide investment advisory services to the Manager pursuant to the Investment Advisory Agreement;

(E) the Manager fails to obtain or ceases to hold any registration, filing, approval, authorisation, licence or consent necessary for the performance by the Manager of its duties under the Management Agreement; or

(F) either party is required so to do by a final, binding, non-appealable decision of any judicial or regulatory authority of competent jurisdiction.

In addition, the Company may terminate the Management Agreement if a Key Executive Event occurs in circumstances where replacement Key Executives reasonably satisfactory to the Board have not been appointed by the Manager or its Associates within 4 months from the occurrence of the said Key Executive Event. For these purposes, a ''Key Executive'' means each of Aldo Beolchini, Michael Bonte-Friedheim and Abid Kazim together with any replacement Key Executive appointed in accordance with the terms of the Management Agreement; and ''Key Executive Event'' means any two or more Key Executives ceasing to devote substantially the whole of their business time to the business of the Investment Adviser and/or its associates.

The Company may direct the termination by the Manager of the Investment Advisory Agreement, where certain ''for cause'' termination events have arisen in respect of the Investment Advisory Agreement.

Upon termination of the Management Agreement, the Manager has no further obligations with respect to the investments of the Company, provided that the Manager shall provide reasonable cooperation with respect to the migration of the Manager's functions and deliver (or procure delivery of) certain documents to the Company. These services on termination will generally be at the Company's expense, save in certain limited situations.

The Company has given certain standard indemnities in favour of the Manager and its associates and certain persons connected thereto in respect of certain losses and claims incurred by or asserted against them in connection with the exercise of the Manager's powers, or the performance of its obligations and duties under the Management Agreement.

The Management Agreement is governed by the laws of England and Wales.

6.8 Investment Advisory Agreement

Pursuant to an agreement dated 18 March 2014 between the Manager and the Investment Adviser, the Investment Adviser has been appointed to provide investment advice and recommendations to the Manager in connection with the Company's investments and the execution of its investment policy. The Investment Adviser will provide advice and recommendations to the Manager as to investment opportunities and in respect of acquisitions and disposals by the Company, as well as general investment strategy. The Investment Adviser does not have authority to make investment decisions on behalf of the Company but, will assist and advise in respect of the execution of investment decisions made by the Manager.

The Manager is responsible for the fees and expenses of the Investment Adviser, which are payable at a rate agreed between them from time to time.

The Investment Advisory Agreement is terminable by either the Investment Adviser or the Manager giving to the other not less than 12 months' written notice, such notice not to be given before the fourth anniversary of admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO.

The Investment Advisory Agreement may be terminated forthwith by a party, *inter alia*, if:

(A) certain events of insolvency occur in respect of either party;

(B) the other party has committed any fraud, gross negligence, wilful default or material breach of its obligations under the Investment Advisory Agreement and, if such breach is capable of remedy fails to remedy such breach (to the reasonable satisfaction of the notifying party) within 45 days of receiving notice requiring it so to do;

(C) the Investment Adviser fails to obtain or ceases to hold any registration, filing, approval, authorisation, licence or consent necessary for the performance by the Investment Adviser of its duties under the Investment Advisory Agreement;

(D) either party is required to do so by a final, binding, non-appealable decision of any relevant judicial or regulatory authority of competent jurisdiction; or

(E) the Management Agreement is terminated.

The Manager has given certain standard indemnities in favour of the Investment Adviser, its associates, and certain persons connected thereto in respect of certain losses or claims incurred by or asserted against them in connection with the exercise of the Investment Adviser's powers of the performance of its obligations and duties in carrying on its responsibilities under the Investment Advisory Agreement.

The Investment Advisory Agreement is governed by the laws of England and Wales.

6.9 Project Sourcing Agreement

The Company has entered into the Project Sourcing Agreement dated 18 March 2014 with the Developer. Pursuant to the Project Sourcing Agreement, the Developer agrees to use all reasonable endeavours to source and present to the Company large scale ground-mounted or building-integrated solar PV projects located within the United Kingdom, falling within the Company's investment objective and policy. The Developer has also agreed to offer all such suitable projects of which it has actual knowledge to the Company on a ''first offer'' basis. Under the Project Sourcing Agreement, the Developer has agreed to use all reasonable endeavours to source and introduce to the Company (by issuing ''First Offer Notices'', as defined in the Project Sourcing Agreement) after admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO suitable projects having, in aggregate, at least 150 MWp in installed capacity (assuming gross issue proceeds of £150 million and adjusted proportionately for gross issue proceeds greater or lesser than this amount) which are reasonably likely to be operational within four months of admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO.

The Developer shall not be entitled to receive any fees in respect of its services under the Project Sourcing Agreement, but will be entitled to reimbursement of expenses in certain circumstances as described under ''Project Costs'' in Part 3 of this Prospectus.

The Project Sourcing Agreement can be terminated by the Company on giving not less than three months' written notice to the Developer and by the Developer on not less than 12 months' written notice to the Company (such notice, in each case, not to expire before the fourth anniversary of admission of the Ordinary Shares to trading on the London Stock Exchange's main market for listed of securities pursuant to the IPO).

The Project Sourcing Agreement may be terminated forthwith by a party, *inter alia*, if:

(A) certain events of insolvency occur in respect of either party;

(B) the other party has committed any fraud, gross negligence or wilful default or a material breach of its obligations under the Project Sourcing Agreement and, if such breach is capable of remedy, fails to remedy such breach (to the reasonable satisfaction of the notifying party, within 45 days of receiving written notice requiring it so to do;

(C) the Developer fails to obtain or ceases to hold any registration, filing, approval, authorisation, licence or consent necessary for the performance by the Developer of its duties under the Project Sourcing Agreement;

(D) either party is required to terminate the Project Sourcing Agreement by a final, binding, non-appealable decision of any judicial or regulatory authority of competent jurisdiction; or

(E) the Management Agreement is terminated.

The Company has given certain standard indemnities in favour of the Developer and its associates and certain persons connected thereto in respect of certain losses or claims incurred by or asserted against them in connection with the exercise of the Developer's powers or the performance of the Developer's obligations and duties under the Project Sourcing Agreement.

The Project Sourcing Agreement is governed by the laws of England and Wales.

6.10 Administration Agreement

The Company and the Administrator have entered into an Administration Agreement dated 18 March 2014 pursuant to which the Company has appointed the Administrator to act as its administrator and company secretary.

Under the terms of the Administration Agreement, the Administrator is entitled to the fees and expenses described in Part 3 of this Prospectus.

The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration Agreement and there are certain limitations on the Administrator's liability to the Company for liabilities suffered by the Company arising as a result of or in the course of the provision by the Administrator of services pursuant to the Administration Agreement.

The Administration Agreement is terminable, *inter alia*, by either party;

(A) on 90 Business Days' notice in writing to the other party;

(B) forthwith by notice in writing if the other party shall go into liquidation, if a receiver of any of its assets is appointed or if it shall be insolvent or stop or threaten to stop carrying on business;

(C) forthwith by notice in writing if the other party shall be guilty of fraud, wilful misconduct, breach of duty or negligence in connection with the Administration Agreement; or

(D) forthwith by notice in writing should the other party commit any material breach of the Administration Agreement, any applicable law or rules or regulations of any regulatory authority, where such party has failed to remedy such breach within 30 Business Days of receipt of a written notice to do so.

The Administration Agreement is governed by the laws of the Island of Guernsey.

The Manager and the Administrator have also entered into an administration agreement pursuant to which the Manager has appointed the Administrator to act as its administrator and company secretary.

6.11 Registrar Agreement

The Company and the Registrar entered into a registrar agreement dated 18 March 2014, pursuant to which the Company appointed the Registrar to act as registrar of the Company.

The Registrar will be entitled to an annual basic registration fee from the Company of £9,450 per annum, which may be increased annually in line with RPI. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The Registrar Agreement may be terminated at the end of each 12 month period from the date of the agreement by either the Company or the Administrator giving to the other not less than three months' written notice. The Registrar Agreement is terminable, *inter alia*, by either party if:

(A) the parties fail to reach an agreement regarding an increase of fees, termination to be effected by service of three months' written notice;

(B) Either party commits a material breach of its obligations under the agreement which such party has failed to remedy within 45 days of receipt of a written notice to do so; or

(C) forthwith by notice in writing if the other party shall go into liquidation or if it shall be insolvent.

The Registrar Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liability under the Registrar Agreement is subject to a financial limit.

The Registrar Agreement is governed by the laws of the Island of Guernsey.

6.12 Receiving Agent's Agreement

The Company and the Receiving Agent entered into a receiving agent agreement dated 18 March 2014, pursuant to which the Company appointed Capita Asset Services to act as receiving agent to the offer for subscription pursuant to the IPO. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,000 (excluding VAT and disbursements) and a minimum aggregate processing fee in relation to the offer for subscription of £5,000 (excluding VAT and disbursements), as well as reasonable out-of-pocket expenses. The agreement contains certain standard indemnities from the Company in favour of the Receiving Agent. The Receiving Agent Agreement may be terminated by either the Company or the Receiving Agent giving to the other written notice if

(A) the other party commits a material breach of its obligations under the Receiving Agent Agreement which that party has failed to remedy within 14 days of receipt of a written notice requiring it to do so; or

(B) certain acts of insolvency occur in respect of the other party.

The Receiving Agent's liability under the Receiving Agent's Agreement is subject to a financial limit.

On 10 April 2014 the Company and the Investment Advisor entered into a deed pursuant to which the Investment Advisor agreed to assume and pay (or procure the payment by another member of the NEC Group) of the expenses of the issue of Ordinary Shares pursuant to the IPO.

7. Certain further information relating to the AIFM Directive

The Company intends to operate as an externally managed, non-EU AIF. The Manager will act as the single external non-EU AIFM of the Company.

7.1 Depositary

Investors should note that the Manager is not required to ensure, and has not ensured, that the Company and/or the Holdco have appointed a ''depositary'' for the purposes of the AIFM Directive.

7.2 Professional indemnity insurance

Investors should note that the Manager is not required to cover potential professional liability risks in accordance with the AIFM Directive. However, the Manager has agreed, pursuant to the Management Agreement, to maintain from Admission until the sixth anniversary of the date of termination of the Management Agreement, professional indemnity cover of not less than £5 million.

7.3 Delegation

As of the date of this Prospectus, the Manager has not delegated any of its investment management functions.

7.4 Valuations

The Company's valuation arrangements are described in Part 3 of the Prospectus.

7.5 Liquidity management

Liquidity risk management is part of the Manager's overall risk management process. Investors should note that the Manager is not required to implement liquidity management arrangements in accordance with AIFM Directive in respect of either the Company or Holdco.

7.6 Special arrangements

As at the date of this Prospectus, the Company and the Holdco have no assets that are subject to special arrangements arising from their illiquid nature.

7.7 Leverage

As at the date of this Prospectus, the Company is employing no leverage.

8. Litigation

There have not been in the last 12 months any governmental, legal or arbitration proceedings, nor are no governmental, legal or arbitration proceedings nor, so far as the Company is aware, are there any governmental, legal or arbitration proceedings pending or threatened which may have, or have since incorporation had, a significant effect on the Company's or the Group's financial position or profitability.

9. No significant change

Save as the acquisition of the assets at Condover, as set out in the table of operational assets on page 57, there have been no significant changes to the financial condition or trading position of the Company since 30 September 2014, being the date to which the Company's latest interim financial information has been prepared, up to the date of this document.

10. Takeover bids

In respect of the Company's enquiry, there have been no public takeover bids by third parties in the last financial year and the current financial year.

11. Related Party transactions

Except with respect to the Management Agreement, the Project Sourcing Agreement, the Asset Management Agreement (see below) and the appointment letters entered into between the Company and each Director (and as set out in paragraphs 3.8 and 3.9 of this Part 8 of this Prospectus), the Company has not entered into any related party transaction since incorporation.

The entry into of the Asset Management Agreement on 15 May 2014 constituted a ''smaller related party transaction'' under Listing Rule 11.1.10. The agreement was therefore subject to the disclosure requirements in relation to smaller related party transactions in force prior to 16 May 2014. Details of the arrangements will be included in the Company's annual accounts, details of the aggregate costs payable under the Asset Management Agreement and any other relevant details.

In the context of the definition of a smaller related party transaction under the Listing Rules, it is expected that the aggregate value of the costs payable under the Asset Management Agreement for the initial portfolio of assets is not expected to materially exceed 0.25 per cent. of the Net Asset Value of the Company, and in any event will not exceed 5 per cent. of the Net Asset Value of the Company. Such costs will not exceed the threshold beyond which Shareholder approval would be required pursuant to the Listing Rules.

Save as disclosed in Notes 13 and 14 of the historical financial information to 31 July 2014 set out in Part B of Part 7 of this document and Note 4 of the interim financial information to 30 September 2014 incorporated by reference into this document, the Company has not entered into any related party transactions in the period from incorporation to 30 September 2014 (which for these purposes are those set out in the standards adopted according to Regulation (EC) 1606/2002). For the period from 1 October 2014 to the date of this document the Company has not entered into any such related party transactions save for payment of the management fee under the Management Agreement.

12. General

12.1 The Placing Programme is being carried out on behalf of the Company by the Joint Bookrunners, each of which is authorised and regulated in the UK by the Financial Conduct Authority.

12.2 The Manager and the Investment Adviser may be promoters of the Company. Save as disclosed in Part 3 of this Prospectus and in paragraph 6 above, no amount or benefit has been paid, or given, to any promoter (or any of their respective subsidiaries) since the incorporation of the Company and none is intended to be paid, or given.

12.3 With the prior approval of the Board, the Manager has agreed with any Cornerstone Shareholder that the Manager will, for such time as the reported NAV exceeds £300 million, pay to such Cornerstone Shareholder a specified proportion of the Manager's Fee paid by the Company to the Manager during the period that the reported NAV remains above such level. The amount of such payment shall be a proportion of that part of the Manager's Fee indirectly attributable to the NAV per Ordinary Share of the Ordinary Shares held by such Cornerstone Shareholder. These arrangements shall be subject to the Cornerstone Shareholder agreeing, in the event that there are further issues of shares following Admission but before the reported NAV first exceeds £300 million, to subscribe for at least 25 per cent. of the shares to be issued pursuant to such further issue(s) and may also be subject to other conditions.

12.4 The address of the Manager is 1 Royal Plaza, Royal Avenue, St Peter Port, Guernsey, GY1 2HL and its telephone number is 01481 713843.

12.5 The Placing Programme will represent a significant gross change to the Company. At the date of this Prospectus and until Admission pursuant to the Initial Placing, the net assets of the Company are £88,272,968. Under the Placing Programme, on the basis that all of the 250 million New Shares are to be issued, the net assets of the Company would increase by approximately £258.17 million by the conclusion of the Placing Programme (assuming the expenses of the Placing Programme do not exceed 2 per cent. of Gross Issue Proceeds and the Placing Programme subscribed in full at 105.375 pence being the latest mid-market price prior to publication of this Prospectus. The Net Issue Proceeds will be invested in accordance with the Company's investment policy and pending investment will be held on deposit or invested in near cash instruments and consequently it is expected that the Company will derive earnings from its gross assets in the form of dividends and interest.

12.6 None of the New Shares available under the Placing Programme are being underwritten.

12.7 CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles of the Company permit the holding of the New Shares under the CREST system. The Directors intend to apply for the New Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the New Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrar.

12.8 Applications will be made to each of the Financial Conduct Authority and the London Stock Exchange respectively for all of the New Ordinary Shares to be issued pursuant to the Placing Programme to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities respectively. Applications will be made for the C Shares to be admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective, and that dealings in the New Shares will commence on one or more dates between 10 November 2014 and 9 November 2015. With respect to the Initial Placing and the initial allotment of New Shares under the Offer, it is expected that Admission will become effective and that dealings in New Shares will commence at 8.00 a.m. on 19 November 2014.

12.9 The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 1.1 of this Part 8 of this Prospectus and that since the incorporation and registration of the Company, the Company has acquired and invested in solar PV projects and has not prepared any financial statements or accounts, save for those set out in Part 7 of this Prospectus.

12.10 The Company does not own any premises and does not lease any premises.

13. Third party sources

13.1 Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13.2 The Manager and the Investment Adviser have each given and not withdrawn their written consent to the issue of this Prospectus with references to their respective names in the form and context in which such references appear. Each of the Manager and the Investment Adviser accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

14. Working capital

The Company is of the opinion that, the working capital available to it is sufficient for the Company's present requirements, that is, for at least the next 12 months from the publication date of this Prospectus.

15. Documents incorporated by reference

The following document is incorporated into this document by reference:

Interim financial information for the Company for the period from incorporation to 30 September 2014

Reference document	*Information incorporated by reference into the Prospectus*	*Page number in reference document*
Interim Financial information	Principal activities	2
Interim Financial information	Breakdown of revenue	14
Interim Financial information	Financial condition	19-21
Interim Financial information	Operating results	18
Interim Financial information	Investments	27-28
Interim Financial information	Capital resources	28
Interim Financial information	Risk management	29

16. Capitalisation and indebtedness

The following table shows the Company's gross indebtedness as at 30 September 2014 prepared under the IFRS using policies which are consistent with those used in preparing the Company's historical financial information set out in Section B of Part 7.

	(unaudited) **£**
Total current debt	
Guaranteed/secured	—
Unguaranteed/unsecured	—
Total non-current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—

The following table shows the capitalisation of the Company as at 30 September 2014, prepared under the IFRS using policies which are inconsistent with those used in preparing the Company's historical financial information set out in Section B of Part 7:

	(unaudited) *(£)*
Shareholders' equity (excluding retained earnings)	
Share capital	85,600,001
Total	85,600,001

The following table shows the Company's net receivables as at 30 September 2014 prepared under IFRS using policies which are consistent with those used in preparing the Company's historical financial information set out in Section B of Part 7.

	(unaudited) *(£)*
Cash	32,552,859
Cash Equivalent	—
Trading Securities	—
Liquidity	32,552,859
Current financial receivables	—
Current Bank Debt	—
Current proportion of non-current debt	—
Other current financial debt	
Current financial debt	—
Net current financial receivables	32,552,859
Non-current bank loans	—
Bonds issued	—
Other non-current loans	—
Non-current financial indebtedness	—
Net financial receivables	32,552,859

The Company has no indirect or contingent indebtedness as at 30 September 2014.

NextEnergy Solar Holding Limited, an entity incorporated in the United Kingdom and 100% owned by the Company and which is not consolidated in accordance with IFRS 10 – Consolidated Financial Statements, had gross indebtedness of nil as at 30 September 2014 in relation to the Revolving Credit Facility.

17. Mandatory bids, squeeze out and sell out rights relating to the Shares

17.1 The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Shares were to increase the aggregate holding of the acquirer and its concert parties to Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel, to make a cash offer for the outstanding Shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Shares by a person holding (together with its concert parties) Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.

17.2 Shares may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of the Companies Law, or in the event of a scheme of arrangement under Part VIII of the Companies Law.

17.3 In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (in this paragraph, the "Takeover Offer") relating to the acquisition of the Shares and make the Takeover Offer to some or all of the Shareholders. If, at the end of a four month period following the making of the Takeover Offer, the Takeover Offer has been accepted by Shareholders holding 90 per cent. in value of the Shares affected by the Takeover Offer, the purchaser has a further two

months during which it can give a notice (in this paragraph, a ''Notice to Acquire'') to any Shareholder to whom the Takeover Offer was made but who has not accepted the Takeover Offer (in this paragraph, the ''Dissenting Shareholders'') explaining the purchaser's intention to acquire their Shares on the same terms. The Dissenting Shareholders have a period of one month from the Notice to Acquire in which to apply to the Royal Court of Guernsey (in this paragraph 17 onwards the ''Court'') for the cancellation of the Notice to Acquire. Unless, prior to the end of that one month period the Court has cancelled the Notice to Acquire or granted an order preventing the purchaser from enforcing the Notice to Acquire, the purchaser may acquire the Shares belonging to the Dissenting Shareholders by paying the consideration payable under the Takeover Offer to the Company, which it will hold on trust for the Dissenting Shareholders.

17.4 A scheme of arrangement is a proposal made to the Court by the Company in order to effect an ''arrangement'' or reconstruction, which may include a corporate takeover in which the Shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75 per cent. (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the Court and subject to the approval of the Court. If approved, the scheme of arrangement is binding on all Shareholders.

17.5 In addition, the Companies Law permits the Company to effect an amalgamation, in which the Company amalgamates with another company to form one combined entity. The Shares would then be shares in the capital of the combined entity.

18. AIFM Directive

Under the AIFM Directive, certain conditions must be met to permit the marketing of shares in AIFs to prospective and existing investors in the EU, including that prescribed disclosures are made to such investors. Transitional provisions will apply in some EU member states. Certain provisions of the AIFM Directive still require the establishment of guidelines, and the AIFM Directive is still being implemented in many EU member states. It is also possible that interpretation of the AIFM Directive may vary among the EU member states. It is therefore difficult to predict the full impact of the AIFM Directive on the Company, the Manager and the Investment Adviser and the effect on the Company, the Manager and the Investment Adviser may vary over time. The AIFM Directive may result in requirements to make certain reports and disclosures to regulators of EU member states and of members of the EEA in which ordinary shares in the Company are marketed. Such reports and disclosures may become publicly available.

The Company operates as an externally managed non-EU AIF for the purposes of the AIFM Directive and as such neither it nor the Investment Adviser will be required to seek authorisation under the AIFM Directive. However, following national transposition of the AIFM Directive in a given EU member state, the marketing of shares in AIFs that are established outside the EU (such as the Company) to investors in that EU member state is prohibited unless certain conditions are met. Certain of these conditions are outside the Company's control as they are dependent on the regulators of the relevant third country (in this case Guernsey) and the relevant EU member state entering into regulatory co-operation agreements with one another.

The Company cannot guarantee that such conditions will be satisfied. In cases where the conditions are not satisfied, the ability of the Company to market Shares or raise further equity capital in the EU may be limited or removed. Any regulatory changes arising from implementation of the AIFM Directive (or otherwise) that limit the Company's ability to market future issues of its Shares may materially adversely affect the Company's ability to carry out its investment policy successfully and to achieve its investment objective, which in turn may adversely affect the Company's business, financial condition, results of operations, NAV and/or the market price of the Shares.

19. Non-Mainstream Pooled Investments

The Board notes the changes to the FCA rules relating to the restrictions on the retail distribution of unregulated collective investment schemes and close substitutes which came into effect on 1 January 2014. The Board confirms that it conducts the Company's affairs, and intends to continue to conduct the Company's affairs, such that the Company would qualify for approval as an investment trust if it were resident in the United Kingdom. It is the Board's intention that the Company will continue to conduct its affairs in such a manner (although no guarantee can be

given that this will be achieved or will continue) and that IFAs should therefore be able to recommend its Shares to ordinary retail investors in accordance with the FCA's rules relating to non-mainstream investment products. It should be noted that, as investment trust status requires (*inter alia*) that the Company retain no more than 15 per cent. of its income (as established in accordance with the requirements of the relevant UK tax regime), the Company may be obliged to distribute cash otherwise available for reinvestment.

20. Documents available for inspection

Copies of the Articles will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of Admission.

PART 9

NOTICES TO OVERSEAS INVESTORS

If you receive a copy of this Prospectus in any territory other than the UK you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the UK and wishing to make an application for New Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the UK.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this Prospectus is received are required to inform themselves about and to observe such restrictions.

None of the New Shares have been or will be registered under the laws of Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the United States, Australia, Canada, Japan or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the New Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, the Republic of South Africa or the United States or to any US Person (as the case may be). If you subscribe for New Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Australia, Canada, Japan, the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States, Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such New Shares for the account of any US Person or resident of Australia, Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the New Shares in or into the United States, Australia, Canada, Japan, the Republic of South Africa or to any US Person or resident in Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in the United States, Australia, Canada, Japan or the Republic of South Africa.

This Prospectus may not be published, distributed or transmitted by any means or media, directly or indirectly, in whole or in part, in or into the United States, Australia, Canada, Japan or the Republic of South Africa.

Any persons (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to, or may have a contractual or other legal obligation to forward this Prospectus or any accompanying documents in or into the United States, Australia, Canada, Japan, the Republic of South Africa or any other jurisdiction outside the UK should seek appropriate advice before taking any action.

For the attention of United States Residents

The New Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. The New Shares have not been approved or disapproved by the US Securities and Exchange Commission ("SEC"), any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of New Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the New Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for New Shares will be

required to certify that they are not US Persons and are not subscribing for New Shares on behalf of US Persons. Any person in the United States who obtains a copy of this Prospectus is requested to disregard it.

Notice to prospective investors in the European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive other than the UK (each, a ''Relevant Member State''), an offer to the public of the New Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This Prospectus has not been passported into any Relevant Member State; therefore, an offer of the New Shares to the public in a Relevant Member State may only be made pursuant to the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than ''qualified investors'' as defined in the Prospectus Directive) in such Relevant Member State, subject to obtaining the prior consent of the Sponsor for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of New Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. Each person who initially acquires New Shares pursuant to the Placing Programme or to whom any offer of New Shares is made under the Placing Programme will be deemed to have represented, warranted and agreed with the Sponsor and the Company that it is a ''qualified investor'' within the meaning of the law of the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer to the public'' in relation to any offer of shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression ''Prospectus Directive'' means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any implementing measure in each Relevant Member State and the expression ''2010 PD Amending Directive'' means Directive 2010/73/EU.

In the case of any New Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the New Shares acquired by it under the Placing Programme have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any New Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of the Sponsor has been obtained to each such proposed offer or resale. The Company, the Sponsor and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Sponsor of such fact in writing may, with the consent of the Sponsor, be permitted to subscribe for or purchase New Shares pursuant to the Placing Programme.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of New Shares or an invitation to purchase or subscribe for any New Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful or would impose any unfilled registration, qualification, publication or approval requirements or any undue burden on the Company, the Sponsor or the Investment Adviser.

Marketing in Switzerland

The Fund may be marketed to up to 20 Swiss-based unregulated qualified investors.

PART 10

TERMS AND CONDITIONS OF THE PLACINGS

1. Introduction

Each Placee which confirms its agreement to Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, to subscribe for New Shares under the Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a "Placing Letter").

2. Agreement to Subscribe for New Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to the date specified in relation to an Issue (or such later time and/or date, not being later than 9 November 2015, as the Company, Cantor Fitzgerald and/or SCS and/or Macquarie may agree); (ii) the Placing Programme Agreement becoming otherwise unconditional in all respects, (save for any conditions relating to Admission) and not having been terminated on or before the date specified in relation to an Issue (or such later time and/or date, not being later than 9 November 2015 as the Company and Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, may agree); and (iii) Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, confirming to the Placees their allocation of New Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Shares allocated to it by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

Subject to complying with the public hands test set out in Listing Rule 6.1.19(4)R, there are no minimum gross proceeds required for Placings pursuant to the Placing Programme. Applications for New Shares under the Placing Programme must be for a minimum subscription amount of £50,000. There is no maximum subscription, unless notified to investors. The Joint Bookrunners (in consultation with the Directors) may in their absolute discretion waive the minimum application amounts in respect of any particular application for New Shares under the Placing Programme.

Fractions of New Shares will not be issued.

Should a Placing be aborted or fail to complete for any reason, monies received will be returned without interest at the risk of the applicant.

3. Payment for New Shares

Each Placee undertakes to pay the Issue Price for the New Shares issued to the Placee in the manner and by the time directed by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable. In the event of any failure by any Placee to pay as so directed and/or by the time required by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the relevant Placee's application may be rejected, and at the election of Cantor Fitzgerald and/or SCS and/or Macquarie the relevant Placee shall be deemed hereby to have appointed Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or any nominee of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the New Shares in respect of which payment shall not have been made as directed, and to indemnify Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such New Shares shall not release the relevant Placee from the obligation to make such payment for relevant New Shares to the extent that Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or its nominee has failed to sell such New Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is agreed to or exceeds the applicable Issue Price per Share.

4. Representations and Warranties

By agreeing to subscribe for New Shares, each Placee which enters into a commitment to subscribe for New Shares will (for itself and for any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Manager, the Investment Adviser, the Administrator, the Registrar, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, that:

4.1 in agreeing to subscribe for New Shares under the Placing Programme, it is relying solely on this Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the New Shares or the Placing Programme. It agrees that none of the Company, the Manager, the Investment Adviser, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Administrator or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;

4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Shares under the Placing Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Manager, the Investment Adviser, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Administrator or the Registrar or the any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Placing Programme;

4.3 it has carefully read and understands this Prospectus in its entirety and acknowledges that it is acquiring New Shares on the terms and subject to the conditions set out in this Part 10 and the Articles as in force at the date of Admission;

4.4 it has not relied on Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or any person affiliated with Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, in connection with any investigation of the accuracy of any information contained in this Prospectus;

4.5 it acknowledges that none of Cantor Fitzgerald and/or SCS and/or Macquarie nor any person acting on their behalf, nor any of their affiliates, has provided it with any material or information regarding the Company or the New Shares and the content of this Prospectus is exclusively the responsibility of the Company and its Directors and neither Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in this Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Placing Programme based on any information, representation or statement contained in this Prospectus or otherwise;

4.6 it acknowledges that no person is authorised in connection with the Placing Programme to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Company, the Manager, the Investment Adviser, the Administrator or the Registrar;

4.7 it is not applying as, nor is it 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 section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;

4.8 it will acquire New Shares for its own account or for more accounts as to each of which it exercises sole investment discretion and it has full power to make the acknowledgements, representations, warranties and agreements herein on behalf of each such account.

4.9 it accepts that none of the New Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;

4.10 if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the New Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;

4.11 if it is a resident in the EEA (other than the United Kingdom), it is (a) a ''qualified investor'' within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive and (b) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the New Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation in that Relevant Member State;

4.12 in the case of any New Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; (i) the New Shares acquired by it in the Placing Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;

4.13 if it is outside the United Kingdom, neither this Prospectus nor any other offering, marketing or other material in connection with the Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Shares pursuant to the Placing Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

4.14 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;

4.15 if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for New Shares under the Placing Programme and will not be any such person on the date any such Placing Programme is accepted;

4.16 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other offering materials concerning the Placing Programme or the New Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;

4.17 it acknowledges that none of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, nor any of their respective affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing Programme or providing any advice in relation to the Placing Programme and participation in the Placing Programme is on the basis that it is not and will not be a client of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and that Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing Programme nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;

4.18 that, save in the event of fraud on the part of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, none of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of Cantor Fitzgerald's and/or SCS' and/or Macquarie's role as sponsor, broker and financial adviser or otherwise in connection with the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;

4.19 it acknowledges that where it is subscribing for New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the New Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing Programme in the form provided by the Company and/or Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable. It agrees that the provision of this paragraph shall survive any resale of the New Shares by or on behalf of any such account;

4.20 it irrevocably appoints any Director of the Company and any director of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Shares for which it has given a commitment under the Placing Programme, in the event of its own failure to do so;

4.21 it accepts that if the Placing Programme does not proceed or the conditions to the Placing Programme under the Placing Programme Agreement are not satisfied or the New Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or the Company, the Manager or the Investment Adviser nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;

4.22 in connection with its participation in the Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("Money Laundering Legislation") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;

4.23 it acknowledges that due to anti-money laundering requirements, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;

4.24 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for New Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);

4.25 that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;

4.26 it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the ''Data Protection Law'') and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the ''Purposes''), being to:

(A) process its personal data (including sensitive personal data) as required by or in connection with its holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;

(B) communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Shares;

(C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of New Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;

(D) without limitation, provide such personal data to the Company, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and

(E) process its personal data for the Administrator's internal administration.

4.27 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.25 above). For the purposes of this Prospectus, ''data subject'', ''personal data'' and ''sensitive personal data'' shall have the meanings attributed to them in the Data Protection Law;

4.28 Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company are entitled to exercise any of their rights under the Placing Programme Agreement or any other right in their absolute discretion without any liability whatsoever to them;

4.29 the representations, undertakings and warranties contained in this Part 10 are irrevocable. It acknowledges that Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Shares are no longer accurate, it shall promptly notify Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company;

4.30 where it or any person acting on behalf of it is dealing with Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, any money held in an account with Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, to segregate such money, as that money will be held by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, under a banking relationship and not as trustee;

4.31 any of its clients, whether or not identified to Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, will remain its sole responsibility and will not become clients of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;

4.32 it accepts that the allocation of New Shares shall be determined by Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company in their absolute discretion and that such persons may scale down any Placing Programme commitments for this purpose on such basis as they may determine;

4.33 time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations under the Placing Programme;

4.34 it authorises Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, to deduct from the total amount subscribed under the Placing Programme the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of New Shares allocated under the Placing Programme.

5. United States Purchase and Transfer Restrictions

By participating in the Placing Programme, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment, the Manager, the Investment Adviser, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, that:

5.1 it is not a US Person, is not located within the United States, is acquiring the New Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the New Shares for the account or benefit of a US Person;

5.2 it acknowledges that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;

5.3 it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;

5.4 unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the New Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a ''plan'' as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the New Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

5.5 that if any New Shares offered and sold pursuant to Regulation S are issued in Certificated Form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

''NEXTENERGY SOLAR FUND LIMITED (THE ''COMPANY'') HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE ''INVESTMENT COMPANY ACT''). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE ''SECURITIES ACT''), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY

STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.''

5.6 if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;

5.7 it is purchasing the New Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the New Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;

5.8 it acknowledges that the Company reserves the right to make inquiries of any holder of the New Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such New Shares or interests in accordance with the Articles;

5.9 it acknowledges and understands the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;

5.10 it is entitled to acquire the New Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the New Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Manager, the Investment Adviser, Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Placing Programme or its acceptance of participation in the Placing Programme;

5.11 it has received, carefully read and understands this Prospectus, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the New Shares to or within the United States or to any US Persons, nor will it do any of the foregoing; and

5.12 if it is acquiring any New Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

6. Supply and Disclosure of Information

If Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for New Shares under the Placing Programme, such Placee must promptly disclose it to them.

7. Miscellaneous

The rights and remedies of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Manager, the Registrar, the Investment Adviser, the Administrator and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the New Shares, which the Placee has agreed to subscribe for pursuant to the Placing Programme, have been acquired by the Placee. The contract to subscribe for New Shares under the Placing Programme and the appointments and authorities mentioned in this Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, the Company, the Manager, the Investment Adviser, the Administrator and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives 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. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for New Shares under the Placing Programme, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

Cantor Fitzgerald and/or SCS and/or Macquarie, as applicable, and the Company expressly reserve the right to modify the Placing Programme (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Placing Programme is subject to the satisfaction of the conditions contained in the Placing Programme Agreement and to the Placing Programme Agreement not having been terminated. Further details of the terms of the Placing Programme Agreement are contained in Part 8 of this Prospectus.

PART 11

TERMS AND CONDITIONS OF THE OFFER

1. Introduction

If you apply for any New Shares under the Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

The Offer will remain open from 10 November 2014 to 9 November 2015, or such earlier Closing Date as the Company may determine and announce through a Regulatory Information Service.

The first closing under the Offer is expected to take place at 1.00 pm on 12 November 2014, and Admission of those New Ordinary Shares is expected to occur on or prior to 19 November 2014. Thereafter, the Directors retain the right to allot New Ordinary Shares at anytime whilst the Offer remains open. In relation to each such closing and allotment the Company will announce:

- the number of New Ordinary Shares allotted;
- the closing date and dates of allotment and Admission; and
- the applicable Issue Price (calculated in accordance with the Pricing Formula).

2. Offer to acquire New Shares

Your application must be made on the Application Form attached at the end of this Prospectus or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

2.1 offer to subscribe for such number of New Ordinary Shares at the Issue Price as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000) and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Articles and of any announcement made by the Company in relation to any Issue;

2.2 agree that, in consideration of the Company agreeing that it will not, prior to the Closing Date of the Offer, offer for subscription any New Shares to any person other than by means of the procedures referred to in this Prospectus, your application may not be revoked (save for any statutory withdrawal rights) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;

2.3 undertake to pay the amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the New Shares applied for in certificated form or be entitled to commence dealing in the New Shares applied for in Uncertificated Form or to enjoy or receive any rights in respect of such New Shares unless and until you make payment in cleared funds for such New Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the New Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);

2.4 agree that where on your Application Form a request is made for New Shares to be deposited into a CREST Account: (i) the Receiving Agent acting on behalf of the Company may in its absolute discretion amend the form so that such New Shares may be issued in Certificated Form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent or the Company may authorise

your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of the number of New Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your application form;

2.5 agree, in respect of applications for New Shares in Certificated Form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.4 above to issue New Shares in Certificated Form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.4 above (and any monies returnable to you) may be retained by the Receiving Agent:

(A) pending clearance of your remittance;

(B) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application; or

(C) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purposes of the Guernsey AML Requirements; and

(D) and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;

2.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;

2.7 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company or the Receiving Agent may terminate the agreement with you to allot Shares and, in such case, the Shares which would otherwise have been allotted to you may be reallotted or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;

2.8 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;

2.9 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;

2.10 undertake to pay interest at the rate described in paragraph 2.19 below if the remittance accompanying your Application Form is not honoured on first presentation;

2.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of New Shares for which your application is accepted or if you have completed Box 7 on your Application Form, but subject to paragraph 2.4 above, to deliver the number of New Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;

2.12 confirm that you have read and complied with paragraph 8 of this Part 11;

2.13 agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of "**Capita Registrars Limited A/C NextEnergy Solar Fund Limited**" opened with the Receiving Agent;

2.14 acknowledge and agree that information provided by you to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. You acknowledge and agree that for the purposes of the DP Law and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the Purposes), being to:

(A) process your personal data (including sensitive personal data) as required by or in connection with your holding of Shares, including processing personal data in connection with credit and money laundering checks on you;

(B) communicate with you as necessary in connection with your affairs and generally in connection with your holding of Shares;

(C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with your affairs and generally in connection with your holding of Shares or as the DP Law may require, including to third parties outside the Bailiwick of Guernsey or the EEA;

(D) without limitation, provide such personal data to the Company, the Sponsor or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the EEA; and

(E) process your personal data for the Administrator's internal administration;

2.15 agree that your Application Form is addressed to the Company and the Receiving Agent.

2.16 Any application may be rejected in whole or in part at the sole discretion of the Company.

2.17 Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.

2.18 Fractions of Shares will not be issued.

3. Acceptance of your Offer

3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to the Receiving Agent.

3.2 The basis of allocation will be determined by the Joint Bookrunners in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.

3.3 The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.

3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription of £1,000.

4. Conditions

4.1 The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:

(A) Admission occurring by not later than 8.00 a.m. on the Closing Date; and

(B) the Placing Programme Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before the Admission becomes effective.

4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5. Return of Application Monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6. Warranties

By completing an Application Form, you:

6.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;

6.2 warrant that you are a resident of, and are located for the purposes of the Offer in the United Kingdom and no other jurisdiction;

6.3 warrant that you are not a US Person, you are not located within the United States, you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and are not acquiring the Shares for the account or benefit of a US Person;

6.4 acknowledge that Shares are not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey and offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;

6.5 warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Sponsor or the Receiving Agent, or any of their respective officers, agents, employees or affiliates, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer in respect of your application;

6.6 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or any part thereof shall have any liability for any such other information or representation;

6.7 agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations contained therein;

6.8 acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Sponsor or the Receiving Agent;

6.9 warrant that you are not under the age of 18 on the date of your application;

6.10 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;

6.11 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part 11 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;

6.12 agree that, in respect of those New Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;

6.13 agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer (including any non-contractual obligations arising under or in connection therewith) shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

6.14 irrevocably authorise the Company, or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and to execute any documents required therefore and to enter your name on the register of members of the Company;

6.15 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;

6.16 agree that the Receiving Agent is acting for the Company in connection with the Offer and for no-one else and that they will NOT treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for providing the protections afforded to their customers;

6.17 no portion of the assets used to purchase, and no portion of the assets used to hold, the Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an ''employee benefit plan'' as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a ''plan'' as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

6.18 warrant that you are not subscribing for the New Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Shares; and

6.19 warrant that the information contained in your Application Form is true and accurate.

7. Money Laundering

7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.

7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

7.3 Payments must be made by cheque or banker's draft in sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to **Capita Registrars Limited A/C NextEnergy Solar Fund Limited and crossed ''A/C payee''. Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft by following the instructions.**

7.4 The name on the bank account must be the same as that stated on the Application Form.

7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.

7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.

7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.

7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

8. Overseas Investors

The attention of investors who are not resident in, or who are not citizens of the United Kingdom is drawn to paragraphs 8.1 to 8.6 below:

8.1 The offer of Shares under the Offer is only being made in the UK. Persons who are resident in, or citizens of, countries other than the United Kingdom (Overseas Investors) who wish to subscribe for Shares under the Offer may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Offer. It is the responsibility of all Overseas Investors receiving this Prospectus and/or wishing to subscribe for the Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.

8.2 No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.

8.3 The Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.

8.4 None of the Shares have been or will be registered under the laws of Australia, Canada, Japan or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the United States, Australia, Canada, Japan or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, the Republic of South Africa or the United States (as the case may be). If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Australia, Canada, Japan or the Republic of South Africa or a

corporation, partnership or other entity organised under the laws of the United States, Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such Shares for the account of any US Person or resident of Australia, Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Australia, Canada, Japan or the Republic of South Africa or to any US Person or resident in Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in the United States, Australia, Canada, Japan or the Republic of South Africa.

8.5 Persons (including, without limitation, nominees and trustees) receiving this prospectus should not distribute or send it to any US person or in or into the United States, Canada, Australia, Japan and South Africa or their respective territories of possessions or any other jurisdictions where to do so would or might contravene local securities laws or regulations.

8.6 The Company reserves the right to treat as invalid any agreement to subscribe for New Ordinary Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. The Data Protection (Bailiwick of Guernsey) Law 2001

9.1 Pursuant to the DP Law, the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.

9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties; and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

9.3 The countries referred to above include, but need not be limited to, those in the EEA or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.

9.4 By becoming registered as a holder of Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

10. Miscellaneous

10.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Offer.

10.2 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.

10.3 The Company reserves the right to shorten the closing time of the Offer from the date announced as being the closing time for the Offer by giving notice to the London Stock Exchange. The Company will notify investors via an RIS and any other manner, having regard to the requirements of the London Stock Exchange.

10.4 The Company may terminate the Offer in its absolute discretion at any time prior to the Closing Date. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.

10.5 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Placing Programme Agreement (as the same may be altered from time to time in accordance with its terms).

10.6 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used elsewhere in this Prospectus.

"Administration Agreement"	the administration agreement between the Company and the Administrator, a summary of which is set out in Part 8 of this Prospectus
"Administrator"	Ipes (Guernsey) Limited
"Admission"	in respect of any Issue, admission to trading on the London Stock Exchange's main market for listed securities of the New Shares becoming effective in accordance with the LSE Admission Standards, and admission of the New Ordinary Shares and the C Shares to listing on the premium segment and standard segment of the Official List respectively
"Aggregate Group Debt"	the debt incurred by the Group and the Group's proportionate share of the outstanding third party borrowings of non-subsidiary companies in which the Group holds an interest
"AIC"	the Association of Investment Companies
"AIC Code"	the AIC Code of Corporate Governance as modified for Guernsey domiciled member companies, and including commentary on the interaction with the GFSC Code
"AIF"	an Alternative Investment Fund, as defined in the AIFM Directive
"AIFM"	an Alternative Investment Fund Manager, as defined in the AIFM Directive
"AIFM Directive"	Directive 2011/61/EU of the European Parliament and the Council of the European Union on alternative investment fund managers and any implementing legislation or regulations thereunder
"Articles"	the articles of incorporation of the Company, as amended
"Asset Management Agreement"	the Asset Management Agreement between the Company and WiseEnergy UK, a summary of which is set out in Part 8 of this Prospectus
"Auditors"	PricewaterhouseCoopers CI LLP
"Board"	the board of directors of the Company
"Brown Power"	sale of electricity to energy consumers and suppliers
"Business Day"	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
"C Shares"	redeemable ordinary shares of no par value in the capital of the Company issued as "C Shares" and having the rights and being subject to the restrictions set out in the Articles, which will convert into Ordinary Shares as set out in the Articles
"Capita Asset Services"	a trading name of Capita Registrars Limited
"Cantor Fitzgerald"	Cantor Fitzgerald Europe, financial adviser and joint lead bookrunner
"Certificated" or "Certificated Form"	not in Uncertificated Form
"CfD"	Contracts for Differences for FITS
"CCA"	Climate Change Act, 2008
"Climate Change Levy" or "CCL"	the tax imposed by the UK Government to encourage reduction in gas emissions and greater efficiency of energy used for business or non-domestic purposes
"Closing Date"	in relation to the Offer carried out by the Company, 9 November 2015 (as such earlier dates the Company may determine and announce through a Regulatory Information Service being the last date on which completed Application Forms received at the

	address set out on the Application Form attached at the Appendix to this Prospectus will be deemed validly received
"Commission" or "GFSC"	the Guernsey Financial Services Commission
"Companies Law"	the Companies (Guernsey) Law, 2008, as amended
"Company"	NextEnergy Solar Fund Limited
"Cornerstone Shareholder"	a Shareholder who agreed to subscribe, in the IPO, in aggregate, for not less than 25 per cent. in number of all of the Shares issued at the time of the IPO
"CREST"	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the UK
"CREST Manual"	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
"CREST Regulations"	the Uncertificated Securities (Guernsey) Regulations 2009 and the CREST Requirements
"CREST Requirements"	such rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual
"DECC"	the Department of Energy and Climate Change
"Developer"	NextPower Development Limited
"Directors"	the directors of the Company
"Disclosure and Transparency Rules"	the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA
"Discontinuation Resolution"	has the meaning given in the section headed "Discontinuation Vote" in Part 1 of this Prospectus as to the discontinuation of the Company as currently constituted
"DP Law"	the Data Protection (Bailiwick of Guernsey) Law 2001
"EEA"	the European Economic Area
"EMR"	Electricity Market Reform
"EPC"	Energy Procurement and Construction
"ERISA"	the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
"EU"	the European Union
"Euroclear"	Euroclear UK & Ireland Limited
"Exchange Act"	the US Securities Exchange Act of 1934, as amended
"Excluded Territory"	the United States of America, Canada, Australia, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of the Placing Programme would breach any applicable law
"FATCA"	the U.S. Foreign Account Tax Compliance Act of 2010 and any regulations made thereunder or associated therewith
"Financial Conduct Authority" or "FCA"	the Financial Conduct Authority of the UK and, where applicable, acting as the competent authority for listing in the UK
"FIT"	feed-in tariff
"FSMA"	the UK Financial Services and Markets Act 2000, as amended

''GFSC Code''	the Corporate Governance Code issued by the GFSC
''GHG''	greenhouse gas emissions
''Government Response''	the Government Response to 'consultation on changes to financial support for solar PV', dated 2 October 2014
''GW''	gigawatt equal to one billions watts, a measure of power
''Gross Asset Value''	the aggregate of: (i) the fair value of the Group's underlying investments (whether or not subsidiaries) valued on an unlevered, discounted cashflow basis as described in the International Private Equity and Venture Capital Valuation Guidelines (latest edition December 2012); (ii) the Group's proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest; and (iii) the other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (i) and (ii) above
''Gross Issue Proceeds''	the aggregate value of the New Shares issued under the Placing Programme or the relevant Issue (as the case may be) at the relevant Issue Price
''Group''	the Company, Holdco and any other direct or indirect subsidiaries of either of them
''Guernsey AML Requirements''	The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC's Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
''Holdco''	NextEnergy Solar Holdings Limited, incorporated and registered in England with registered number 8956168 whose registered office is at 5th Floor North Side, 7-10 Chandos Street, Cavendish Square, London W1G 9DQ, being the company established as a wholly-owned subsidiary of the Company and through which (together with the SPVs) the Company's investments are held
''Initial Placing''	the first Issue, comprising a Placing and under the Placing Programme
''IFRS''	International Financial Reporting Standards
''Internal Revenue Code''	the U.S. Internal Revenue Code of 1986, as amended
''Interested Parties''	has the meaning given on page 24
''Investment Adviser''	NextEnergy Capital Limited
''Investment Advisory Agreement''	the investment advisory agreement between the Manager and the Investment Adviser, a summary of which is set out in Part 8 of this Prospectus
''Investment Committee''	the investment committee of the Investment Adviser, details of which are set out in Part 3 of this Prospectus
''Investment Company Act''	the US Investment Company Act of 1940, as amended
''IPO''	the initial public offering of the Company whereby on 25 April 2014 85.6 million Ordinary Shares in the Company were admitted to the premium listing segment of the Official List of the UKLA and to trading on the London Stock Exchange's main market for listed securities under the ticker ''NESF''
''IRR''	internal rate of return
''IRS''	the US Internal Revenue Service
''ISA''	an individual savings account

"ISIN"	International Securities Identification Number
"Issue"	an issue of New Shares pursuant to the Placing Programme as described in this Prospectus, and which may take the form of a Placing or the Offer
"Issue Price"	the issue price of a New Share issued pursuant to the Placing Programme, being: (i) in respect of C Shares, £1.00; (ii) in respect of New Ordinary Shares issued pursuant to the Initial Placing, 104.9 pence per New Ordinary Share, (being an amount calculated in accordance with the Pricing Formula, as at the date of this document); (iii) in respect of New Ordinary Shares issued pursuant to the Offer, an amount per New Ordinary Share calculated in accordance with the Pricing Formula (being, as at the date of this document, 104.9 pence per New Ordinary Share); and (iv) in respect of New Ordinary Shares issued pursuant to any subsequent Placings a price announced by the Company through a Regulatory Information Service, or if no such price is announced, a price calculated in accordance with the Pricing Formula
"Joint Bookrunners"	together Cantor Fitzgerald, Macquarie, and SCS
"KW"	kilowatt, equal to one thousand watts, a measure of power
"KWh"	kilowatt hour, a measure of energy
"LEC"	levy exemption certificate
"Listing Rules"	the listing rules made by the Financial Conduct Authority pursuant to Part VI of the FSMA
"London Stock Exchange" or "LSE"	the London Stock Exchange plc
"LSE Admission Standards"	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the main market for listed securities
"Macquarie"	Macquarie Capital (Europe) Limited, joint lead bookrunner
"Macquarie Bank Limited"	Macquarie Bank Limited, London Branch, provider of the Revolving Credit Facility and an affiliate of Macquarie Capital (Europe) Limited
"Management Agreement"	the management agreement between the Company and the Manager, a summary of which is set out in Part 8 of this Prospectus
"Manager"	NextEnergy Capital IM Limited
"Manager's Fee"	the annual fee payable to the manager as described under the sub-heading "Manager's fees and expenses" in Part 4 of this document
"Memorandum"	the memorandum of incorporation of the Company
"MW"	megawatt, equal to one million watts, a measure of power
"MWh"	megawatt hour, a measure of energy
"MWp"	megawatt peak, being the power produced when a solar project is at peak operating performance with the sun shining strongly at midday
"NEC Group"	NextEnergy Capital SarL (Luxembourg) and its subsidiaries including the Manager, the Investment Adviser, the Developer and WiseEnergy

''Net Asset Value'' or ''NAV''	the Gross Asset Value less the Aggregate Group Debt
''Net Asset Value per Share'' or ''NAV per Share''	the Net Asset Value of the Company divided by the number of Shares in issue at the relevant time
''Net Issue Proceeds''	the Gross Issue Proceeds less the fees and expenses of the Placing Programme
''New Ordinary Shares''	Ordinary Shares of no par value each in the capital of the Company issued pursuant to the Placing Programme
''New Shares''	Ordinary Shares of no par value each, and C Shares of no par value each, in the capital of the Company issued pursuant to the Placing Programme
''NGET''	National Grid Electricity Transmission plc
''Non-Qualified Holder''	any person whose ownership of Shares may: (i) cause the Company's assets to be deemed ''plan assets'' for the purposes of the Internal Revenue Code; (ii) cause the Company to be required to register as an ''investment company'' under the Investment Company Act (including because the holder of the shares is not a ''qualified purchaser'' as defined in the Investment Company Act); (iii) cause the Company to register under the Exchange Act, the Securities Act or any similar legislation; (iv) cause the Company not being considered a ''Foreign Private Issuer'' as such term is defined in rule 3b-4(c) under the Exchange Act; (v) result in a person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; or (vi) cause the Company to be a ''controlled foreign corporation'' for the purposes of the Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the Internal Revenue Code, including as a result of the Company's failure to comply with FATCA as a result of the Non-Qualified Holder failing to provide information concerning itself as requested by the Company in accordance with its Articles)
''O&M''	Operation and Maintenance
''Offer''	the offer for subscription of New Ordinary Shares made pursuant to the Placing Programme
''Ofgem''	The Office of Gas and Electricity Markets
''Ordinary Shares''	redeemable ordinary shares of no par value in the capital of the Company
''Placee''	a person subscribing for New Shares in a Placing
''Placing''	a placing of New Shares made pursuant to the Placing Programme
''Placing Programme Agreement''	in relation to the Placing Programme, the conditional agreement between the Company, the Investment Adviser, Manager and Cantor, Macquarie, SCS and the Sponsor, a summary of which is set out in Part 8 of this Prospectus
''Placing Programme''	the proposed programme of Issues (being one or more Placings and the Offer) of up to an aggregate of 250 million New Shares, comprising Ordinary Shares and/or C Shares, as set out in this Prospectus
''Placing and Offer Agreement''	in relation to the IPO, the conditional agreement between the Company, the Directors, the Investment Adviser, the Manager, the Sponsor and the Joint Bookrunners, a summary of which is set out in Part 8 of this Prospectus

''Plan Asset Regulations''	the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
''Plan Investor''	(i) an ''employee benefit plan'' as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a ''plan'' as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity whose underlying assets are considered to include ''plan assets'' by reason of investment by an ''employee benefit plan'' or ''plan'' described in the preceding clause (i) or (ii) in such entity pursuant to the Plan Asset Regulations
''Plan Threshold''	ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person (other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the Plan Asset Regulations or other applicable law
''PPA''	power purchase agreement
''Pricing Formula''	the latest published Net Asset Value per Ordinary Share multiplied by 101.75 per cent. (or, if higher, a price equal to 90 per cent. of the closing mid-market price on the day before the relevant closing and allotment under the Offer is announced (as the case may be), where 'latest published' means the last NAV published price to the date of the relevant allotment under the Offer
''Project Sourcing Agreement''	the agreement between the Company, the Investment Adviser and the Developer a description of which is set out in Part 8 of this Prospectus
''Prospectus Directive''	Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading
''Prospectus Rules''	the prospectus rules made by the Financial Conduct Authority under section 73(A) of the FSMA
''PV''	photovoltaic – a photovoltaic panel, usually made from silicon, turns solar radiation into electricity
''PV Consultation''	the government document entitled ''Consultation on changes to financial support for solar PV'', dated 13 May 2014
''PV JR''	the judicial review brought by 4 solar developers; Solar Century, Lark, TGC and Orta regarding the 'Consultation on Changes to financial support for solar PV', dated 13 May 2014, set to be heard on 17 October 2014
''Receiving Agent''	Capita Asset Services, Corporate Actions
''Receiving Agent Agreement''	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in Part 8 of this Prospectus
''Registrar''	Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company to act as its registrar
''Registrar Agreement''	the registrar agreement between the Company and the Registrar, a summary of which is set out in Part 8 of this Prospectus

''Regulation S''	Regulation S promulgated under the Securities Act
''Renewable Energy Action Plan''	the plan required by each Member State of the EU pursuant to Article 4 of the European Renewable Energy Directive (2009/28/EC) setting out measures to enable the UK to reach its target for 15 per cent. of energy consumption in 2020 to be from renewable sources
''Renewable Energy Directive''	Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC
''Renewables Obligation'' or ''RO''	the financial mechanism by which the UK Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
''Revolving Credit Facility''	the Revolving Credit Facility agreement for £31.5 million between the Company and Macquarie Bank, London Branch, an entity in the same group as Macquarie which is acting as joint lead bookrunner
''ROCs''	Renewable Obligation certificates
''Regulatory Information Service'' or ''RIS''	a regulatory information service
''RPI''	the Retail Prices Index as published by the Office for National Statistics or any comparable index which may replace it for all items
''Rules''	the Registered Collective Investment Scheme Rules 2008 issued by the Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended
''SCS''	Shore Capital Stockbrokers Limited, joint bookrunner
''SEC''	the US Securities and Exchange Commission
''Securities Act''	the US Securities Act of 1933, as amended
''SEDOL''	Stock Exchange Daily Official List
''Shareholder''	a holder of Shares
''Shareholding''	a holding of Shares
''Shares''	Ordinary Shares and/or C Shares
''SIPP''	A UK self-invested personal pension
''SPV''	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of a particular asset
''Sponsor''	Shore Capital and Corporate Limited
''SSAS''	a UK small self-administered scheme
''Sterling''	the lawful currency of the UK
''TWh''	terawatt hour equal to one million watts, a measure of power
''US Persons''	has the meaning given to it in Regulation S under the Securities Act
''UK Corporate Governance Code''	the UK Corporate Governance Code as published by the Financial Reporting Council
''UK'' or ''United Kingdom''	the United Kingdom of Great Britain and Northern Ireland
''Uncertificated'' or ''in Uncertificated Form''	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
''UNFCC''	United Nations Framework Convention on Climate Change

"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
"WiseEnergy"	WiseEnergy International Limited and/or its subsidiaries (including WiseEnergy UK), as the context may require
"WiseEnergy UK"	WiseEnergy (Great Britain) Limited a subsidiary of WiseEnergy International Limited

This Prospectus is dated 10 November 2014.

APPENDIX

APPLICATION FORM

NEXTENERGY SOLAR FUND LIMITED

Application Form for the Offer for Subscription

If you wish to apply for New Ordinary Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent, BR3 4TU so as to be received no later than 1.00 p.m. on the Closing Date.

IMPORTANT: Before completing this Application Form, you should read the notes set out under the section entitled ''*Notes on how to complete the Application Form*'' at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Capita Asset Services on 0871 664 0321 from within the UK or +44 208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10p per minute plus your service provider's network extras. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

To: The Directors,

NextEnergy Solar Fund Limited (the ''Company'')

1. Application

I/We offer to subscribe for such number of New Ordinary Shares at the Issue Price (as defined in the Prospectus) as may be purchased by the subscription amount set out in the box immediately below (the minimum being £1,000 and in multiples of £1,000 thereafter), fully paid subject to the Terms and Conditions of Application under the Offer set out in Part 11 to the prospectus published by the Company dated 10 November 2014 and subject to the Memorandum and Articles, and I/we enclose a cheque for the amount payable (the ''Application Amount'').

Subscription monies for New Ordinary Shares

2. Personal Details (Please use Block Capitals)

Main Holder:
Mr, Mrs, Ms or Title:
Forenames (in full):
Surname:
Address (in full):
Postcode:

3. Joint Holders (Please use Block Capitals)

1. Mr, Mrs, Ms or Title:
   Forenames (in full):
   Surname:
   Signature:
2. Mr, Mrs, Ms or Title:
   Forenames (in full):
   Surname:
   Signature:
3. Mr, Mrs, Ms or Title:
   Forenames (in full):
   Surname:
   Signature:

4. Signature(s)

Dated:	Signature:
Dated:	Signature:
Dated:	Signature:
Dated:	Signature:

5. Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "**Capita Registrars Limited Re: NextEnergy – OFS Acc 2014**" and crossed "A/C Payee".

6. Identity Information

In accordance with internationally recognised standards for the prevention of money laundering the under mentioned documents and information must be provided.

6.1 For each holder being an individual enclose:

6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and ☐

6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, council rates bill or similar document issued by a recognised authority; and ☐

6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and ☐

6.1.4 details of the name and address of their personal bankers from which Receiving Agent may request a reference, if necessary. ☐

6.2 For each holder being a company (a "holder company") enclose:

6.2.1 a certified copy of the certificate of incorporation of the holder company; and ☐

6.2.2 the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and ☐

6.2.3 a statement as to the nature of the holder company's business, signed by a director; and ☐

6.2.4 a list of the names and residential addresses of each director of the holder company; and ☐

6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and ☐

6.2.6 a copy of the authorised signatory list for the holder company; and ☐

6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a "beneficiary company"), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company. ☐

6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.

6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:

6.4.1 a certified copy of the certificate of incorporation of that beneficiary company; and ☐

6.4.2 a statement as to the nature of that beneficiary company's business signed by a director; and ☐

6.4.3 the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and ☐

6.4.4 enclose a list of the names and residential/ registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company. ☐

6.5 If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:

6.5.1 if the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or ☐

6.5.2 if the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and ☐

6.5.3 an explanation of the relationship between the payor and the holder(s). ☐

The Company and/or the Receiving Agent reserve the right to ask for additional documents and information.

7. CREST details

CREST Participant ID

CREST Member Account ID

8. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents. The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country of operation to "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

CERTIFICATE: To the Company and the Receiving Agent

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in Clause 6 of the accompanying Terms and Conditions of Application under the Offer.

IFA STAMP

Name of Firm
FSA Number
Signature
Print Name
Position
Date
Telephone No

9. Contact Details

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:

Contact address:

Telephone no:
Fax no:
Email address:

Notes on how to complete the Application Form

Applications should be returned so as to be received no later than 1.00 p.m. on the Closing Date.

If you have a query concerning completion of the Application Form please call Capita Asset Services on 0871 664 0321 from within the UK or +44 208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute plus any other network providers' costs. Lines are open from 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Receiving Agent cannot provide any advice on the offer or any tax, financial or legal advice.

1. Application

Fill in Box 1 with the amount of money being subscribed for Shares. The amount being subscribed must be for a minimum of £1,000 and in multiples of £1,000 thereafter. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

2 and 3. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant and joint holders. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at section 4 (where applicable).

4. Signature

All holders named in sections 2 and 3 (where applicable) must sign sections 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

5. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to **Capita Registrars Limited A/C – NextEnergy Solar Fund Limited** and crossed ''A/C Payee''. If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

6. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the

conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

7. CREST

If you wish your Shares to be deposited in a CREST Account, enter in section 7 the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

8. Reliable Introducer Certificate

Applications will be subject to Guernsey's anti-money laundering requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

9. Contact Details

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 4 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Instructions for delivery of completed Application Forms

Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent, BR3 4TU so as to be received no later than 1.00 p.m. on the Closing Date announced in respect of the Offer, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least four days for delivery. Application Forms received after this date may be returned.

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