

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000, as amended who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus relating to Foresight Solar Fund Limited (the "Company"), prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made under section 73A of the Financial Services and Markets Act 2000 ("FSMA") and approved by the FCA in accordance with section 85 of the FSMA. This prospectus has been filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules and will be made available to the public in accordance with the Prospectus Rules at www.foresightsolarfund.co.uk. Foresight Group CI Limited, the Company's investment manager, has notified the FCA that the Ordinary Shares are being marketed in the UK.

It should be remembered that the price of shares and the income from them can go down as well as up and that shareholders may not receive, on the sale or the cancellation or redemption of their shares, the amount that they invested. Potential investors are strongly recommended to read and consider this prospectus before completing an application.

This document has also been prepared, and a copy of it has also been sent to the Jersey Financial Services Commission, in accordance with the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012. The Jersey Financial Services Commission does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this document.

This fund has been established in Jersey as a listed fund under a fast-track authorisation process. It is suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice. Regulatory requirements which may be deemed necessary for the protection of retail or inexperienced investors do not apply to listed funds. By investing in this fund you will be deemed to be acknowledging that you are a professional or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly. You are wholly responsible for ensuring that all aspects of this fund are acceptable to you. Investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of this fund and the potential risks inherent in this fund you should not invest in this fund.

The Company and its Directors have taken all reasonable care to ensure that the facts stated in this document are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement in this document, whether of fact or opinion. The Company and its Directors accept responsibility accordingly.

The Company and its Directors, whose names appear on page 39 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this entire document and in particular, the matters set out under the heading "Risk Factors" on pages 16 to 32 of this document, when considering an investment in the Company.

FORESIGHT SOLAR FUND LIMITED

(Incorporated in Jersey, Channel Islands under the Companies (Jersey) Law, 1991 (as amended) with registered number 113721)

Issue of up to 200 million New Shares pursuant to an Initial Placing and Offer for Subscription and a Placing Programme

Sponsor, Lead Manager and Sole Bookrunner
Oriel Securities Limited

Investment Manager
Foresight Group CI limited

Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List (premium listing) and to the London Stock Exchange for all such New Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. It is expected that such admission will become effective, and that dealings in the New Shares will commence during the period from 23 October 2014 to 24 September 2015.

Oriel Securities Limited ("Oriel") is authorised and regulated in the United Kingdom by the Financial Conduct Authority. Oriel is acting exclusively for the Company and no-one else in connection with the Issues or the matters referred to in this document, will not regard any other person (whether or not a recipient of this document) as its client in relation to the Issues and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for providing advice in relation to the Issues or any transaction or arrangement referred to in this document.

The Ordinary Shares offered by this document have not been and will not be registered under the United States Securities Act of 1933, (as amended, the "U.S. Securities Act") or under the applicable state securities laws of the United States and may not be offered or sold directly or indirectly in or into the United States or to or for the account or benefit of any U.S. person (within the meaning of Regulation S under the U.S. Securities Act). In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940 (as amended, the "U.S. Investment Company Act").

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out on pages 134 to 135 of this document.

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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 the Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of the Prospectus as a whole by the investor. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who are responsible for this summary, including any transaction thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this document 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	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company is not engaging any financial intermediaries for any resale of securities or final placement of securities requiring a prospectus after publication of this document.
		Section B – Issuer
Element	Disclosure requirement	Disclosure
B.1	Legal and commercial name	The issuer's legal and commercial name is Foresight Solar Fund Limited.
B.2	Domicile and legal form	The Company is a closed-ended investment company and was incorporated with limited liability in Jersey under the Companies Law on 13 August 2013, with registered number 113721.
B.5	Group description	The Company is the ultimate holding company of the Group. The Company makes its investments via the Subsidiary, a wholly-owned subsidiary of the Company. The Subsidiary is party to the Investment Management Agreement. The Subsidiary either invests directly or indirectly in the SPVs which own interests in the ground-based solar power plants which the Company invests in.

B.6	Major shareholders	As at 23 September 2014 (being the lat publication of this document), the Compinterests in five per cent. or more of the	pany was aware of	f the following
			No. of Shares	Percentage of issued share capital
		BlackRock Related Parties Close Asset Management Limited Baillie Gifford & Co	15,097,087 10,503,812 10,500,000	10.06% 7.00% 7.00%
		The Directors are not aware of any person indirectly, jointly or severally, exercise are no different voting rights for any Share	control over the Co	
B.7	Key financial information	The key figures which summarise the C the period from the Company's incorp 30 June 2014 are set out below:		
			_	Period ended 30 June 2014
		Net asset value Total assets Total equity Net asset value per Share		£158,487,360 £155,426,977 £1.04
		Consolidated income statement Total revenue Total expenditure Earnings per Ordinary Share (p)		£11,976,757 £(3,888,824) 5.39
		There has been no significant change operating results of the Group since 30 Ju financial period of the Company for wh has been published).	ine 2014 (being the	end of the last
B.8	Key pro forma financial information	The key <i>pro forma</i> information include illustrate the effect on the Company's increasests to 30 June 2014 of the acquisition and Kencot is as follows:	come statement an	d statement of
		The summary unaudited <i>pro forma</i> incombelow has been prepared to illustrate the statement for the period 13 August 2013 of Wymeswold as if it had occurred adjustment has been made to illustrate the statement for the period 13 August 2013 acquisitions of Kencot and Bournemouth and Bournemouth taken place on 13 adjustments are not known at the date of <i>pro forma</i> income statement has been ponly and, because of its nature, address therefore does not represent the Grouresults.	to 30 June 2014 of at the start of the effect on the Com to 30 June 2014 of the effect on the Com to 30 June 2014 of the acquisite 3 August 2013 at this Prospectus. The orepared for illustrates a hypothetical	apany's income the acquisition at period. No apany's income of the proposed ions of Kencot as the related The unaudited ative purposes situation and

					Pro	o forma a	djustments		
		£	Consol results Group 1 period 13 / 2013 to 30	of the for the August	recei rela Wymesy the 13 Augus	e period st 2013	_	ne sh es en 13 p er 2	Pro forma results of the Group for the eriod 13 August 013 to 30 June 2014
		Continuing operation Total revenue Total expenditure Profit before tax for period Taxation	11,9' (3,88 the	76,757 88,824) 87,933		698,591 — 698,591 —	(39,0:	_	12,636,290 (3,888,824) 8,747,466
		Profit and total comprehensive incon for the period		87,933		698,591	(39,05	58)	8,747,466
		The summary upout below has be acquisitions of proceeds of the the Company as The unaudited illustrative pur hypothetical sit actual financial	een prepare Bournemon Initial Placis at 30 June pro forma s poses only tuation and	d to ill uth and ing and 2014 statem and,	lustrate and Ken d Offer as if th ent of becau efore os.	e the efformation on the ey had net assume of does no	ect on the Cond the rece consolidate occurred on ets has been its nature ot represent	Comeipt ed 1 and 30 and per	of the net net assets of June 2014. Trepared for addresses a
		£	Consolidated net assets of the Group as at 30 June 2014	from	oceeds Initial ng and	Orma adju Acquisit	tion of Acquis		Pro forma net assets of the Group as at 30 June 2014
		Non-current assets Current assets	124,794,372 33,692,988	97,9	00,000	48,000, (48,000,			221,294,372 35,092,988
		Total assets	158,487,360	-	00,000	, , ,			256,387,360
		Non-current liabilities Current liabilities	2,100,000 960,383				_	_	2,100,000 960,383
		Total liabilities	3,060,383	07.0	00,000			_	3,060,383
		Total net assets	155,426,977	97,9				_	253,326,977
B.9	Profit forecast	Not applicable. document.	There are	no pr	ofit for	recasts	or estimate	es m	nade in this
B.10	Description of the nature of any qualifications in the audit report on the historical financial information	Not applicable. contained within						ial i	information

B.11	Working capital insufficiency	Not applicable. The Company is of the opinion that, taking account of available facilities, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
B.34	Investment policy	The Company's investment objective is to provide investors with a sustainable and increasing dividend together with the potential for capital growth over the long term from investing in a diversified portfolio of predominantly UK ground-based solar assets.
		The Company will pursue its investment objective by acquiring a portfolio of ground-based, operational solar power plants predominantly in the UK. Investments outside the UK and assets which are still, when acquired, under construction will be limited to 25 per cent. of the Gross Asset Value of the Company, calculated at the time of investment.
		The Company will seek to acquire majority or minority stakes in individual ground-based solar assets. When investing in a stake of less than 100 per cent. in a solar power plant SPV, the Company will secure its shareholder rights through shareholders' agreements and other legal transaction documents.
		Power purchase agreements ("PPAs") will be entered into between each of the individual solar power plant SPVs in its portfolio and creditworthy off takers in the UK. Under the PPAs, the SPVs will sell solar generated electricity and green benefits to the designated offtaker. The Company may retain exposure to UK power prices through PPAs that avoid mechanisms such as fixed prices or price floors.
		Investment may be made in equity or debt or intermediate instruments but not in any instruments traded on any investment exchange.
		The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.
		In order to spread risk and diversify its portfolio, at the time of investment no single asset shall exceed in value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired) 30 per cent. of the Company's Gross Asset Value post-acquisition. The Gross Asset Value of the Company will be calculated based on the last published gross investment valuation of the Company's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition. The Company's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and the Company will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from green benefits (which will consist of, for example, ROCs, FiTs and LECs). Diversification will also be achieved by the Company using a number of different third party providers such as developers, EPC contractors, O&M contractors, panel manufacturers, landlords and distribution network operators.
		The Articles provide that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value will not exceed 50 per cent. at the time of drawdown. It is the Board's current intention that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value will not exceed 40 per cent. at the time of drawdown. There will be no asset level borrowings in the future.
		There will be no asset level boffowings in the future.

B.35	Borrowing limits	The Articles provide that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value will not exceed 50 per cent. at the time of drawdown. It is the Board's current intention that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value, will not exceed 40 per cent. at the time of drawdown.
B.36	Regulatory status	The Company is not regulated or authorised by the Financial Conduct Authority but is subject to the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules as applicable to closed-ended investment companies. The Company is regulated in Jersey as a listed fund.
B.37	Typical investor	The profile of a typical investor in the Company is an institutional or sophisticated investor or private client seeking an attractive level of income with the potential for income and capital growth from investing in a diversified portfolio of predominantly UK ground-based solar PV assets, who understand and accept the risks inherent in the Company's investment policy.
B.38	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable. The Company does not currently invest over 20 per cent. of its Gross Asset Value in a single underlying asset.
B.39	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable. The Company will, in accordance with its investment policy, not invest over 30 per cent. of its Gross Asset Value in a single underlying asset.
B.40	Applicant's service providers	Investment Manager The Company has appointed Foresight Group CI Limited as its investment manager. The Investment Manager is a limited liability company and was incorporated in Guernsey under the Companies (Guernsey) Law, 2008 with the registered number 51471 on 12 February 2010. The Investment Manager is authorised and regulated by the GFSC. The Company and the Subsidiary have entered into the Investment Management Agreement with the Investment Manager under which the Investment Manager is responsible for the day-to-day management of the Company's investment portfolio, subject to the overall control and supervision of the Board. The Investment Manager manages the Company's investments in accordance with the policies laid down by the Board from time to time and in accordance with the investment restrictions referred to in the Investment Management Agreement. The Investment Manager provides investment management services to the Company and acts within the strategic guidelines set out in the investment policy. The Investment Manager reports to the Board. The Investment Manager is entitled to an annual management fee of an amount equal to one per cent. per annum of the Net Asset Value of the Company which are equal to or less than £500 million plus an amount equal to 0.9 per cent. per annum of the Net Asset Value of the Company which are in excess of £500 million. The Investment Management Agreement does not provide for any performance fees or acquisition fees to be payable to the Investment Manager. The Investment Management Agreement can be terminated by either party on twelve months' written notice provided that any such notice shall not be served prior to the fourth anniversary of the Investment Management

		immediately if the Investment Manager is in material breach of the agreement, guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or there occurs a change of two Key Managers to which the Board has not given its prior consent. The Investment Manager is entitled to be reimbursed for certain expenses under the Investment Management Agreement, including travel expenses and attendance at Board meetings. The Administrator and Company Secretary JTC (Jersey) Limited has been appointed as company secretary and administrator pursuant to the Administration Agreement. In such capacity, the Administrator is responsible for the Company's general administrative functions such as the calculation, in accordance with the Company's accounting policies, and publication of the Company's Net Asset Value per Share and the maintenance of accounting records. Pursuant to the Administration Agreement, the Administrator is entitled to a minimum fee of £80,000 per annum in relation to providing administration services to the Company, which will increase to a
		maximum of £100,000 should the total funds raised since launch following this fundraising be between £200 million and £250 million. The Administration Agreement can be terminated by the Company or
		Administrator on 90 days' written notice.
		The Registrar Computershare Investor Services (Jersey) Limited has been appointed as
		registrar in relation to the transfer and settlement of Ordinary Shares held in uncertificated form.
		Given that the fees payable under the registrar agreement are calculated as, <i>inter alia</i> , a multiple of the number of Shareholders admitted to the register each year plus a multiple of the number of share transfers made each year, there is no maximum amount payable under the registrar agreement. The Registrar is however, entitled to a minimum fee of £6,000 per annum.
		The Auditor
		KPMG LLP has been appointed to provide audit services to the Company. The annual report and accounts will be prepared according to accounting standards in line with IFRS.
		The fees charged by the Auditor will depend on the services provided, computed, <i>inter alia</i> , on the time spent by the Auditor on the affairs of the Company and there is no maximum amount payable.
B.41	Regulatory status of investment manager	The Investment Manager was incorporated in Guernsey on 12 February 2010 under the Companies (Guernsey) Law, 2008 (registered number 51471). It is authorised and regulated by the GFSC (registration number 2006518).
B.42	Calculation of Net Asset Value	The Investment Manager is responsible for providing fair market valuations of the Group's assets based on discounted cash flow methodology in accordance with IFRS. In conjunction with the Investment Manager, the Administrator calculates the Company's Net Asset Value and the Net Asset Value per Share on a quarterly basis as at each calendar quarter and reports such calculations to the Board for approval. These calculations are reported quarterly to Shareholders and reconciled in the Company's annual report. The Company's Net Asset Value will be published through a Regulatory Information Service as soon as possible after the relevant quarter. All calculations made by the Investment Manager and the Administrator are based, in part, on the valuation information provided by the SPVs.

		The Company may in accordance with its investment policy hold minority stakes in SPVs and, in these circumstances, the Investment Manager or the Administrator may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by the Investment Manager and/or the Administrator, are typically provided on a quarterly or half yearly basis only and generally are issued one to four months after the end of the relevant quarter. Consequently, each quarterly Net Asset Value published by the Company will contain information that may be out of date and require updating and be incomplete. Shareholders should bear in mind that where the Company holds a minority stake in such company the actual net asset values may be materially different from the quarterly estimates. The calculation of the Company's Net Asset Value per Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.
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	No financial statements have been made up	Not applicable. The Company has commenced operations and historical financial information is included within this document.
B.45	Portfolio	The Company has acquired, or agreed to acquire subject only to ROC Accreditation, nine utility scale solar power plants all of which are fully operational and located in the UK and have a total capacity of approximately 185 MW. The aggregate value of these assets is £239.2 million. Seven of these power plants have received full ROC Accreditation and the remaining plants are expected to receive accreditation before the end of December 2014. There is no guarantee that any of these acquisitions will be completed in a timely manner or at all.
B.46	Net Asset Value	The net asset value per Share as at 30 June 2014 was 103.62 pence.
		Section C – Securities
Element	Disclosure requirement	Disclosure
C.1	Type and class of security	The Company proposes to issue up to 200 million New Shares in aggregate. Application will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a premium listing. The ISIN number of the New Shares is JE00BD3QJR55 and the SEDOL is BD3QJR5.
C.2	Currency	The Company will issue Ordinary Shares denominated in Sterling.
C.3	Number of securities to be issued	The Ordinary Shares have no par value. As at 23 September 2014 (being the latest practicable date prior to the publication of this document) the Company had 150 million Ordinary Shares in issue.
C.4	Description of the rights attaching to the securities	Voting Rights Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, Shareholders shall

		have the right to receive notice of and to attend and vote at general meetings of the Company.
		Each Shareholder being present in person or by proxy or by a duly authorised representative (if a company) at a general meeting shall upon a show of hands have one vote and upon a poll all Shareholders shall have one vote for every Ordinary Share held.
		Dividend rights
		Shareholders will be entitled to receive such dividends as the Directors may resolve to pay to them out of the assets attributable to their Ordinary Shares.
		Return of capital
		Ordinary Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Ordinary Shares in a winding up of the Company or a winding up of the business of the Company.
C.5	Restrictions on the free transferability of the	The Board may, in its absolute discretion, refuse to register any transfer of a share or renunciation of a renounceable letter of allotment unless:
	securities	(a) it is in respect of only one class of shares;
		(b) it is in favour of a single transferee or not more than four joint transferees;
		(c) it is duly stamped (if so required); and
		(d) it is delivered for registration to the registered office for the time being of the Company or such other place as the Board may from time to time determine, accompanied (except in the case of: (i) a transfer by an authorised person where a certificate has not been issued; (ii) a transfer of an uncertificated share; or (iii) a renunciation) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to prove the title of the transfer or person renouncing and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so, provided that the Board shall not refuse to register a transfer or renunciation of a partly paid share on the grounds that it is partly paid in circumstances where such refusal would prevent dealings in such share from taking place on an open and proper basis on the market on which such share is admitted to trading. The Board may refuse to register a transfer of an uncertificated share in such other circumstances as may be permitted or required by the regulations and the relevant electronic system.
		The Ordinary Shares have not been, nor will be, registered in the United States under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and are subject to restrictions on transfer contained in such laws. There are restrictions on the purchase of Ordinary Shares by persons who are located in the United States or who are U.S. Persons (as defined in the U.S. Securities Act) and on the resale of Ordinary Shares by any Shareholders to any person who is located in the United States or is a U.S. Person.
C.6	Admission	Applications will be made to the UK Listing Authority for the New Shares to be admitted to the Official List with a premium listing and to the London Stock Exchange for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

C.7	Dividend policy	Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay a sustainable and increasing level of dividend income to Shareholders on a semi-annual basis. Given the nature of the Company's income streams, the Board intends to increase the dividend in line with inflation. Dividends on the Ordinary Shares are expected to be paid in equal instalments semi-annually in respect of each financial year in March and September. In the absence of unforeseen circumstances, the Board expects to pay a second interim dividend of 3p per Ordinary Share in respect of the period from 1 July 2014 to 31 December 2014 which will be paid in March 2015. All dividends will be paid as interim dividends. There are no assurances that this dividend will be paid or that the Company will pay any dividends in the future. The New Shares will rank pari passu with the Ordinary Shares in respect of dividends.
		Section D – Risks
Element	Disclosure requirement	Disclosure
D.1	Key information on the risks specific to the issuer or its industry	 The Company has a limited operating history. There is no guarantee that the expected dividend in respect of any period will be paid. The Company's ability to pay dividends will be dependent principally upon the amounts periodically received by the Company in repayment of, or being distributions on, its investment in ground-based solar PV assets. The timing of certain investments in such assets will depend, inter alia, on the ability of the assets to receive ROC Accreditation, satisfactory commissioning and to satisfy preliminary acceptance tests. Accordingly, there may be a period of time between completion of each Issue and the proceeds of the Issue are invested they are not expected to generate significant amounts of income and dividends payable in respect of the Ordinary Shares. Therefore, if ROC Accreditation is delayed or not received at all or if any of the other conditions contained within the Sale and Purchase Agreements are not satisfied this could have a material adverse effect on the Company's business, the financial position, results of operations and business prospects. The Company is reliant on the skills of the Investment Manager and may be adversely affected if it underperforms or its services cease to be available to the Company. The departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's business, financial condition, results of operation and business prospects. If at any point the international community was to withdraw, reduce or change its support for the increased use of energy from renewable sources, including solar PV, for whatever reason, this may have a material adverse effect on the support of national or international authorities in respect of the promotion of the use of energy from renewable sources, including in respect of solar PV generation in the UK. If this reduces the value of the green benefits that solar PV power operators are entitled to it would have a material adv

- A decline in the market price of electricity could materially adversely affect the Group's revenues and financial condition. Similarly, a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity and thus the price achieved for electricity generated by solar PV plants.
- Solar PV assets and plants rely upon adequate solar radiation for the purposes of producing power. It is possible that temporary or semi-permanent or permanent changes in weather patterns, including as a result of global warming or for any other reason, could affect the amount of solar radiation received annually or during any shorter or longer period of time in locations where the investments may be located. Such changes could lead to a reduction in the electricity generated which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects. Such changes, perceived or otherwise, could also make solar PV less attractive as an investment opportunity and so impair the Company's potential returns, which could have a material adverse effect on the Group's business, financial position, results of the operations and business prospects.
- It is anticipated that a significant proportion or potentially all of the solar PV assets to be acquired by the Group will be located on commercial and agricultural properties among others, to which entitlement will be secured through a lease agreement. 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 which could lead to losses on an investment and thereby have a material adverse effect on the Company's business, financial position, results of operations and business prospects.
- Construction of solar PV assets is likely to result in reliance upon services being delivered by one or more contractors. Whilst the performance of contractor services will usually be guaranteed, any such guarantees are expected to be limited in their scope and quantum and may not always cover the full loss of profit incurred by a project. Failure of a contractor or change in a contractor's financial circumstances may, among other things, result in the relevant asset underperforming or becoming impaired in value and there can be no assurance that such underperformance or impairment will be fully or partially compensated by any contractor warranty or bank guarantee.
- The making of any investment will be conditional upon a number of conditions precedent being satisfied, such as, amongst other things, receipt of all necessary consents, approvals, authorisations and permits (including ROC Accreditation), 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. In the event that an acquisition of an asset identified is delayed or does not proceed, the relevant net proceeds from the Issues will be used to acquire other ground-based solar PV assets in accordance with the Company's investment policy. In such an event and until such proceeds are invested, the Board expects the income generated by the relevant proceeds of the Issues to be lower than the income generated

		from funds invested by the Company in solar PV assets which could have a material adverse effect on the financial position and results of operations of the Company. Furthermore, in the event that a proportion of the consideration for an asset has been paid to a vendor and the acquisition is subsequently unable to be completed (for example due to ROC Accreditation not being granted) the Company would have a contractual right to recover any consideration monies paid to that vendor. However, there is a risk that the Company may not be able to recover from that vendor all or part of the consideration monies already paid due to, for example, the vendor being in economic or financial difficulties and, as a result, the expected returns projected for such asset may not be achievable. Such events could have a material adverse effect on the Company's business, financial position, results of operations and business prospects.
D.3	Key information on the risks specific to the securities	 The market value of, and the income derived from, the Shares can fluctuate. The market value of the Shares, as well as being affected by their Net Asset Value and prospective Net Asset Value, also takes into account their dividend yield and prevailing interest rates. There is no guarantee that the expected dividends will be paid. The Company's target dividend and future distribution growth will depend on the Company's underlying investment portfolio and 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 Company (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 plants within the Company's portfolio 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 Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Share. The Company's ability to pay dividends and repurchase its Ordinary Shares is governed by the Companies Law, which requires the Company to satisfy a solvency test.
		Section E – Offer
Element	Disclosure requirement	Disclosure
E.1	Net proceeds and costs of the Issue	It is estimated that the costs of the Initial Placing, Offer and Placing Programme incurred by the Company will, in aggregate, be approximately £3.6 million (on the assumption that £200 million is raised under the Issues). These costs and expenses will be borne equally by the Shareholders.
E.2a	Reason for offer and use of proceeds	The net proceeds of the Issues are expected to be £196.4 million (on the assumption that £200 million is raised under the Issues) and they will be used by the Company to invest in and acquire further UK ground-based solar PV assets. It is expected that the net proceeds of the Issues will increase the size of the Company and spread the fixed costs over a wider asset base. They will also increase the market capitalisation and liquidity in the Ordinary Shares.

E.3 Terms and conditions of the offer

The Initial Placing and Offer is conditional, inter alia, on:

- (i) the Issue Resolution being passed at the EGM;
- (ii) the Placing Agreement becoming wholly unconditional (save as to Initial Admission) and not having been terminated in accordance with its terms prior to Initial Admission; and
- (iii) Initial Admission occurring by 8.00 a.m. on 21 November 2014 (or such later date as the Company and Oriel may agree in writing, being not later than 8.00 a.m. on 19 December 2014).

The Offer for Subscription is being made in the UK only. The public generally (unless they are located or resident outside the UK) may apply for New Shares through the Offer for Subscription. Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Computershare Investor Services PLC, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 11.00 a.m. on 15 October 2014.

The Initial Placing will close at 12.00 p.m. on 16 October 2014 (or such later date, not being later than 18 December 2014 as the Company and Oriel may agree).

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

Applicants under the Offer must specify a fixed sum in Sterling, being the aggregate subscription price for the New Shares for which they wish to apply at the Initial Placing and Offer Price. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum of £1,000 and applications in excess of that amount should be made in multiples of £100, although the Board may accept applications below the minimum amounts stated above in their absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted. Fractions of a New Share will not be issued.

Following the Initial Placing and Offer the Directors intend to implement the Placing Programme. Conditional on the Issue Resolution being passed, the Directors will be authorised to issue up to 200 million New Shares pursuant to the Placing Programme less any shares issued pursuant to the Initial Placing and Offer. The Placing Programme is being implemented to enable the Company to raise additional capital in the period from 22 October 2014 to 24 September 2015 as and when it identifies suitable assets for acquisition. Each issue pursuant to the Placing Programme is conditional upon, inter alia, on the following:

- (i) the Issue Resolution having been passed at the EGM;
- (ii) the relevant Placing Programme Price being determined by the Directors in conjunction with Oriel as described below;
- (iii) Admission of the New Shares issued pursuant to such issue; and
- (iv) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules; and
- (v) the Placing Agreement becoming unconditional in respect of each Issue and having been terminated in accordance with its terms prior to such Admission.

In circumstances where these conditions are not fully met, the relevant issue of New Shares pursuant to the Placing Programme will not take place.

E.4	Material interests	Not applicable. No interest is material to the Issue.
E.5	Name of person selling Securities / lock up agreements	Not applicable. No person or entity offering to sell the security as part of the Issues.
E.6	Dilution	Not applicable. Existing Shareholders are not obliged to participate in the Issues. However, those Shareholders who do not participate in the Issues will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued. Assuming 200 million New Shares are issued under the Initial Placing and Offer, Shareholders will suffer a dilution of 57 per cent. to their existing holding.
E.7	Expenses charged to the investor	It is estimated that the costs of the Initial Placing, Offer and Placing Programme incurred by the Company will, in aggregate, be approximately £3.6 million (on the assumption that £200 million is raised under the Issues), which is approximately 1.0 per cent. of the net assets of the Group (including net proceeds of the Issues of £196.4 million). These costs and expenses will be borne equally by the Shareholders.

RISK FACTORS

The risk factors referred to below are the risks which are considered by the Company and the Directors to be material as at the date of this document but are not the only risks relating to the Company or the Ordinary Shares. Additional risks and uncertainties relating to the Company or the Ordinary Shares that are not currently known to the Company or the Directors or that the Directors or the Company do not currently consider to be material may also have a material adverse effect on the Company. Potential investors should review this Prospectus carefully and in its entirety and consult with their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before acquiring any Ordinary Shares.

Prospective investors should note that the risks relating to the group, its industry and the Ordinary Shares summarised in the section of this document 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 Ordinary Shares. However, as the risks which the group 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 document headed "Summary" but also, among other things, the risks and uncertainties described below.

Investors should carefully consider the following material risk factors in relation to the Company and the Ordinary Shares.

Risks relating to the Ordinary Shares

Risks relating to the market value of the Ordinary Shares

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, for whom an investment in the Ordinary 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.

The Ordinary 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 assurance 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 any appreciation in the value of the Ordinary Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived therefrom by way of green benefits which are payments received primarily from the sale of ROCs and electricity prices may fall as well as rise and investors may not recoup the original amount invested in the Company.

The value of the Ordinary 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 Ordinary 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.

The price of an Ordinary Share may also be affected by speculation in the press or investment community regarding the business or investments of the Company or factors or events (including interest rates) that may directly or indirectly affect their respective investments.

Risks relating to the trading price of the Ordinary Shares

The Shares may trade at a discount to their Net Asset Value and Shareholders may be unable to realise their investments through the secondary market at Net Asset Value. The Shares may trade at a discount to their Net Asset Value for a variety of reasons, including market conditions or to the extent investors undervalue the management activities of the Investment Manager or discount its valuation methodology and judgments of value. While the Board may seek to mitigate any discount to the Net Asset Value of the Shares through discount management mechanisms, 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.

Risks relating to the liquidity of the Ordinary Shares

The Company does not have a fixed winding-up date and therefore, unless Shareholders vote to wind-up the Company, Shareholders will only be able to realise their investment through the market. Although the Shares are, and the New Shares will be, listed on the Official List and traded on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them. Accordingly, Shareholders may be unable to realise their Shares at the quoted market price (or at the prevailing Net Asset Value per Share), or at all.

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 Ordinary Shares may affect the ability of Shareholders to realise their investment.

Risks relating to target returns and dividends

There is no guarantee that the expected dividend in respect of any period will be paid. The Company's ability to pay dividends will be dependent principally upon the amounts periodically received by the Company in repayment of, or being distributions on, its investments in ground-based solar PV assets.

The Company's target returns and dividends for the Ordinary Shares are based on assumptions which the Board and the Investment 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 or hard commitment 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 Ordinary Shares and should consult their own professional adviser in relation to the tax treatment of any dividends.

The Company's target dividend and future distribution growth over the long term will be affected by the Company's underlying investment portfolio, the ability of the Company to reinvest capital and acquire additional assets throughout the life of the Company. 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 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.

The net proceeds of the Issues will be used by the Company to make investments in principally UK ground-based solar PV assets in accordance with the Company's investment policy. The timing of certain investments in such assets will depend, *inter alia*, on the ability of the assets to receive ROC Accreditation, satisfactory commissioning and to satisfy preliminary acceptance tests. Accordingly there may be a period of time between completion of any Issue and the proceeds of such Issue being fully invested by the Company. Until the proceeds of the Issues are invested they are not expected to generate significant amounts of income and dividends payable in respect of the Ordinary Shares. Therefore, if ROC Accreditation is delayed or not received at all this could have a material adverse effect on the financial position and results of operations of the Company.

In the absence of capital and/or income growth in the portfolio of the Company once the net proceeds of the Issues have been invested, the expected dividend policy of the Company will lead to a reduction in the Net Asset Value per Share.

To the extent that there are impairments to the value of the Company'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.

If under Jersey law there were to be a change to the basis on which dividends could be paid by Jersey companies, this could have a negative effect on the Company's ability to pay dividends. Furthermore, if there are changes to the accounting standards or to the interpretation of accounting standards this could have an adverse effect on the Company's ability to pay dividends.

Risks relating to the Company

Risks relating to the Company's investment objective

There can be no guarantee that the investment objectives of the Company will continue to be met. If these objectives are not met, Shareholders may not receive an attractive level of income or any income or capital growth in the underlying value of their Ordinary Shares. Shareholders could lose all or part of their investment in the Company.

Risks relating to the Company's lack of operating history

The Company launched in September 2013 and therefore has limited meaningful operating or financial data on which potential investors may base an evaluation. Any investment in the Ordinary Shares is therefore subject to all of the risks and uncertainties associated with any relatively new business, including the risk that the business will not achieve its investment objectives and that the value of any investment made by the Company could substantially decline. The past performance of investments managed and monitored by the Investment Manager or its associates is not a reliable indication of the future performance of the investments held by the Company.

Risks relating to gearing

On the assumption that the Company draws down the full amount available under the Facility Agreement to fund the current projects, the Company may have borrowings of up to £100 million. Any borrowing by the Company has to comply with the limits on borrowing in the Company's investment policy. Under the terms of the Facility Agreement, the Company has agreed to covenants as to its operation and financial conditions. Any failure by the Company to fulfil obligations under the Facility Agreement (including repayment) may permit the lender to demand repayment of the related loan and to realise its security. In the event that such security involves the lender taking control (whether by possession or transfer of ownership) of the Company's underlying assets, the Company's returns may be adversely impacted. In either case, this may have a material adverse effect on the Company's business, financial position, results of operations, business prospects and delivery of its investment objective.

Prospective investors should be aware that, whilst the use of borrowings should enhance the Net Asset Value of the Shares where the value of the Company's underlying assets is rising, it will have the opposite effect where the underlying asset value is falling. In addition, in the event that revenues from the Company's portfolio fall for whatever reason, the use of borrowings will increase the impact of such a fall on the net revenues of the Company and accordingly will have an adverse effect on the Company's ability to pay dividends to Shareholders.

Risks relating to the reliance on key individuals

The past performance of the Investment Manager is not indicative of the future performance and prospects of the Company. The underperformance or the departure of key skilled professionals from the Investment Manager could have a material adverse effect on the Company's business, financial condition and results of operations.

Risks relating to the initial term of the Investment Management Agreement

Save in certain circumstances (for example in the event that there is a change of control of the Investment Manager or the Investment Manager commits a material breach of its obligations under the Investment Management Agreement) the Company is not able to terminate the Investment Management Agreement until after its fifth anniversary unless it pays compensation to the Investment Manager in relation to such termination. This could make it costly to terminate the Investment Management Agreement and could have a material adverse effect on the financial position of the Company and the returns available to Shareholders.

Risks relating to conflicts of interest

The services of the Investment Manager, its respective associates and their respective officers and employees, are not exclusive to the Company. Although the Investment Manager has in place a conflicts of interest and asset allocation policy, in fulfilling its responsibilities to the Company, including allocating investments and effecting transactions, it may be subject to certain conflicts of interest arising from its relations with third parties to whom it also owes duties or in whom it has an interest. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds, that may have similar investment objectives and/or policies to that of the Company and may receive *ad valorem* and/or performance-related fees

for doing so which may result in the Investment Manager investing funds for other funds as opposed to the Company, which may increase the period of time that the proceeds of the Issue are not fully invested.

There is a risk that, as the Investment Manager's fees are based on the Net Assets, the Investment Manager may be incentivised to grow the Net Assets, rather than just the value of the Ordinary Shares.

Risks relating to laws and regulations which may affect the Company

The Company and the Investment Manager are both subject to laws and regulations enacted by national, regional and local governments and institutions. In particular, the Company is required to comply with certain statutory requirements under Jersey law applicable to a Jersey company, the Listing Rules and the Disclosure and Transparency Rules. Breach of the Listing Rules could result in the Ordinary Shares of the Company being suspended from listing.

The continued listing on the Official List of the Ordinary Shares is dependent on at least 25 per cent. of Ordinary Shares being held in public hands (as defined in the Listing Rules). This means that if greater than 75 per cent. of Ordinary Shares are held by, *inter alia*, the Board, persons connected with the Board, or persons interested in five per cent. or more of the Ordinary Shares, the listing of Ordinary Shares may be suspended or cancelled. The Listing Rules state that the UK Listing Authority may, in certain circumstances, allow a reasonable period of time for the Company to restore the appropriate percentage if this rule is breached once the Ordinary Shares are listed.

Compliance with and the monitoring of applicable regulations may be difficult, time consuming and costly. Any changes to such regulation could affect the market value of the Company's portfolio and/ or the rental income of the portfolio.

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. In addition, environment 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.

The Company will not obtain political risk insurance. As such, government action could have a significant impact on the target investments of the Company particularly in the light of the energy sector being highly regulated by the UK Government. Changes to the existing legislation or policy or additional legislation or policies may be burdensome for the Company to implement and may as a result have a negative impact on the returns of the Company.

Risks relating to the Alternative Investment Fund Managers Directive

The EU Directive on Alternative Investment Fund Managers, which came into force on 22 July 2013, regulates alternative investment fund managers operating in the EU. The Investment Manager has been appointed as the AIFM of the Company but is not subject to the AIFMD in respect of the management of the Company's assets. The AIFMD also limits the ability of the AIFs to market shares into the EU without making certain notifications. It is possible that the compliance obligations of the AIFM of the Company in respect of marketing into the EU may increase after 2015, and indeed that the AIFM of the Company may have to become fully authorised under the AIFMD; in which case the AIFM would become subject to increased regulation and could incur significant cost as a result which it may pass onto the Company. There may also be restrictions on the marketing of the securities in the Company to investors in the EU, which in turn may limit the number of potential investors the Company can market to and, as a result, limit the Company's ability to raise funds. In any event, it is likely that the new regime will give rise to increased compliance and regulatory costs such that returns to Shareholders could be adversely affected.

Risks relating to the Foreign Account Tax Compliance Act

US tax provisions commonly known as the Foreign Account Tax Compliance Act provisions or FATCA may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2017 to a foreign financial institution ("FFI") (such as the Company) that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the U.S. Internal Revenue Service ("IRS") to provide certain information on its U.S. shareholders.

Beginning earlier than 1 January 2017 a portion of income that is otherwise non-US source may be treated as US source for this purpose.

To avoid the withholding tax, the Company may enter into an agreement (an "IRS Agreement") with the IRS or, alternatively, comply with the requirements of the intergovernmental agreement (an "IGA") between the United States and Jersey in respect of FATCA (including any legislation enacted by Jersey in furtherance of the IGA). An FFI that fails to comply with the applicable IGA or, if required, does not enter into IRS Agreement or whose agreement is voided by the IRS will be treated as a "non-Participating FFI".

In general, an IRS Agreement will require the Company (or an intermediary financial institution, broker or agent (each, an "Intermediary") through which a beneficial owner holds its interest in Shares) to agree to (i) obtain certain identifying information regarding the holder of such Shares to determine whether the holder is a U.S. person or a U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Company will be obliged to obtain information from all Shareholders. To the extent that any payments in respect of the Shares are made to a Shareholder by an Intermediary, such Shareholder may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Shareholder that fails to properly comply with the Company's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to a taxing authority, will be treated as a "Recalcitrant Holder". The Company will not be required to enter into an IRS Agreement provided that it complies with legislation enacted by the Jersey that generally requires similar information to be collected and reported to the Jersey authorities.

Under the Jersey IGA (including any legislation enacted in furtherance of the IGA) or an IRS Agreement, an Intermediary (and possibly the Company) may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Shareholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the Shareholder is a non-Participating FFI). Neither the Company nor an Intermediary will make any additional payments to compensate a Shareholder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Company may be required to cause the disposition or transfer of Shares held by Shareholders that fail to comply with the relevant requirements of FATCA and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Shares transferred.

If the Company (or any Intermediary) is treated as a non-Participating FFI, the Company may be subject to a 30 per cent. withholding tax on certain payments to it.

The foregoing is only a general summary of certain provisions of FATCA. Prospective investors are urged to consult with their own tax advisors regarding the application of FATCA to their investment in the Company. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

Risks relating to the tax structure and accounting practice of the Group

The anticipated taxation impact of the structure of the Group and its underlying investments is based on prevailing taxation 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.

Risks relating to the taxation of the Company

Taxation is subject to change on a regular basis. Therefore, the levels of, and reliefs from, taxation may change during the period of investment. The tax reliefs referred to in this document are those currently available and their value depends on the individual circumstances of investors. Any change in the Company's tax status or in taxation legislation in the United Kingdom, Jersey or any other tax jurisdiction affecting Shareholders or investors, or changes in accounting practices and standards could affect the value of the investments held by the Company, or affect the Company's ability to achieve its investment objective for the Ordinary Shares or alter the post tax returns to Shareholders. Changes to tax legislation could include the imposition of new taxes or increases in tax rates in the

United Kingdom or Jersey. Furthermore, HMRC could launch enquiries in respect of the self assessment UK corporation tax returns submitted by the Group and as a result of their findings the final tax liability may differ from the original tax liability calculated. If you are in any doubt as to your tax position, you should consult your own professional adviser without delay.

The investment objectives and expected returns included in this document are based on the Company remaining resident in Jersey for tax purposes. HMRC may seek to examine whether the Company is tax resident in Jersey by assessing where central management and control is exercised. If the Company were to be UK resident or carrying on a trade in the UK through a permanent establishment, the Company would be subject to UK corporation tax on its profits (currently 21 per cent. but falling to 20 per cent. in April 2015, as enacted in Finance Bill 2013).

Risks relating to interest deductibility

The Group manages its UK tax liabilities by relying on tax deductions for interest. 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 may be said to be thinly capitalised if it has excessive debt in relation to its arm's length borrowing capacity leading to the possibility of excessive interest deductions. 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.

Although it is not anticipated that the Group will fall within the World Wide Debt Cap regime based on its current intended size, if in the future it falls within this regime there could be a restriction on the amount of finance expense allowable for tax purposes based on the Group's worldwide external gross finance expense.

Risk relating to capital allowance claims

The Group also intends to utilise 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 installations are still a relatively new area and therefore more likely to be scrutinised by HMRC. Any successful challenge from HMRC could lead to increased UK tax liabilities which could impact the returns available for distribution to the investors in the Company.

Risks relating to withholding taxes

The funding of the Group has been structured so that interest is paid from the Subsidiary to the Company on bonds. The interest paid should not be subject to UK withholding tax at 20 per cent. due to a specific exemption. If the legislation were changed to remove the statutory exemption or if HMRC sought to challenge the arrangements as so structured, tax would need to be withheld at the basic rate (currently 20 per cent.) on payments of interest to the Company and paid to HMRC. At this point the Company would need to consider restructuring the funding to avoid an additional leakage of tax within the structure that could adversely impact the returns available for distribution to the investors in the Company.

Risks relating to chargeable gains

Under section 13 of the Taxation of Chargeable Gains Act 1992 a proportion of capital gains made by the Company can be attributed to a Shareholder in certain situations. The Finance Bill 2013 contains provisions which mean that section 13 should not apply where such proportion does not exceed one quarter of the gain. These rules would apply if the Company is a close company for the purposes of UK taxation. It is not anticipated that the Company would be regarded as a close company if it were resident in the UK although this cannot be guaranteed.

Risks relating to changes in beneficial tax and subsidy regimes

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 affect on the Company.

Risks relating to UK taxation of investors in offshore funds

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds. Whilst it is not anticipated that the Company should be treated as an offshore fund, it does not make any commitment to investors that it will not be treated as one. Investors should not expect to realise their investment at a value calculated by reference to Net Asset Value per Share.

Risks relating to the Initial Placing and Offer and Placing Programme

Risks relating to the Initial Placing and Offer Price

The Initial Placing and Offer Price will be based on the NAV per Share as at 30 September 2014 and will be based on the valuation of the Company's assets as at that date. The NAV per Ordinary Share will depend on the performance of the Group up to 30 September 2014 and this is expected to differ from the NAV per Share as at 30 June 2014.

Risks relating to costs and expenses

The Company will incur fixed costs in respect of the Issues and the publication of the Prospectus of approximately £538,000. These costs will be payable regardless of whether any amounts are raised under the Issues.

Risks relating to the Company's investments

Risks relating to political support for solar PV

In the event that international, EU and UK obligations and incentives to reduce greenhouse gas emissions and support the production of renewable energy were to decline, be withdrawn or change, whether on a prospective or retrospective basis for any reason, including as a result of the fiscal status of sovereign states or the adoption of a different energy mix or the discovery or development of a more preferred fuel and/or energy source, this could have a material adverse effect on the business, financial position, results of operations and future growth prospects of the Company as well as returns to investors.

Risks relating to changes in public attitude

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 a number of countries based upon the desire to increase electricity generation from renewable sources due to the need to ensure security of energy supply, particularly in the context of depleting natural resources and political instability in certain regions, in some cases in order to meet binding renewable energy targets and to reflect increasing public and political concerns about climate change and environmental sustainability. A change in public attitude 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. Whilst the Company will seek to ensure that appropriate measures are taken in respect of each project to encourage local support and to manage security risks, there can be no guarantee that changes in public attitude will not result in a loss of actual or perceived value of investments.

Public attitudes can also have an impact at a more localised level, where low levels of community support or public protests could have a negative impact on the number of solar PV sites which are successfully taken through the planning process, which could in turn impact the availability of future sites thereby increasing the competition for solar PV assets going forward.

Risks relating to electricity market reform ("EMR")

As part of EMR, from 31 March 2017, the UK Government intends to close the Renewables Obligation to new accreditation. ROCs issued, in relation to any new solar power plants, after a date to be specified (expected to be 1 April 2017) will be replaced with "fixed price certificates". The DECC has indicated that the intention is to maintain levels and length of support for existing participants under the Renewables Obligation, but there is no guarantee that this will be the case and there is concern about how the market value for ROCs will be set from 2017 when the mechanism is intended to be closed to new projects. If the market value for ROCs was to decline this could have a material adverse effect on the returns of future investments made by the Company. Also change in

law provisions may be triggered under pre-existing power purchase agreements as a result of EMR, giving counterparties an opportunity to re-open or even terminate some PPAs, which could have a material adverse effect of the business operations of the Company.

Furthermore, a result of the introduction of the capacity mechanism under EMR (designed to ensure that the UK has sufficient reliable generating capacity to meet a specified capacity margin and prevent black-outs), wholesale electricity prices may be depressed, because some fossil-fuel power plants will receive capacity payments which will cover part of the costs of constructing and operating them which could have a material adverse effect on the returns of the Company's investments and the operating results of the Company.

Some projects that are not or cannot be accredited under the Renewables Obligation may not be entitled to CFD FiT Support. EMR will be relevant to future investments made by the Company, but particular risk items cannot be assessed until the EMR proposals are finalised and their implications for the electricity market are more fully understood.

The Carbon Price Floor is an element of EMR which is designed to support the deployment of renewable generation technologies by underpinning the price of carbon emissions allowances (required to be surrendered by fossil-fuelled combustion plants) under the ETS (the "Carbon Price Floor"). The legislation to implement it is already in place. However, the UK Government may decide to abolish the Carbon Price Floor or set a lower trajectory for the increase of the Carbon Price Floor. Such abolition, or the UK Government setting a lower trajectory for the increase of the Carbon Price Floor, would likely reduce the wholesale power price and could have a material adverse effect on the Company's business, financial position, results of operations and business prospects.

Risks relating to the Levy Control Framework

The Levy Control Framework has been established to make sure that the DECC achieves its fuel poverty, energy and climate change goals in a way that is consistent with economic recovery and minimising the impact on consumer bills. Where the cost of renewables support regimes exceed the relevant cap, support levels for projects under these regimes may require to be adjusted. This could negatively impact returns to the Group, where the Group has invested in projects which take advantage of such regimes and, consequently, investors.

Risks relating to the sale price of electricity

Generally, the price at which a solar PV plant sells its electricity is determined by market prices in the UK. Risks relating to the price of electricity can broadly be separated into supply side risks, demand side risks and regulatory risk. A decline in the market price of electricity could materially adversely affect the price of electricity generated by solar PV assets and thus the Company's business, financial position, results of operations and business prospects.

On the supply side, a decline in the costs of other sources of electricity generation, such as fossil fuel generated or nuclear generated power, could reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity. Technological advancements such as the development of a new or more efficient electricity generation source, the development of large-scale electricity storage technology on a more commercial scale or the introduction of more interconnection capability could also negatively impact the price of wholesale electricity.

Wholesale prices are also dictated by the level of electricity demand which varies depending on the time of day, day of the week or through seasonality. Other demand side measures such as energy efficiency and demand response management could also result in lower wholesale electricity prices.

In addition to the incoming EMR, 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 have an impact on electricity prices.

Risks relating to UK electricity suppliers

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 to owners under the FiT scheme may become worthless which could materially affect the operational results of the Company.

Risks relating to the price of green benefits

Generally, the level of subsidy (FiTs or the price at which ROCs and LECs can be sold) is determined by UK renewable energy policies. The value of green benefits 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.

Though FiTs generally provide for fixed rates of return, the value of ROCs can fluctuate with market supply and demand for ROCs.

Reductions in levels or market value of green benefits available could have a material adverse effect on the Company'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 regeneration exceed expectation on the annual Renewable Obligation target.

Risks relating to RPI

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. 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.

Risks relating to grandfathering

The UK has generally revised its policies supporting the renewable energy sector from time to time in order to reduce the benefits available to new renewable power generation projects. However, there is significantly less risk of support being reduced, withdrawn or changed 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 has 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. The Group is likely to suffer a loss if the UK 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.

Risks relating to the price of solar PV equipment

The price of solar PV equipment can increase or decrease and it can be influenced by a number of factors, including the price and availability of raw materials, demand for PV equipment and any import duties that may be imposed on PV equipment. This would generally be expected to lead to corresponding changes in the value of green benefits available to new renewable power generation projects which may have a material adverse effect on the results of operations of the Company and the absolute level of the Company's distributions.

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

Risks relating to gas power generation

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. Further, lower marginal costs for gas-fired generating plants will likely lead to lower overall electricity prices. 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.

Risks relating to the concentration of the Company's investment portfolio

The Company's investment policy is limited to investments in ground-based solar power plants, the majority 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.

Risks relating to weather conditions

The profitability of a solar PV asset, and as a result the Company's revenues, is dependent on the radiation conditions at the solar PV plants owned by the Company and upon the meteorological conditions at the particular site. Temporary or semi-permanent or permanent changes in meteorological conditions could occur as a result of fluctuations in the levels of sunlight and cloud cover on a daily, monthly and seasonal basis, and over the long-term as a result of more general changes in climate including global warming. Such changes in weather patterns could affect the amount of solar radiation received annually or during any shorter or longer period of time in locations where the Company's solar PV assets may be located and could lead to a reduction in the electricity generated which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects. Such changes, perceived or otherwise, could also make solar PV less attractive as an investment opportunity and so impair the Company's potential returns which could have a material adverse effect on the Group's business, financial position, results of the operations and business prospects.

Adverse weather conditions, including hotter ambient temperatures and extreme weather (such as flooding, storms and/or high winds) could reduce the efficiency of solar energy, 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.

Risks relating to natural disasters

Natural disasters (including fire and floods), severe weather or accidents could damage solar PV assets, which could have a material adverse effect on the Company'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 will decrease electricity production levels and results of operations.

Risks relating to the intermittent nature of solar PV

The output of a solar PV relies entirely on the level of irradiation at the site in order to convert solar energy into electricity, whereby irradiation is naturally highest during the day and summer months. Therefore electricity generation from solar PV is inherently intermittent and will always need to be balanced with other sources of generation such as coal, gas-fired or peaking power plants unless electricity storage can be economically achieved.

As part of its objective to ensure security of energy supply in the UK, the UK Government is introducing a capacity market mechanism, whereby a fixed annual payment will be made to reliable sources of capacity, alongside their electricity revenues, to ensure they deliver electricity when required. This will therefore provide back-up for more intermittent low carbon technologies but it is unclear what impact this will have on the long-term demand for renewable electricity and the wholesale power price.

Risks relating to counterparties

The Group is exposed to third party credit risk in several instances, including, without limitation, with respect to contractors who may be engaged to construct or operate assets held by the Group, property owners or tenants who are leasing ground space to the Company for the locating of assets, or the offtakers of energy and green benefits supplied, banks which may provide guarantees of the obligations of other parties or which may commit to provide leverage to the Group at a future date, insurance companies which 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 investment is, consequently, unable to make substantial recovery under its own insurance policy with such insurer), this may materially adversely impact on the investment returns.

Risks relating to the renewal of the Group's power purchase agreements

Power purchase agreements between the SPVs and power purchase contractors are expected to expire after a term of 18 months, and new power purchase agreements will have to be put in place at the expiry of this term. Any such replacement power purchase agreements may not be available or may only be available on less favourable terms. This could have a material adverse effect on the Group's financial position, results of operation and business prospects.

Risks relating to third party service providers

The Company expects to use third parties to provide certain administrative services to the Company. Where a service provider needs replacing, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Company will be required to appoint a replacement service provider. There is no assurance that contracts can be negotiated on similar terms and less favourable terms could result in increased operation and maintenance costs. Any replacement contractor may be more expensive and there is a further risk that finding a suitable service provider may take a long time, which could potentially lead to downtime for the relevant asset. This could have a material adverse effect on the Company's financial position, results of operation and business prospects.

Risks relating to operation and maintenance contracts

The Company relies on third-party professionals and independent contractors and other companies to provide the required operational and maintenance support services throughout the operating phases of the solar PV assets in the Company's investment portfolio. If such contracted parties are not able to fulfil their contractual obligations, the Company's ability to invest in and operate the solar plants could be adversely affected and the Company may be forced to seek recourse against such parties, provide additional resources to complete their work, or to engage other companies to complete their work.

Any such legal action or financial difficulty, breach of contract or delay in services by these third-party professionals and independent contractors could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, if a contractor's work was not of the requisite quality, this could have an adverse effect on projects in which the Company is invested and might not only reduce financial returns but could adversely affect the Company's reputation.

Where an operation and maintenance contractor, or any other contractor, needs replacing, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Company will be required to appoint a replacement contractor. There is no assurance that contracts can be negotiated on similar terms and less favourable terms could result in increased operation and maintenance costs. Any replacement contractor may be more expensive and there is a further risk that finding a suitable contractor may take a long time, which could potentially lead to downtime for the relevant asset. This could have a material adverse effect on the Company's financial position, results of operation and business prospects.

Risks relating to technology and operations

Whilst the Investment Manager will procure that appropriate legal and technical due diligence is undertaken on behalf of the Company in connection with any proposed acquisition of solar PV assets, this may not reveal all facts that may be relevant in connection with an investment. In particular, operating projects which have not been properly authorised or permitted may be subject to closure, seizure, enforced dismantling or other legal action. 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 and may result in loss of value without full or any recourse to insurance or construction warranties. 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, the timing of any payments under warranties and performance guarantees may result in delays in cash flow.

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 Company's business, financial condition and results of operations. Furthermore, should recourse against the vendor of such an asset or supplier of such modules be sought by the Company or if the equipment supplier is not able, for example due to it being in economic or financial difficulty, to pay the Company the amounts due under any such warranty claims, this could also have a material adverse effect on the Company's business, financial condition and results of operations.

Risks relating to the operational life span of solar panels

Although ground-based solar PV installations have few moving parts and operate, generally, over long periods with minimal 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 radiation 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.

Risks relating to property matters

The Company's existing assets and a significant proportion or potentially all of the solar PV assets to be acquired by the Group are or will be located on commercial and agricultural properties, to which entitlement will be secured through a lease agreement. 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 the property, termination of the lease following breach or due to other circumstances such as a mortgagee taking possession of the property. Whilst the Company seeks 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.

Risks relating to harm to the natural environment

All utility-scale solar energy facilities require relatively large areas for solar radiation collection when used to generate electricity at utility-scale. 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.

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 the 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.

Environmental laws and regulations may have an impact on the Company's activities. It is not possible to predict accurately the effects of future changes in such laws or regulations on the Company'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 Company's operations that may have a material adverse effect on the Company'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 Company) 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 the value of the total investment in the relevant solar PV asset.

Risks relating to maintaining the connections of solar PV assets to the electricity transmission and distribution network

PV facilities must be and must remain connected to the distribution or transmission grid to sell their energy output. Therefore, the Company is dependent on electricity transmission facilities owned by third parties to sell the electricity produced by its solar PV assets. Typically, the Company 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 the event that the transmission or distribution facilities break down 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 Company'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 Company 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 Company may be recovered which could have a material adverse effect on the Company's financial position and results of operation.

Risks relating to participation in the balancing mechanism

As electricity cannot be stored in useful quantities, the transmission system operator or the National Grid Electricity Transmission in Great Britain ("NGET") is able to use a process called the balancing mechanism to ensure that electricity generation and demand are continuously matched. Pursuant to the balancing mechanism electricity generators and suppliers inform NGET of the quantities of electricity that they intend to generate or consume and NGET uses the information to balance generation and demand on the system.

Where NGET predicts that there will be a discrepancy, it can: (i) accept bids from generators or suppliers to buy electricity (i.e. take electricity off the system), either by a generator generating less electricity or by a supplier increasing its consumption; or (ii) accept offers from generators or suppliers to sell energy (i.e. put electricity in to the system), either by a generator generating more electricity or by a supplier decreasing its consumption.

A risk inherent to the connection to any electricity network is therefore that generators could be required by NGET to curtail their output or de-energise altogether. Generators on large projects which participate in the balancing mechanism would be compensated, in the event that NGET curtailed their output, because, under the balancing mechanism, the mechanism for curtailment would be to accept a bid/offer pair that has been submitted by the larger project. However, most smaller projects (including projects in which the Company may invest) do not 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) as if there is an imbalance on the electricity system, generators and/or suppliers must pay "imbalance charges" to compensate NGET for the balancing actions (buying or selling) that it contracts for in the balancing mechanism.

Risks relating to untested nature of long term operational environment

Given the long term nature of ground-based solar panel investments, and the fact that solar power plants are a relatively new investment class, there is limited experience of the long term operational problems that may be experienced in the future and which may affect solar power plants and the SPVs and, therefore, the Company's investment returns.

Risks relating to solar PV assets under construction

Pursuant to the Company's investment policy, the Company may, in the future, invest up to 25 per cent. of its Gross Asset Value in construction assets. Although the assets will not be purchased until they have been constructed, where, in the future, an investment is made prior to the completion of construction there is a risk that the project will fail to be grid-connected, to qualify for ROC Accreditation, or will be connected after a Renewables Obligation scheme deadline resulting in reduced ROCs. Delays in project construction may result in a reduction in returns caused by a delay in the project generating revenue. While the Group will typically seek to ensure that strong warranties and termination rights are in place with the contractor to compensate the Group for such losses, there can be no guarantee that these will be sufficient to cover such losses or that such payments will be received which may have an adverse material effect on the results of operation and/or the future business prospects of the Company.

Construction of solar PV assets is likely to result in reliance upon services being delivered by one or more contractors. Whilst the performance of contractor services will usually be guaranteed with penalties linked to underperformance, and potentially in some cases backed by guarantees, any such guarantees are expected to be limited in their scope and quantum and may not always cover the full costs or loss of profit incurred by a project. Failure of a contractor or a change in a contractor's financial circumstances may, among other things, result in the relevant asset underperforming or becoming impaired in value and there can be no assurance that such underperformance or impairment will be fully or partially compensated by any contractor warranty or bank guarantee.

A limited number of third-party suppliers may be contracted for the supply of certain components, inverters and modules for new projects. These suppliers may not be able to meet agreed minimum levels of supply. If the Group fails to develop or maintain relationships with these and other suppliers, the Group may not be able to secure a supply of the components, inverters and modules in the required quantities or quality, at competitive and cost effective prices, on a timely basis or at all which may lead to delays or eventual project abortion. Failure to obtain a continued supply of components, inverters and modules on competitive terms or at all could harm the Group's ability to develop solar PV assets, and consequently its financial condition and results of operations.

In addition, the relevant suppliers may be unable to meet their warranty obligations in respect of acquired or developed projects with respect to modules or inverters, in whole or in part, due to production, economic or financial difficulties or for other reasons. Such circumstances could cause the Group to experience increased costs and harm its reputation, any of which could have a material adverse effect on the business, prospects, financial condition or results of operations of the Group.

In addition, a change in prices for certain key components, in particular modules and inverters, may have a material adverse effect on the business, prospects, financial condition and results of operations of the Group.

Risks relating to the acquisition of majority or minority stakes in individual ground-based solar PV assets

Pursuant to the Company's investment policy, the Company may acquire minority or majority stakes in individual ground-based solar PV assets. Any contractual documentation entered into with coinvestors will include finance and shareholder agreements which will contain certain minority restrictions and protections. These protections may limit the ability of the Group to have control over the underlying investments and the Group may, therefore, have only limited influence over material decisions taken in relation to any investment in which it is a minority shareholder. The interests of the Group and those of any co-investors (including majority shareholders) may not always be aligned and this may lead to investment decisions being taken that are not in the best interests of the Group which could lead to a reduction in the returns to the Company from that assets and, as a result, the financial position of the Company may be materially adversely affected.

Risks relating to the market value of investments and valuations

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. It follows that some inequality may arise between departing, continuing and new investors.

All calculations made by the Administrator and the Investment Manager will be based on financial reports provided by the Investment Manager and, where the Company holds minority stakes in investee companies such calculations will be made, in part, on valuation information provided by these companies. Although the Administrator and the Investment Manager will evaluate all information and data provided by the companies in which the Company has invested, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition the financial reports, where not provided by the Investment Manager, are typically provided on a quarterly or half yearly basis only and generally are issued one to four months after the end of the relevant quarter. Consequently, each quarterly Net Asset Value published by the Company will contain information that may be out of date and require updating and be incomplete. Shareholders should bear in mind that the actual net asset values may be materially different from these quarterly estimates.

Risks relating to modelling future returns

Solar PV asset acquisitions rely on large and detailed financial models to support their valuations. These financial models are made up of a number of revenue and cost assumptions, which are often based on future expectations which may or not materialise over the medium to long term e.g. power price forecasts which are anticipated to rise in real terms. There is also a risk that errors may be made in the assumptions or methodology used in a financial model e.g. meteorological measurement errors. In such circumstances the returns generated by any solar PV asset acquired by the Company may be different to those expected. In particular, forecasters look at long-term data and there can be short term fluctuations which could negatively impact fund returns in a specific period or set of periods.

As a consequence the returns from operating efficiency improvements and energy sale could be less attractive than originally anticipated and should the operation and economics of the assets fall short of the Company's expectations, there could be a material adverse effect on the returns to the Company.

Furthermore, investment decisions are based upon assumptions as to timing and ongoing costs of the Group. To the extent that the actual costs incurred differ from the forecast costs and cannot be passed on to contractors, the expected investment returns may be adversely affected.

Risk of theft and other adverse actions against solar PV assets

Modules are the most valuable components of solar installations and due to their portability are particularly exposed to theft. The Company 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 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, materially affecting the returns and financial position of the Company.

While the Group will seek to obtain insurance to cover theft of its modules and also for terrorist acts, political actions and vandalism, such insurance, if obtained, may not prove adequate. Furthermore, while it is typical that there is an obligation on the O&M Contractor to secure the power plant pursuant to the terms of the O&M Contract and therefore in the event of theft or vandalism the Company may be able to make a claim against the relevant O&M Contractor, there is no guarantee that the Company would be able to recover anything from the O&M Contractor. These events could therefore, have a material adverse effect on the Group's financial condition and results of operations.

Risks relating to health and safety

The physical location, construction, maintenance and operation of a solar power plant pose health and safety risks to those involved. Their construction and maintenance may result in bodily injury or industrial accidents, particularly if an individual were to be crushed 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.

Risks relating to the acquisition of solar PV assets

Risks regarding conditions outstanding (e.g. ROC Accreditation) which may mean that completion may not occur at all or may be delayed

The making of any investment will be conditional upon a number of conditions precedent being satisfied, such as amongst other things, receipt of all necessary consents, approvals, authorisations and permits (including ROC Accreditation), 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. In the event that an acquisition of an asset is delayed or does not proceed, the relevant net proceeds from the Issues will be used to acquire other ground-based solar PV assets in accordance with the Company's investment policy. In such an event and until such proceeds are invested, the Board expects the income generated by the relevant proceeds of the Issues to be lower than the income generated from funds invested by the Company in solar PV assets. There is also a risk that in accordance with the terms of the Sale and Purchase Agreements the purchase prices are based on a number of assumptions and factors and the actual purchase prices may vary (both upwards and downwards) from the originally envisaged prices; for example where a particular solar power plant is only accredited with 1.4ROC per MWh (as opposed to the expected 1.6ROC per MWh) the consideration payable under that Sale and Purchase Agreement will be reduced and therefore there may be certain proceeds of the Issues which generate less income than the income generated from the proceeds invested in the solar PV assets. The purchase prices could also increase, as well as decrease, from these expected. These events could have a material adverse effect on the financial position and results of operations of the Company.

In the event that a proportion of the consideration for an asset has been paid to a vendor and the acquisition is subsequently unable to be completed (for example due to ROC Accreditation not being granted) the Company would have a contractual right to recover any consideration monies paid to that vendor. However, there is a risk that the Company may not be able to recover from that vendor all or part of the consideration monies already paid due to, for example, the vendor being in economic or financial difficulties and, as a result, the expected returns projected for such asset may not be achievable. Such events could have a material adverse effect of the results of operation and prospects of the Company.

Risks relating to the Sale and Purchase Agreements

Under the Sale and Purchase Agreements the vendors will provide various warranties for the benefit of the relevant Purchaser SPV in relation to the Acquisitions. Such warranties are typically limited in extent and subject to disclosure, time limitations, materiality thresholds and liability caps. To the extent that any material issue is not covered by the warranties or is excluded by such limitations or exceeds such liability cap, the relevant Purchaser SPV (and therefore the Group) will have no recourse against the vendors. Even if the relevant Purchaser SPV does have a right of action in respect of a breach of warranty, there is no guarantee that the outcome to any claim will be successful, or that the relevant Purchaser SPV will be able to recover anything from the vendors.

Risks relating to due diligence

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 Manager) will undertake commercial, financial, technical and legal due diligence on the assets. The Company has had to rely on its own due diligence in relation to the Portfolio to satisfy itself in respect of any issues and to ascertain and evaluate any risks associated with the Portfolio. The Company has however, taken advice on the acquisition of the Portfolio from the Investment Manager. 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.

Technical analysis of the build quality, lifecycle costs 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 such equipment and systems 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.

Risks relating to the existence of competition for further acquisitions

The Company faces significant competition for assets in solar power sectors. Large European and international utility companies and other financial organisations are participants in the solar power sectors, and many of the Company's competitors have a long history in the solar power sectors, as well as greater financial, technical and human resources. Competition for appropriate investment opportunities may therefore increase, reducing the number of opportunities available to, and adversely affecting the terms upon which investments can be made by, the Company, and thereby limiting the growth potential of the Company.

Such competition may cause a decrease in expected profit margins 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 Company. 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 power markets. There can be no assurance that the Company 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.

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

IMPORTANT INFORMATION

The document should be read in its entirety before making any application for Ordinary Shares. In assessing an investment in the Company, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Board, the Investment Manager or Oriel or any of their respective affiliates, directors, officers, employees or agents or any other person.

Without prejudice to any obligation of the Company to publish a supplementary prospectus, neither the delivery of this Prospectus nor any subscription or purchase of Ordinary 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 document.

Prospective Shareholders must not treat the contents of this document or any subsequent communications from the Company, the Investment Manager or Oriel or any of their respective affiliates, officers, directors, employees or agents as advice relating to financial, legal, taxation, accounting, regulatory, investment or any other matter.

Apart from the liabilities and responsibilities (if any) which may be imposed on Oriel by FSMA or the regulatory regime established thereunder, Oriel makes no representation or warranty, express or implied, nor accepts any responsibility whatsoever for the contents of this document including its accuracy, completeness or verification or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Manager, the Ordinary Shares or the Issues and nothing in this document is or shall be read as a promise or representation in this respect, whether as to the past or future. Oriel (and its respective affiliates, directors, officers or employees) accordingly disclaims all and any liability whatsoever (save for any statutory liability) whether arising in tort or contract or otherwise which they might otherwise have in respect of this document or any such statement.

The Placing Agent and its respective affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services for, the Company or the Investment Manager for which they would have received fees. The Placing Agent and its respective affiliates may provide such services to the Company, the Investment Manager or any of their respective affiliates in the future.

In connection with the Issues, the Placing Agent and any of its affiliates acting as an investor for its or their own account(s), may subscribe for the Ordinary 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 Issues or otherwise. Accordingly, references in this document to the Ordinary 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 Placing Agent and any of its affiliates acting as an investor for its or their own account(s). The Placing Agent does 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.

United States (U.S.) Tax Withholding and Reporting under the Foreign Account Tax Compliance Act ("FATCA")

The FATCA provisions may impose a 30 per cent. withholding tax on payments of U.S. source interest and dividends made on or after 1 July 2014 and of gross proceeds from the sale of certain U.S. assets made on or after 1 January 2017 to a foreign financial institution (or "FFI") (such as the Company) that, unless exempted or deemed compliant, does not enter into, and comply with, an agreement with the U.S. Internal Revenue Service ("IRS") to provide certain information on its U.S. shareholders. Beginning no earlier than January 1, 2017 a portion of income that is otherwise non-US source may be treated as US source for this purpose.

To avoid the withholding tax, the Company may enter into an agreement (an "IRS Agreement") with the IRS or alternatively, comply with the requirements of the intergovernmental agreement (an "IGA") between the United States and Jersey in respect of FATCA (including any legislation enacted by Jersey in furtherance of the IGA). An FFI that fails to comply with the applicable IGA or, if required, does not enter into IRS Agreement or whose agreement is voided by the IRS will be treated as a "non-Participating FFI".

In general, an IRS Agreement will require the Company (or an intermediary financial institution, broker or agent (each, an "Intermediary") through which a beneficial owner holds its interest in Shares) to agree to (i) obtain certain identifying information regarding the holder of such Shares to determine whether the holder is a U.S. person or a U.S. owned foreign entity and to periodically provide identifying information about the holder to the IRS and (ii) comply with withholding and other requirements. In order to comply with its information reporting obligation under the IRS Agreement, the Company will be obliged to obtain information from all Shareholders. To the extent that any payments in respect of the Shares are made to a Shareholder by an Intermediary, such Shareholder may be required to comply with the Intermediary's requests for identifying information that would permit the Intermediary to comply with its own IRS Agreement. Any Shareholder that fails to properly comply with the Company's or an Intermediary's requests for certifications and identifying information or, if applicable, a waiver of non-U.S. law prohibiting the release of such information to a taxing authority, will be treated as a "Recalcitrant Holder". The Company will not be required to enter into an IRS Agreement provided that it complies with legislation enacted by Jersey that generally requires similar information to be collected and reported to the Jersey authorities.

Under the Jersey IGA (including any legislation enacted in furtherance of the IGA) or an IRS Agreement, an Intermediary (and possibly the Company) may be required to deduct a withholding tax of up to 30 per cent. on payments (including gross proceeds and redemptions) made on or after 1 January 2017 to a Recalcitrant Holder or a Shareholder that itself is an FFI and, unless exempted or otherwise deemed to be compliant, does not have in place an effective IRS Agreement (i.e., the Shareholder is a non-Participating FFI). Neither the Company nor an Intermediary will make any additional payments to compensate a Shareholder or beneficial owner for any amounts deducted pursuant to FATCA. It is also possible that the Company may be required to cause the disposition or transfer of Shares held by Shareholders that fail to comply with the relevant requirements of FATCA and the proceeds from any such disposition or transfer may be an amount less than the then current fair market value of the Shares transferred.

If the Company (or any Intermediary) is treated as a non-Participating FFI, the Company may be subject to a 30 per cent. withholding tax on certain payments to it.

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

Regulatory information

The Company is a closed-ended Jersey listed fund. Further information in relation to the regulatory treatment by the JFSC of listed funds domiciled in Jersey may be found on the website of the JFSC at www.jerseyfsc.org. The JFSC is protected by the Collective Investment Funds (Jersey) Law 1998 and the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its functions under such laws.

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

The Ordinary Shares offered by this document may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of a U.S. Person (within the meaning of Regulation S under the U.S. Securities Act).

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out on pages 134 to 135 of this document.

Investment considerations

The Company has been established in Jersey as a listed fund under a fast-track authorisation process. 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 Ordinary 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 or sophisticated investors or private clients who are seeking an attractive level of income with the potential for income and capital growth from investing in a diversified portfolio of ground-based solar PV assets, located predominantly in the UK, and who understand and accept the risks inherent in the Company's investment policy. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

Regulatory requirements in Jersey which may be deemed necessary for the protection of retail or inexperienced investors, do not apply to listed funds. By investing in the Company you will be deemed to be acknowledging that you are a sophisticated or experienced investor, or have taken appropriate professional advice, and accept the reduced requirements accordingly.

You are wholly responsible for ensuring that all aspects of the Company are acceptable to you. An investment in listed funds may involve special risks that could lead to a loss of all or a substantial portion of such investment. Unless you fully understand and accept the nature of the Company and its Shares and the potential risks inherent in the Company and its Shares you should not invest in the Company.

The contents of this document or any other communications from the Company, the Investment Manager or Oriel, any of their respective affiliates, directors, officers, employees or agents 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 purchase, holding, transfer or other disposal of Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of Ordinary Shares.

Prospective investors must rely upon 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.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved. It should be remembered that the price of securities and the income from them can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares of the Company. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Articles of Association, which investors should review. A summary of the Articles of Association can be found in Part 9 of this document.

Forward-looking statements

This document 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", "forecasts", "projects", "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 and are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results of operations, performance or achievement or industry 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 document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document 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.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward-looking statements.

These forward-looking statements apply only as of the date of this document. Subject to any obligations under the Listing Rules, the Disclosure and Transparency Rules and the Prospectus 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. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

The actual number of Ordinary Shares to be issued pursuant to the Issue will be determined by the Directors, the Investment Manager or Oriel. In such event, the information in this document should be read in the light of the actual number of Ordinary Shares to be issued in the Issues.

Nothing in this section seeks to limit or qualify, in any way, the working capital statement in paragraph 10.3 of Part 9 of this document.

Definitions

A list of defined terms used in this document is set out before Part 1 of this document. References to the Issues being fully subscribed are to (unless otherwise stated) 200 million Ordinary Shares being subscribed for under the Issues. References to the latest practicable date prior to the publication of this document is to (unless otherwise stated) is to 23 September 2014.

No incorporation of website

The contents of the Company's website at www.foresightsolarfund.co.uk do not form part of this document. Investors should base their decision to invest on the contents of this document alone and should consult their professional advisers prior to making an application to subscribe for Ordinary Shares.

Presentation of information

Market, economic and industry data

Market, economic and industry data used throughout this document is derived 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 document to "GBP", "Sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

Performance data

Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Investment Manager, which market conditions may be different in many respects from those that prevail at present or in the future, including (without limitation) with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

Governing law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and are subject to changes therein.

EXPECTED TIMETABLE

Event Date

Initial Placing and Offer

Initial Placing and Offer opens 25 September 2014

Latest time and date for return of Forms of Proxy for the Extraordinary 1.00

1.00 p.m. on 9 October 2014

General Meeting

Extraordinary General Meeting 1.00 p.m. on 13 October

2014

Initial Placing and Offer Price announced 13 October 2014

Latest time and date for receipt of Application Forms under the Offer 11.00 a.m. on 15 October

2014

Latest time and date for commitments under the Initial Placing 12.00 p.m. on 16 October

2014

Results of Initial Placing and Offer announced 17 October 2014

Admission and dealings in New Shares commence 8.00 a.m. on 22 October

2014

Crediting of CREST accounts in respect of the New Shares 22 October 2014

Share certificates in respect of New Shares despatched (if applicable) on or around 29 October

2014

Placing Programme

Placing Programme opens 22 October 2014

Publication of Placing Programme Price in respect of each Issue At the time of each Issue

Admission and dealings in New Shares commence 8.00 a.m. on each day New

Shares are issued

Crediting of CREST in respect of New Shares 8.00 a.m. on each day New

Shares are issued

Share certificates in respect of New Shares despatched (if applicable)

Approximately one week

following the issue of any

New Shares

Last date for New Shares to be issued under the Placing Programme 24 September 2015

The dates and times specified above and mentioned throughout this document are subject to change. All references to times in this document are to London times, unless otherwise stated. In particular subject to those matters on which the Issues are conditional the Board may, with the prior approval of Oriel, bring forward or postpone the closing time and date for the Issues. In the event that such time and date is changed, the Company will notify investors who have applied for Ordinary Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

ISSUE STATISTICS

Number of Ordinary Shares at the date of this document

150 million

Initial Placing and Offer

Number of New Shares available under the Initial Placing and Offer⁽¹⁾

100 million

Initial Placing and Offer Price per New Share

The NAV per Share as at 30 September 2014 plus a fixed premium of two per cent. (expressed in pence) and rounded to one decimal place

Placing Programme

Maximum number of New Shares to be issued pursuant to the Issues (which includes New Shares issued under the Initial Placing and Offer)

200 million

Placing Programme Price per New Share

Not less than the NAV per Share at the time of issue plus a premium to cover the expenses of such issue as determined by the Board at the time of each Issue under the Placing Programme

Ordinary Shares

Target dividend per Ordinary Share

6p per annum for the period from 1 January 2014 to 31 December 2014⁽²⁾

ISIN of the Ordinary Shares

SEDOL of the Ordinary Shares

JE00BD3QJR55 BD3QJR5

Ticker Code FSFL

⁽¹⁾ There is no minimum size of the Initial Placing and Offer. This figure can be increased to 200 million New Shares at the discretion of the Company.

⁽²⁾ This is a target only and not a profit forecast. There can be no assurance that this target 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 this target in deciding whether to invest in New Shares or assume that the Company will make any distribution at all.

DIRECTORS, INVESTMENT MANAGER AND ADVISERS

Directors (all non-executive)Alexander Ohlsson (Chairman)

Christopher Ambler

Peter Dicks

all of:

Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT

Investment Manager Foresight Group CI Limited

Frances House Sir William Place St. Peter Port Guernsey GY1 1WF

Sponsor, Joint Broker, Lead Manager and Sole

Bookrunner

Oriel Securities Limited

150 Cheapside London EC2V 6ET

Joint Broker RBC Europe Limited

(trading as RBC Capital Markets)

2 Swan Lane London EC4R 3BF

Administrator and Company Secretary JTC (Jersey) Limited

Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT

Legal advisers to the Company as to English law Dickson Minto W.S.

Broadgate Tower 20 Primrose Street London EC2A 2EW Osborne Clarke

Legal advisers to the Company as to the

acquisition of the solar PV assets

One London Wall London EC2Y 5EB

Legal advisers to the Company as to Jersey law

Ogier LLP Ogier House The Esplanade St. Helier Jersey JE4 9WG Ashurst LLP

Legal advisers to the Sponsor, Lead Manager and Sole Bookrunners as to English law

Broadwalk House 5 Appold Street London EC2A 2HA

Reporting Accountant BDO LLP

55 Baker Street London W1U 7EU

Registrar Computershare Investor Services (Jersey) Limited

Queensway House Hilgrove Street St. Helier Jersey JE1 1ES Receiving Agent Computershare Investor Services PLC

The Pavilions Bridgwater Road Bristol BS13 8AE

Auditors KPMG LLP

15 Canada Square Canary Wharf London E14 5GL

PR Adviser Citigate Dewe Rogerson

Citigate Dewe Rogerson 3 London Wall Buildings

London Wall

London EC2M 5SY

DEFINITIONS

The meanings of the following terms shall apply throughout this document unless the context otherwise requires:

Administration Agreement the agreement between the Administrator and the Company dated

19 September 2013 a summary of which is set out in paragraph 8.4

of Part 9 of this document

Administrator JTC (Jersey) Limited in its capacity as the Company's

administrator

Admission admission of the New Shares to the Official List of the UKLA

(premium listing) and admission of the New Shares to trading on the main market for listed securities of the London Stock Exchange

Aggregate Group Debt the Group's consolidated third party borrowings

AIC the Association of Investment Companies

AIC Code the AIC Code of Corporate Governance, as amended from time to

time

AIF an Alternative Investment Fund as defined in the AIFMD

AIFM Alternative Investment Fund Manager as defined in the AIFMD

Alternative Investment Fund Directive 2011/61/EU of the European Parliament and of the

Managers Directive or AIFMD Council

Applicant a person or persons (in the case of joint applicants) whose name(s)

appear(s) on the registration details of an Application Form

Application the offer made by an Applicant by completing an Application

Form and posting (or delivering by hand during normal business

hours only) it to Computershare Investor Services PLC

Application Form the application form in connection with the Offer which is attached

to this document

Articles of Association the articles of association of the Company

Associates has the meaning given in the Listing Rules

Auditor the auditors from time to time of the Company, the current such

auditors being KPMG LLP

Board the board of Directors or a duly constituted committee thereof

Bournemouth Purchaser SPV FS Bournemouth Limited

Bournemouth SPV ESS Solar Limited

Bournemouth Vendor Adiant Solar Opportunities ISA

BSC the Balancing and Settlement Code, which contains the governance

arrangements for electricity balancing and settlement in Great

Britain

Business Day a day on which the London Stock Exchange and banks in London

and Jersey are normally open for business

CfD Contract for Difference

CfD FiT Support Contract for Difference, Feed-in Tariff support

Climate Change Levy 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

Code the UK Corporate Governance Code issued by the Financial

Reporting Council in September 2012

Companies Act the UK Companies Act 2006, as amended from time to time

Companies Law the Companies (Jersey) Law, 1991
Company Foresight Solar Fund Limited

CPI consumer price index

CREST the computerised settlement system operated by Euroclear UK and

Ireland Limited which facilitates the transfer of title to shares in

uncertificated form

DECC the UK Department of Energy and Climate Change

Directors the directors from time to time of the Company and Director is to

be construed accordingly

Disclosure and Transparency Rules the disclosure rules and the transparency rules made by the UK

Listing Authority under Part VI of the FSMA, as amended from

time to time

EEA European Economic Area
EMR Electricity Market Reform

EPC engineering procurement and construction

EPC Contracts engineering procurement and construction contracts

ERISA the US Employee Retirement Income Security Act of 1974, as

amended from time to time

ETS Emissions Tradings Scheme

Extraordinary General Meeting or

EGM

the extraordinary general meeting of the Company convened for 1.00 p.m. on 13 October 2014, notice of which is set out in the

accompanying circular to Shareholders

Facility Agreement the revolving credit facility agreement between, among other, the

Bank and the Company, a summary of which isset out in paragraph

8.6 of Part 9 of this document

FATCA the US Foreign Account Tax Compliance Act

FCA the United Kingdom Financial Conduct Authority or any successor

entity or entities

FiT Feed-in Tariffs

Foresight Group CI Limited, Foresight Group LLP, Foresight

Fund Managers and any other subsidiaries from time to time

Foresight Solar VCT plc Foresight Solar VCT plc

FSMA the Financial Services and Markets Act 2000, as amended from

time to time

GFSC Guernsey Financial Services Commission

Gross Asset Value the aggregate of: (i) the fair value of the Group's underlying

investments (whether or not subsidiaries); (ii) the Group's consolidated cash balances and cash equivalents of Group companies; and (iii) the Group's consolidated share of other

relevant assets or liabilities

Gross Proceeds the aggregate gross proceeds of the Issues

Group the Company, the Subsidiary and their subsidiaries from time to

time or any one or more of them, as the context may require

Guernsey Law the Companies (Guernsey) Law, 2008

gWh gigawatt hour GWp gigawatt peak

HMRC Her Majesty's Revenue and Customs

IFRS International Financial Reporting Standards, as adopted by the

EU

Initial Admission Admission of the New Shares issued under the Initial Placing and

Offer

Initial Placing the initial placing of Ordinary Shares by Oriel as described in this

document

Initial Placing and Offer the initial placing and offer of New Shares as described in Part 5 of

this document

Initial Placing and Offer Price the price at which New Shares will be issued under the Initial

Placing and Offer, being equal to a two per cent. premium to the NAV per Share (including income) as at 30 September 2014 (expressed in pence per Share) rounded to the nearest decimal place

Initial Placing and Offer Shares the New Shares issued pursuant to the Initial Placing and Offer

Investment Management Agreement the agreement between the Investment Manager, the Company, and

the Subsidiary dated 19 September 2013 pursuant to which the Investment Manager has agreed to manage and administer the assets of the Company and its subsidiaries, a summary of which is

set out in paragraph 8.3 of Part 9 of this document

Investment Manager Foresight Group CI Limited

IPO Admission the admission of Ordinary Shares to trading on 29 October 2013

IRR internal rate of return

ISA UK individual savings account

ISIN the International Securities Identification Number

Issue Costs the costs and expenses payable by the Company in respect of the

Issues

Issue Resolution the special resolution to be proposed at the EGM to waive pre-

emption rights in respect of the issue of up to 200 million New

Shares

Issues the issue of up to 200 million Ordinary Shares pursuant to the

Initial Placing and the Offer for Subscription and the Placing

Programme

Kencot Purchaser SPV FS Kencot Limited

Kencot SPA the sale and purchase agreement in respect of the acquisition of the

Kencot SPV dated 22 April 2014 between RWE Supply & Trading GmbH, the Kencot Purchaser SPV and Foresight Group LLP

Kencot SPV Kencot Hill Solar Farm Limited
Kencot Vendors RWE Supply and Trading GmbH

Key Managers Jamie Richards, Ricardo Piñeiro and Gary Fraser

kWh kilowatt hours

LEC levy exemption certificate

Listing Rules the listing rules made by the UK Listing Authority under section

73A of FSMA

London Stock Exchange London Stock Exchange plc

Main Market the main market of the London Stock Exchange

Member States those states which are members of the EU from time to time

Money Laundering Regulations the UK Money Laundering Regulations 2007 (SI 2007/ 2157) and

any other applicable anti-money laundering guidance, regulations

or legislation

MWh megawatt hours
MWp megawatt peak

Net Asset Value the Gross Asset Value less the Aggregate Group Debt

Net Proceeds the Issue Costs

New Shares new Ordinary Shares issued by the Company pursuant to the Issues

NAV per Share or Net Asset Value

per Share

the Net Asset Value per the number of Shares in issue on the

relevant date

Offer or Offer for Subscription

the offer for subscription to the public in the UK of up to 100 million new Ordinary Shares to be issued on the terms set out in Part 11 of this document and the Application Form or such other number of New Shares as the Company and Oriel may agree up to

200 million New Shares

Official List the official list maintained by the UK Listing Authority

Ofgem the Office of Gas and Electricity Markets

O&M operation and maintenance

O&M Contract operation and maintenance contracts

O&M Contractor the contractor appointed pursuant to the relevant O&M Contract

Ordinary Shares or Shares or ordinary shares of no par value in the capital of the Company

Oriel Securities Limited
Placee a placee under the Placing

Placing Agent or Sole Bookrunner Orie

Placing Agreement the placing agreement between the Company, the Investment

Manager, the Directors and Oriel dated 25 September 2014, a summary of which is set out in paragraph 8.1 of Part 9 of this

document

Placing Programme the programme of placings of New Shares as described in Part 6 of

this document

Placing Programme Price the price at which New Shares will be issued under the Placing

Programme which will be determined as explained in Part 6 of this

document

PPA power purchase agreement

Prospectus Rules the prospectus rules made by the FCA under section 73A of FSMA

Purchaser SPVs the special purpose vehicles which are expected to acquire, subject to the satisfaction of certain conditions under the Sale and

to the satisfaction of certain conditions under the Sale and Purchase Agreements, and hold the entire issued share capital of

the SPVs

PV photovoltaic

Receiving Agent Computershare Investor Services PLC

RegistrarComputershare Investor Services (Jersey) LimitedRegulated Markethas the meaning given to it in the FCA Handbook

Regulation S Regulation S under the US Securities Act

Regulatory Information Service

or RIS

a regulatory information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA

Renewable Energy DirectiveDirective 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

Renewables Obligation Order or

ROO

the Renewables Obligations Order 2009 (SI 2009 No. 785) as

amended

ROC renewables obligation certificate

ROC Accreditation means accreditation of a generating solar power plant which is

capable of generating electricity from renewable sources by the Gas

and Electricity Markets Authority

RPI the UK retail prices index as published by the Office for National

Statistics or any comparable index which may replace it for all

items

RWE AG and/or any member of its group (including RWE npower

Limited and RWE npower Renewables Limited), as the context

requires

Sale and Purchase Agreements the agreements entered into with the vendors in relation to the sale

and purchase of the issued share capital of the SPVs to the

Purchaser SPVs

Scottish and Southern Energy SSE plc

SEDOL the Stock Exchange Daily Official List

Shareholder a registered holder of a Share **SIPP** self invested personal pension

SPVs the special purpose vehicles which hold the solar power plants

SSAS small self administered scheme

Sterling and £ the lawful currency of the United Kingdom and any replacement

currency thereto

Subsidiary Foresight Solar (UK Holdco) Limited

Total Gas & Power Limited

Quintas Energy S.L.

UK Corporate Governance Code or

Code

the Financial Reporting Council's UK Corporate Governance

Code issued in September 2012

UKLA or UK Listing Authority the FCA acting in its capacity as the competent authority for the

purposes of admissions to the Official List

United States or U.S. the United States of America, its territories and possessions, any

state of the United States of America, the District of Columbia and

all other areas subject to its jurisdiction

U.S. Exchange Act the United States Exchange Act of 1934, as amended

U.S. Investment Company Act the U.S. Investment Company Act of 1940, as amended from time

to time, and the rules and regulations of the U.S. Securities and

Exchange Commission promulgated pursuant to it

U.S. Person has the meaning given to it under Regulation S

PART 1

THE COMPANY

Introduction

Foresight Solar Fund Limited is a Jersey closed-ended investment company with an indefinite life. The Company invests in UK ground-based solar PV assets to achieve its objective of providing Shareholders with a sustainable and increasing dividend with the potential for capital growth over the long term.

The Company has 150 million Ordinary Shares in issue and has a single class of Ordinary Shares. The Ordinary Shares were listed on the premium segment of the Official List in October 2013 and are traded on the London Stock Exchange's Main Market. Since launch the Company has acquired, or agreed to acquire subject only to ROC Accreditation, nine utility scale power plants all of which are fully operational.

Foresight Group CI Limited is the Investment Manager of the Company and advises the Company on asset acquisitions and also advises the Company on the development and management of the assets within its portfolio. Foresight Group has extensive fund management experience. Foresight Group established its solar investment team in 2007 and it launched its first solar fund, Foresight European Solar Fund, in early 2008. Foresight Group currently has approximately £850 million of solar assets under management.

Background to the Issues

To enable the Board to take advantage of the prevailing market conditions and investment opportunities, the Board is proposing an Initial Placing and Offer with proceeds used to complete the acquisition of the assets which the Group has already contracted to acquire. The Company is also proposing a Placing Programme to fund, together with its existing debt facilities, future acquisitions that support the Company's investment objective and acquisition criteria.

The Issues are subject, *inter alia*, to Shareholder approval at the Extraordinary General Meeting. This document relates to each of the Initial Placing, the Offer for Subscription, the Placing Programme and the admission of the New Shares in connection with the Issues.

Investment objective and policy

Investment objective

The Company's investment objective is to provide investors with a sustainable and increasing dividend together with the potential for capital growth over the long term from investing in a diversified portfolio of predominantly UK ground-based solar PV assets.

Investment policy

The Company will pursue its investment objective by acquiring a portfolio of ground-based, operational solar power plants predominantly in the UK. Investments outside the UK and assets which are still, when acquired, under construction will be limited to 25 per cent. of the Gross Asset Value of the Company, calculated at the time of investment.

The Company will seek to acquire majority or minority stakes in individual ground-based solar assets. When investing in a stake of less than 100 per cent. in a solar power plant SPV, the Company will secure its shareholder rights through shareholders' agreements and other legal transaction documents.

Power purchase agreements will be entered into between each of the individual solar power plant SPVs in its portfolio and creditworthy offtakers in the UK. Under the PPAs, the SPVs will sell solar generated electricity and green benefits to the designated offtaker. The Company may retain exposure to UK power prices through PPAs that avoid mechanisms, such as fixed prices or price floors.

Investments may be in equity or debt or intermediate instruments but not in any instruments traded on any investment exchange.

The Company is permitted to invest cash held for working capital purposes and awaiting investment in cash deposits, gilts and money market funds.

In order to spread risk and diversify its portfolio, at the time of investment no single asset shall exceed in value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired) 30 per cent. of the Company's Gross Asset

Value post acquisition. The Gross Asset Value of the Company will be calculated based on the last published gross investment valuation of the Company's portfolio, including cash, plus acquisitions made since the date of such valuation at their cost of acquisition. The Company's portfolio will provide diversified exposure through the inclusion of not less than five individual solar power plants and the Company will also seek to diversify risk by ensuring that a significant proportion of its expected income stream is derived from green benefits (which will consist of, for example, ROCs, FiTs and LECs). Diversification will also be achieved by the Company using a number of different third party providers such as developers, EPC contractors, O&M contractors, panel manufacturers, landlords and distribution network operators.

The Articles provide that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value, will not exceed 50 per cent. at the time of drawdown. There will be no asset level borrowings at Admission or in the future. It is the Board's current intention that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value, will not exceed 40 per cent. at the time of drawdown.

Any material change to the investment policy will require the prior approval of Shareholders by way of an ordinary resolution (for so long as the Ordinary Shares are listed on the Official List) in accordance with the Listing Rules.

Target returns¹

Whilst not forming part of its investment policy, the Company intends to pay an initial annual 6p dividend per Ordinary Share in respect of the period from 1 January 2014 to 31 December 2014. Given the nature of the Company's income streams, the Board intends to increase the annual dividend in line with inflation. The Company intends to target returns to investors equivalent to an unlevered IRR of 7 to 8 per cent. after having accounted for fees and expenses. The Company will seek to achieve these returns through active management of its solar power plants in accordance with the Company's investment policy and it will look to grow its investment portfolio through additional asset acquisitions throughout its life.

Investment opportunity

The Directors believe that an investment in the Company offers the following attractive characteristics:

Strong regulatory support, favourable radiation levels and low radiation variability

The UK Government has provided strong regulatory support for renewable energy and has included solar as a "key technology" to meet its 2020 carbon targets. The UK's Renewable Obligation Certificate regime also provides a stable 20 year subsidised revenue stream that increases over time in line with RPI.

Irradiation is the key determinant of solar power production and it is dependent on the hours of daylight availability as opposed to direct sunlight. This means that solar power plants are able to generate electricity even on days without clear skies. It has been demonstrated that levels of solar irradiation exhibit lower variability than wind. The standard deviation of annual radiation across the existing utility scale solar power plants under Foresight Group's management for more than 12 months is relatively low at only approximately 4 per cent. when compared to historical annual irradiation data over the past 18 years.

In addition, the levels of solar irradiance in the southern parts of the UK compare favourably with those of Germany, the world's largest solar market with approximately one third of global installed capacity, making the UK a similarly viable location for solar investment. Regions in the south west of England experience irradiance up to approximately 1,200kWh per m² per annum. As a result the majority of solar power plants in the UK tend to be located in the southern parts of England and Wales to maximise levels of production.

The combination therefore of the UK Government's strong regulatory support, the lower variability of solar irradiance in comparison to wind speed and the UK's favourable irradiation levels (particularly in the southern parts of England and Wales) should enable the Company to provide

¹ 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 Ordinary Shares or assume that the Company will make any distributions at all.

investors with an attractive and predictable financial return from a portfolio of operational ground-based solar plants predominantly in the UK.

Potential for future acquisitions

It is also the Board's intention to liaise with the Investment Manager to explore future investment opportunities in accordance with the Company's investment policy. The Investment Manager has, through its position in the market, strong relationships with experienced developers enabling it to maintain a high quality solar PV pipeline.

Furthermore, in the light of the UK having a legally binding obligation to ensure that 15 per cent. of primary energy use is derived from renewable sources by 2020, the UK Government having included solar as a "key technology" in its strategy to meet those carbon targets and the stability of the ROC incentive mechanism, and its successor CfD mechanism, it is likely that there will be further expansion of the solar sector in the UK. Consequently it is expected that the Company should be in a position to acquire further solar power plants to benefit from this growth opportunity in the UK solar market.

Controlled exposure to power prices

A significant proportion of the Company's annual revenues are derived from green benefits. These are the payments received primarily from the sale of ROCs or difference payments under the CfD, and to a lesser extent, LECs to which the Company's portfolio will be entitled for generating renewable energy. The Directors consider that this provides sufficient revenue stability to allow the Company to retain long term exposure to electricity prices on the remaining revenues which should allow the Company to benefit from the long term real growth in electricity prices, as is forecast by well recognised independent industry power advisers.

Inflation linkage

The ROC revenue and CfD difference payments, which are the main component of the green benefits, are subject to RPI and CPI inflationary increases respectively in April each year and it is expected that wholesale electricity price inflation will be highly correlated with RPI as it is a component of the RPI basket of goods and services. The operating costs of the Company will be largely linked to RPI for example through the RPI linked operations and maintenance contracts and RPI linked land lease agreements providing a natural inflation hedge for the project cash flows. The express indexation of revenues derived from green benefits and the degree of inflation linkage of the wholesale electricity price and operating costs provide the Company with cash flows which should be correlated with inflation, over the longer term.

Technology and construction

Pursuant to the Company's investment policy, the Company may, in the future, invest up to 25 per cent. of its Gross Asset Value in construction assets. Where an investment is made prior to the completion of construction there is a risk that the project will fail to be grid-connected, to qualify for ROC Accreditation or the CfD regime, or will be connected after a Renewables Obligation scheme deadline resulting in reduced ROCs. In order to mitigate the construction risk where, in the future, the Company acquires an asset that is still under construction the consideration will only be drawn down by the relevant vendor in stages once certain stages of the construction have been completed.

The construction complexity of solar power plants is also considered to be relatively straightforward in comparison to other renewable energy generation technologies such as wind, primarily because a solar power plant has no moving parts. Construction periods for solar power plants are also relatively short.

Furthermore, the technology used to install solar PV plants is simple and well established, with over 100 GW of global installed capacity. The key components are the panels, inverters and transformers which are supplied by a number of experienced counterparties and the supply contracts are supported by appropriate manufacturer warranties. Performance warranties are also provided by the EPC contractors and compensation in the form of liquidated damages is normally provided for any shortfall in the performance ratio ("PR") against the guaranteed PR in the EPC contract.

Independent Board and experienced Investment Manager

The Board is comprised of individuals from relevant and complementary backgrounds offering experience in the investment management of listed funds, as well as in the energy sector from both a public policy and a commercial perspective.

The Company has appointed Foresight Group, which has an experienced management team in the solar and renewable infrastructure sectors, as its Investment Manager.

Prospects for the UK solar market

The UK energy market is currently undergoing significant change with approximately 21GW of coal and nuclear capacity being decommissioned over the next two decades as a result of ageing power plants being unable to meet international obligations with regard to, *inter alia*, carbon emissions. The UK Government faces the challenge of replacing such capacity while also meeting its renewables target of ensuring that at least 15 per cent. of the UK's total energy consumption is derived from renewable sources by 2020. The UK Government has put a strong emphasis on incentivising investment in renewable energy by introducing a supportive regulatory framework and "grandfathering" subsidies for installed capacity. DECC classifies solar PV as a "key technology" for reaching the UK's renewables target and latest estimates show that solar capacity could reach 11.9GW by 2020 from current levels of around 5GW. This demonstrates the importance of solar PV technology as part of a diverse low carbon and secure energy mix in the UK which, as a result, is likely to provide future investment opportunities for the potential growth of the Company.

Investment process and strategy

Sourcing

The deal sourcing for additional investments is primarily through the Investment Manager's contacts and relationships with vendors in the sector. Vendors are typically the contractors and developers that build solar power plants who wish to sell or reduce their holdings, possibly to enable them to recycle capital into new development and construction activities. Assets are also put out to tender from time to time by such parties and the Investment Manager will consider whether the Company should bid for these. In general, in acquiring additional investments, the emphasis is on how those investments will enhance the creation of distributable cash flow within the Company's portfolio.

Due diligence procedures

Members of the Investment Management team, led by Jamie Richards, evaluate all risks which they believe are material to making an investment decision and assess how those risks are to be mitigated. Where appropriate, they will complement their analysis through the use of other professional expertise including technical consultants, accountants, taxation and legal advisers and insurance experts. These advisers may carry out due diligence which is intended to provide a second and independent review of key aspects of a project providing confidence as to the project's deliverability and likely revenue production.

Investment approval

The Investment Manager has an investment committee which reviews prospective new investments at various stages and ultimately recommends any acquisition to the Board for approval. They consider, *inter alia*, the suitability of any prospective acquisition in relation to the existing portfolio and its match with the Company's investment policy. Foresight Group's Executive Committee which comprises Jamie Richards, Bernard Fairman, Gary Fraser and David Hughes also provides strategic investment advice to the Board in relation to any prospective new investments.

Diversification strategy

The Company and the Investment Manager seek to maintain diversification within the Company's portfolio through the Company investing in solar power plants, the majority of which are likely to be located across the southern parts of England and Wales in the light of the favourable irradiation levels found there. Furthermore, the Company's portfolio provides diversified exposure through the inclusion of multiple solar power plants which provides diversification for a number of different technical (as well as geographical) risks such as transmission networks and grid access. The grid connections for the solar power plants in the Company's portfolio are managed by a number of different distribution network operators. The Company also uses a number of other, different third party providers in respect of each solar power plant such as developers, EPC Contractors, O&M Contractors, panel manufacturers, landlords and offtakers. The Company's operational portfolio for example has five different EPC Contractors, five different O&M Contractors and three different offtakers. In addition, each solar power plant contains a significant number of individual solar panels whose performance is largely independent of other solar panels.

Furthermore, as set out in the Company's investment policy, the Company will also seek to diversify risk through ensuring that a significant proportion of its income stream is derived from green benefits which will consist of, for example, ROCs, CfD difference payments and LECs. It is currently expected that approximately 50 per cent. of the Company's initial annual revenues will be derived from green benefits.

Investment monitoring

The day-to-day operations of the solar power plants in the Company's portfolio are typically managed, under service contracts, by either the contractors who built the plants or other experienced third party operations and maintenance contractors. Under those contracts, the SPVs that own the solar power plants normally receive monthly or quarterly management and annual audited accounts relating to the relevant assets as well as management progress reports addressing critical factors such as actual performance against performance requirements, which are passed on to the Investment Manager.

In conjunction with the service providers, or any co-investment partner, the Investment Manager develops management plans for each asset and is responsible for monitoring and reporting upon the implementation of the plans to the Board. In particular the Investment Manager monitors aspects such as: power prices, operational plant performance, portfolio and asset optimisation opportunities, corporate actions and valuation.

Investment review

The investment review focuses on the revenue, costs and profitability of the underlying assets and considers their appropriateness in conjunction with the risk profile of each individual solar power plant. The Investment Manager analyses the revenue characteristics of an investment and identifies the opportunities for enhancing its full utilisation, value and efficiency. It also analyses the business model to determine whether the stated revenues and costs are appropriate, can be better managed or further optimised. The Investment Manager also carries out periodic reviews of costs in order to take advantage, to the extent possible, of economies of scale and implements cost saving measures through negotiation of operations and maintenance contracts, implementation of portfolio procurement initiatives, tax planning and capital structuring. The review also focuses on the profitability of the assets and how their performance directly impacts the investment yield of the asset and the Company's portfolio as a whole.

The investment management team will ensure that the Company is represented on the boards of the SPVs holding interests in the solar power assets in order to maintain influence over the management of the assets.

Any key issues arising out of any of the asset management processes will be communicated to the Board.

Co-investment strategy

As permitted by the Company's investment policy the Company may hold minority shares or majority shares, which are less than 100 per cent., of the share capital of a SPV. In such circumstances it is expected that shareholder agreements will be put in place to regulate the affairs of these SPVs which are in typical terms for an investment of this nature.

The other shareholders in these SPVs are likely to be other funds or institutional investors and may include other funds managed by Foresight Group. Where the Company holds a majority stake in an SPV and the remaining minority interests are held entirely by other funds managed by Foresight Group, the Company will retain full control of the relevant SPV under any shareholder agreement (including control of the board of directors of the SPV and the right to draw funds on any sale) and the rights of the other funds are expected to be limited to their ability to sell their interests in the SPV at the same time and on the same terms as the Company and to participate in any fundraising for the SPV on a pre-emptive basis.

The Portfolio

Since launch, the Company has acquired, or agreed to acquire subject only to ROC Accreditation, nine utility scale solar power plants all of which are fully operational and located in the UK with a total capacity of approximately 185 MW. The aggregate value of these assets is £239.2 million. Seven of these power plants have received full ROC Accreditation and the remaining plants are expected to

receive accreditation before the end of December 2014. It is expected that these assets will be eligible for 1.4 ROCs.

The contractors that built the solar power plants or other experienced third party operations and maintenance contractors manage the day-to-day operations of the assets. The individual solar power plant SPVs have entered into power purchase agreements which are generally expected to be with investment grade counterparties contracting for the offtake of power and green benefits for periods of up to 18 months. Each solar power plant SPV has also entered into an O&M Contract pursuant to which the O&M Contractor will provide both preventative and corrective maintenance.

Further details of the Portfolio are contained in Part 4 of this document.

Dividend policy

Subject to market conditions and the Company's performance, financial position and financial outlook, it is the Directors' intention to pay a sustainable and increasing level of dividend income to Shareholders on a semi annual basis. Whilst not forming part of its investment policy, the Company will target the payment of an initial annual dividend of 6p per Share for the year from 1 January 2014 to 31 December 2014. Given the nature of the Company's income streams, the Directors intend to increase the dividend in line with inflation.

Dividends on the Ordinary Shares are expected to be paid in equal instalments semi-annually in respect of each financial year in March and September. As announced on 20 August 2014, the first interim dividend of 3p per Ordinary Share in respect of the period from 1 January 2014 to 30 June 2014 will be paid on 30 September 2014 to Shareholders who were on the register on 27 August 2014. The second interim dividend of 3p per Ordinary Share is expected to be paid in March 2015 in respect of the period from 1 July 2014 to 31 December 2014. All dividends will be paid as interim dividends.

There are no assurances that such future dividends will be paid or that the Company will pay any dividends. The target dividend should not be taken as an indication of the Company's expected future performance or results over such period. The target dividend is a target only and not a profit forecast.

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.

Further details of the tax treatment of an investment in the Company, are set out in Part 8 of this document.

Gearing policy

The Articles provide that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value will not exceed 50 per cent. at the time of drawdown. The Board currently intends that gearing, calculated as borrowings as a percentage of the Company's Gross Asset Value will not exceed 40 per cent. at the time of drawdown.

The Board has entered a £100 million revolving term loan facility with The Royal Bank of Scotland, The Royal Bank of Canada and Santander. It is intended that these facilities will be drawn down to fund future acquisitions of UK ground-based solar assets and will be repaid through utilisation of the dividend cover, further equity issuances and/or refinancing with a long term debt facility. As at 23 September 2014 £2.1 million had been drawn down under the loan facility. It is expected that the balance of the loan will be used to fund the completion of the acquisition of the assets at Kencot and Bournemouth to the extent that the proceeds of the Issues are not sufficient.

Discount management policy

Share buy backs

By special resolution of the founder Shareholders of the Company, passed as a written resolution on 18 September 2013, the Company has been granted Shareholder authority (subject to all applicable legislation and regulations) to buy back, in the market, up to 14.99 per cent. per annum of its Ordinary Shares in issue immediately following IPO Admission. This authority will expire at the conclusion of the first annual general meeting of the Company or, if earlier, eighteen months from the date of the special resolution.

The Board intends to seek renewal of this authority from Shareholders at each annual general meeting of the Company.

During the initial investment phase of the Company it is highly unlikely that the Directors will buy back any Ordinary Shares. Thereafter, if the Board does decide that the Company should buy back Ordinary Shares, purchases will only be made through the market for cash at prices below the estimated prevailing Net Asset Value per Share and where the Board believes such purchases will result in an increase in the Net Asset Value per Share. Such purchases will only be made in accordance with the Companies Law and the Listing Rules, which currently provide that the maximum price to be paid per Ordinary Share must not be more than the higher of: (i) five per cent. above the average of the mid-market quotations of the Ordinary Shares for the five Business Days before the purchase is made; and (ii) the higher of the last independent trade and the highest current independent bid for the Ordinary Shares, the minimum price shall be one pence and any such purchases shall be within guidelines established from time to time by the Board which will take into account the income and cash flow requirements of the Company.

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 Ordinary 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 Ordinary Shares tendered at the tender price and will sell the relevant Ordinary 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 Ordinary Shares in the market. The tender offers will be conducted in accordance with 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.

Prospective Shareholders should note that the exercise by the Board of the Company's powers to repurchase Shares either pursuant to a tender offer or the general buy back authority is entirely discretionary and they should place no expectation or reliance on the Board 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.

Treasury shares

The Company is permitted to hold Ordinary Shares acquired by way of market purchase in treasury, rather than having to cancel them. Such Ordinary Shares may be subsequently cancelled or sold for cash. Holding Ordinary Shares in treasury should give the Company the ability to sell Ordinary Shares from treasury quickly and in a cost efficient manner, and should provide the Company with additional flexibility in the management of its capital base. However, unless authorised by Shareholders by the appropriate special resolutions, in accordance with the Articles, the Company will not sell Ordinary Shares out of treasury for cash at a price below the prevailing Net Asset Value per Share unless they are first offered *pro rata* to existing Shareholders.

Continuation vote

As part of the Company's discount control policies, if, in any financial year, the Ordinary Shares have traded, on average, at a discount in excess of ten per cent. to the Net Asset Value per Share,

the Board will 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 will 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.

Capital structure

Share capital

The share capital of the Company consists solely of Ordinary Shares. At any general meeting of the Company each Shareholder will have on a show of hands one vote and on a poll one vote in respect of each Ordinary Share held.

Life of the Company

As the Company is a longterm investment vehicle it does not have a fixed life and the Articles do not provide for a scheduled winding up date.

Further issues of Ordinary Shares

The Board may consider issuing further Ordinary Shares to fund any such further acquisitions of solar power assets when the Directors consider it to be in the best interests of the Shareholders to do so. Unless otherwise approved by Shareholders, the Directors shall only allot and issue Ordinary Shares at prices which are not less than the published Net Asset Value of the Ordinary Shares.

The Listing Rules and the Articles confer rights of pre-emption in respect of the allotment and issue of the Ordinary Shares. Pursuant to a special resolution passed by way of a written resolution on 18 September 2013 by JTC Securities Limited and JTC Corporate Services Limited, being the only Shareholders of the Company at the time, it was resolved to disapply the pre-emption rights in relation to the issue of up to ten per cent. of the number of Ordinary Shares in issue following IPO Admission for the period concluding immediately prior to the first annual general meeting of the Company. The Directors intend to seek shareholder authority to allot and issue Shares on a non pre-emptive basis at each subsequent annual general meeting of the Company.

The Company has convened the EGM at which the Directors are seeking authority from Shareholders to issue up to 200 million New Shares on a non pre-emptive basis.

Group structure

The Company makes its investments via the Subsidiary which is wholly-owned by the Company. The Company controls the investment policy of the Subsidiary to ensure that it complies with the investment policy of the Company and the investment restrictions that apply to the Company. The Subsidiary is also a party to the Investment Management Agreement. The Subsidiary is the principal investment holding company for the Company and invests either directly or indirectly in the SPVs which own the ground-based solar power plants. Each of the SPVs is funded by way of equity and shareholder loans. Further details of the Subsidiary are set out in Part 9 of this document.

The structure to be used for any future acquisition of solar power plants will be reviewed at the time of acquisition and the Group may invest in solar PV assets by means of any structure which is considered to be appropriate in the circumstances of the proposed acquisition. Accordingly the Company may, without limit, incorporate subsidiaries to hold solar power plants or may acquire the share capital of companies (in addition to the SPVs), partnership interests in partnerships or units in unit trusts (or similar vehicles) which own one or more solar power plants.

PART 2

RENEWABLE ENERGY AND THE SOLAR ENERGY MARKET IN THE UK

Overview of the UK energy market

The UK electricity energy generation mix has been dominated in recent years by coal and natural gas, as well as a significant proportion of nuclear generation.

The UK energy market currently faces the dual challenge of replacing life-expiring coal and nuclear generation capacity to ensure security of electricity supply together with complying with binding EU policy requirements to cut carbon emissions significantly and increase the proportion of its energy supply generated from renewable sources.

Security of supply

In terms of security of supply the Department of Energy and Climate Change ("DECC") estimates that approximately a fifth of the UK's electricity generation capacity may have to be shut down over the coming years to 2020. This is mainly driven by European environmental legislation, notably the Large Combustion Plant Directive ("LCPD") and Industrial Emissions Directive ("IED"), which is expected to result in the closure of approximately 12GW of coal capacity by 2016. The LCPD aims to reduce emissions of sulphur dioxide, oxides of nitrogen and dust from large combustion plants by imposing limits on plants built after 1987. The relatively low coal prices in recent years has furthermore contributed to coal-fired plants running at close to capacity, resulting in the operating hours limits imposed by the LCPD expected to be met much more quickly than anticipated. In addition to the retiring coal plants another 9GW of ageing nuclear capacity is expected to be retired by 2030. Furthermore, as a result of gradually increasing UK gas prices in recent years electricity energy generation from gas is relatively constrained (approximately 12 million thermal units in Q4 2013)². This has resulted in a high proportion of gas plants being switched off due to limited profitability and limited investment in new gas-fired generation. To highlight, gas as a share of total electricity energy generation fell from 40 per cent. in 2011 to 23 per cent. in 2013.³ While gas prices have fallen in H1 2014, this is driven in part by seasonal effects such as low energy demand during a mild 2013/14 winter and low coal prices displacing gas at the margin in the same period.

As a result, the UK reserve margins going forward are expected to tighten from 14 per cent. in 2012 to approximately 3 per cent. in 2015/16 according to Ofgem's 2014 capacity assessment. This is broadly attributed to a reduction in electricity supply from conventional sources, albeit partially offset by a reduction in electricity demand through measures such as energy efficiency and demand reduction from industrial and commercial sectors.⁴

While aiming to improve reserve margins by incentivising investment in new generation assets the UK Government's energy policy is also driven by the EU's drive to reduce green house gas emissions. The UK Energy policy is influenced by the following legislative frameworks:

EU Climate and Energy Package

In 2009, the EU adopted the Climate and Energy Package as part of the on-going reform of the European Energy Market, focusing on emissions cuts, renewables and energy efficiency. The package is often referred to as the "20-20-20" package as it has set the following targets for EU member states:

- a 20 per cent. reduction in EU greenhouse gas emissions from 1990 levels by 2020;
- raising the share of EU energy consumption produced from renewable resources to 20 per cent. by 2020; and
- a 20 per cent. improvement in the EU's energy efficiency by 2020.

Renewable Energy Directive

As part of the EU Climate and Energy Package, the European Union introduced a directive requiring EU member states to derive a pre-agreed proportion of energy generation from renewable sources such that the EU as a whole will obtain at least 20 per cent. of total energy consumption from

 $^{2 \}quad http://www.platts.com/price-assessments/natural-gas/uk-nbp\\$

 $^{3 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/338768/DUKES_2014_internet_content.pdf$

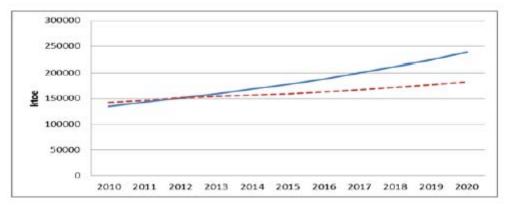
 $^{4 \\} https://www.ofgem.gov.uk/ofgem-publications/88523/electricitycapacityassessment 2014-full report final for publication.pdf$

renewables by 2020. The target for the UK was set at 15 per cent. against an actual level of 3.8 per cent. in 2011.

EU renewable energy targets

In March 2013, the European Commission published its first progress report under the Renewable Energy Directive, where most Member States had made good progress against targets and had experienced significant growth in renewable energy. In fact, the 2010 renewable energy shares of 20 Member States (including the UK) and the EU as a whole were at or above the commitments set out in their national plans and above the first interim target for 2011/12 (EU interim target was 10.7 per cent.). However, not all Member States met their interim targets and going forward it is noted that while the EU on the whole is on trajectory to meet the targets, Member States will need to make significant additional efforts to remove key barriers to renewable energy growth in order to meet 2020 targets, particularly as the reduction target trajectory grows steeper in the back end.⁵

The expected (blue) versus estimated (red dotted) trend in EU renewable energy released as part of this report is highlighted below:



Source: "Report From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions" 27th March 2013, European Commission, Brussels

UK Climate Change Act

In 2008, the UK passed the Climate Change Act 2008 (the "2008 Act") requiring an 80 per cent. reduction in greenhouse emission by 2050 (and at least 26 per cent. reduction by 2020) against a 1990 baseline. The 2008 Act also established a carbon budgeting system, which caps carbon emissions over five year periods, to set out a trajectory to 2050. The budgets for the first three periods to 2022 have already been agreed.

The required reduction of greenhouse emissions highlights the importance of shifting of the electricity energy generation mix towards renewable, low-carbon technologies over the coming decades.

Carbon budgets to date

The Committee on Climate Change highlights that the first carbon budget (2008-2012) was met through a combination of the impact of the recession and low-carbon policies. The net carbon account was 2,982 MtCO2e compared to the legislated budget of 3,018 MtCO2e.

Good progress was made in implementing new policies, in particular to support improved fuel efficiency and investment in renewables through the Electricity Market Reform. However limited progress was made in areas such as energy efficiency, the uptake of electric vehicles and demonstration of carbon capture and storage ("CCS").

UK wholesale power price

The UK electricity market mainly comprises a series of bilateral arrangements between generators and suppliers rather than a single pooled market. Wholesale power prices for the Company are therefore derived from the Power Purchase Agreements entered into directly with utilities and are likely to be less volatile than spot prices. Generally, the UK wholesale power prices are driven by many factors including the following major factors which can result in significant short term volatility:

^{5 &}quot;Report From The Commission To The European Parliament, The Council, The European Economic And Social Committee And The Committee Of The Regions" 27th March 2013, European Commission, Brussels

^{6 &}quot;Meeting Carbon Budgets" - 2014 Progress Report to Parliament, July 2014, Committee on Climate Change

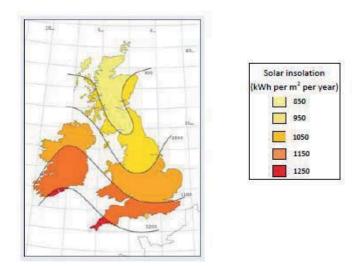
- (i) Supply and demand in the market electricity demand fluctuates depending on seasonality, time of day, day of the week and in line with industrial, commercial and domestic requirements. Electricity supply is dictated by the make-up of UK capacity across both baseload, peaking and intermittent energy sources, as well as the availability of these power sources and the availability of the national grid. This is further compounded by the fact that electricity cannot be economically stored in any significant quantity. Therefore at peak times electricity demand increases, allowing more flexible but presently more expensive technologies, for example, gas to be viably operated. This increases the marginal cost of electricity generation, thereby increasing the wholesale price. However, going forward the impact of this should be mitigated in part by demand reduction and energy efficiency measures. These fluctuations in electricity prices are expected to be exacerbated as supply is expected to decrease over the coming years due to decommissioning of certain coal and nuclear power stations under the LCPD and IED.
- (ii) The cost of fuel for power generation assuming the marginal generator will remain hydrocarbon based over the medium to long term then the UK power price will be affected by the commodity prices for coal and gas. Renewable energy generation therefore, with a very low marginal cost of generation, in comparison to coal and gas is expected to be well placed. While there has been a lot of debate around shale gas in the UK and whether it will lead to a decrease in power prices in the UK, certain economists anticipate that its impact will not be material unless the whole of Europe becomes self sufficient in shale gas.
- (iii) The price of carbon the price of carbon is passed directly to the power price and hence if the marginal power generator is more carbon intensive the UK power price will go up.
- (iv) Political factors politics has a clear role to play in the price of wholesale electricity, as well as being the deciding factor in the level of government support available for renewable electricity sources.

With the decommissioning of approximately 21GW of coal and nuclear capacity, together with the intermittency of renewable energy requiring investment in non-intermittent generation sources, the UK power prices are expected to rise over time.

Renewable energy in the UK

UK Irradiation

UK irradiation, while lower than areas in Southern Europe where the solar PV market is more mature, is still in excess of 1,000 kWh per m² per annum over much of the country, particularly the southern regions, making solar power an economically viable solution. Irradiation levels on the whole are in line with those of Germany, the largest solar market in Europe.



Source: Element Energy Report "Design of Feed-in Tariffs for Sub-5 MW Electricity in Great Britain, Quantitative Analysis for DECC", Final Report July 2009

UK Government support schemes

The UK Government has placed a strong emphasis on incentivising investment in renewable generation, including solar PV, in order to comply with EU and domestic targets in reducing greenhouse gas emissions. Currently, there are two main support mechanisms for solar PV:

- Renewables Obligation scheme (the "RO Scheme"), which mainly applies to large installations (above 50KW), although it can also apply to installations with a net capacity of less than 50KW, and places an obligation on suppliers to source a proportion of their electricity supply from renewable sources.
- Feed-in Tariffs ("FiT"), which apply to installations with capacity of less than 50KW and provides generators with a fixed tariff for generation and export capacity.

The Portfolio consists of assets greater than 50KW and is therefore subject to the RO Scheme only.

In November 2012, DECC published its Energy Bill as part of the wider Electricity Market Reform introducing the Contract for Differences scheme ("CfD") from 2014, incentivising investment in low carbon technology by providing a long term contracted price for energy produced. The UK Government has announced that CfDs will replace the RO Scheme in 2015 for new solar PV assets that have a peak capacity greater than 5MW.

The Renewables Obligation

The current renewables legislation is governed by the Renewables Obligation Order ("ROO") via banded support levels for the various technologies.

A Renewable Obligation Certificate ("ROC") is issued to generators for each MWh of electricity supplied from renewable sources. These carry a fixed value, known as the ROC buy-out price which was set in 2002 at £30.00 per MWh and is indexed by RPI, with the 2014/15 price level reaching £43.30 per MWh. By way of illustration, each MWh of electricity generated from a solar park accredited under the 1.4 ROC banding would receive a payment of approximately £60.60 (being £43.30 multiplied by 1.4) based on the ROC buy-out price for the 2014/15 period, excluding administrative fees. The ROC buy-out value is fixed annually and it is not affected by movements in wholesale electricity prices.

Under the ROO, licenced electricity suppliers are obliged to source a certain proportion of electricity supplied from renewable sources. This amount is fixed by legislation and increases annually. In order to demonstrate this suppliers must purchase ROCs directly from generators. To the extent electricity suppliers are unable to source the requisite number of ROCs they are obliged to make a penalty payment equal to the level of shortfall into a buy-out fund administered by Ofgem. Ofgem collects these payments and recycles them to suppliers who have submitted the required number of ROCs. This payment is known as the ROC recycle price. As a result of this payment mechanism, the value of a ROC to renewable electricity generators is equal to the ROC buy-out plus the ROC recycle price.

The ROO sets out a headroom mechanism, which ensures that ROCs are not in excess supply. This requires the Secretary of State to announce the following year's obligation level six months preceding the obligation period and the obligation is calculated as the amount of renewable generation expected in a given period plus a 10 per cent. margin, guaranteeing that there will always be a shortage of ROCs if the expected generation is equal to the actual generation for a period.

Under the ROC regime different technologies of renewable electricity generation receive different numbers of ROCs per MWh generated; this is known as ROC banding. While at the outset of the Renewable Obligations regime each technology was accredited for 1 ROC per MWh, it became apparent that the UK was unlikely to meet its renewable targets without being able to steer investment to less developed technologies enabling them to contribute to the long-term targets and away from the more economically favourable short term investments. In order to achieve this, the UK Government introduced the ROC banding system, whereby different technologies are allocated a different number of ROCs. The UK Government has committed to "grandfathering" banding levels, whereby when banding levels are changed, existing generating plants already accredited under the scheme keep the old banding level.

DECC has announced the banding levels for ground-mounted solar PV for the period from April 2013 to March 2015. Each banding level will be grandfathered in place for the 20 year accreditation period according to the latest UK Government legislation. The current level of ROC banding for large-scale solar is 1.4 ROCs per MWh. This will be applicable to all new capacity installed prior to 31 March 2015, following which sites will accredit instead under the new FiT with CfD (see below). However new solar PV capacity of less than 5 MW will still qualify for ROCs at the lower rate of 1.3 ROCs per MWh.

Levy Exemption Certificates

Electricity generated from designated renewable sources is exempt from the Climate Change Levy ("CCL") and is therefore entitled to receive Levy Exemption Certificates ("LEC") per MWh generated, which the generator can bundle with the power when sold to the supplier. LECs therefore represent an additional revenue stream to renewable energy generators. The value of a LEC is capped by the level at which the CCL is set, currently £5.41 per MWh for 2014/15 (indexed to RPI).

Electricity Market Reform ("EMR")⁷

The current RO mechanism will be replaced by the EMR, a wide-reaching reform programme designed to incentivise the investment needed to replace the UK's ageing electricity infrastructure with a more diverse and low-carbon energy mix. In 2010, the UK Government announced the EMR which was subsequently followed by the draft Energy Bill being presented to Parliament in November 2012.

The Government's objectives for EMR are to:

- ensure a secure electricity supply;
- ensure sufficient investment in sustainable low-carbon technologies, and
- minimise costs to, and ensure fair value for, consumers.

The two key mechanisms under the EMR are:

- a mechanism to support investment in low-carbon generation via FiT with CfD. These will be available to all new generation from 2014; and
- a mechanism to support security of supply, if needed, in the form of a Capacity Market.

These mechanisms will be supported by:

- the Carbon Price Floor a tax to underpin the carbon price in the EU Emissions Trading System (the "Carbon Price Floor");
- an Emissions Performance Standard a regulatory measure which provides a backstop to limit emissions from new fossil fuel power stations;
- electricity demand reduction measures;
- measures to support market liquidity and access to market for independent generators; and
- effective transitional arrangements.

FiTs with CfDs in the solar sector

The key measures which will affect solar PV generation will be the FiT with CfDs and the Carbon Price Floor. With regard to the FiT with CfDs it is proposed that, from 2015, all new solar PV generation (where the asset has a peak capacity greater than 5 MW) will accredit under the FiT rather than the RO and generators will therefore receive a fixed 'strike' price based on the technology type which will index annually according to CPI. This strike price is to be fixed for 15 years and aims to remove revenue volatility caused by fluctuations in the market electricity price and increase investment in the sector. To the extent that the market price for electricity is below the strike price, generators will receive a 'top-up' payment from the CfD counterparty equal to the level of the shortfall, and to the extent the market price is above the strike price, generators will be obliged to pay back the difference. The strike prices under the CfD for solar PV will be determined by a competitive auction process (expected to be held at least once each year), where the first allocation round will run from 14 to 28 October 2014.

The CfD Counterparty is a government-owned entity which will be funded by a supplier obligation. While not guaranteed by the UK Government, the entity will be insolvency remote by virtue of its payment obligations being limited to the extent that it has received enough money from suppliers.⁸

The CfD budget will be set annually under the wider Levy Control Framework ("LCF") which governs UK Government energy policy expenditure. The LCF is set at £3.3bn for the years 2014/15, increasing to £7.6bn in 2020/21.9 The CfD budget for the first allocation round will be divided into specified 'pots' for different technology sectors:

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335865/government_response_use_technology_groupings_minima_maxima.pdf

⁸ http://www.allenovery.com/SiteCollectionDocuments/EMR%20-%20The%20Energy%20Bill%20Overview.pdf

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209361/ Levy_Control_Framework_and_Draft_CfD_Strike_Prices.pdf

- Group 1 'Established' technologies including onshore wind, solar PV, energy from waste with CHP, hydro, landfill gas and sewage gas;
- Group 2 'Less established' technologies including offshore wind, wave, tidal stream, advanced conversion, anaerobic digestion, dedicated biomass with CHP and geothermal and Scottish onshore winds; and
- Group 3 Biomass conversation. ¹⁰

Eligible generators will be able to bid into the CfD auction (provided they have received planning consent and can demonstrate a connection agreement)¹¹ according to the above groupings via sealed bids. Auctions will be set according to a competitive process where the highest market clearing price will prevail for all applicants within that group, capped at each technology's respective strike price for that delivery year.¹² Draft strike prices for each technology have been published. For large-scale solar PV (assets with a capacity greater than 5 MW) the strike price for 2014/15 is set at £120 per MWh.

The Carbon Price Floor

The Carbon Price Floor, which will impact solar PV through a likely increase in the wholesale electricity price¹³ is achieved via the introduction of the Carbon Price Support tax on all fossil fuel generators. This is aimed at providing a minimum price for electricity generation from hydrocarbons and therefore encourage generation from clean sources. In the 2014 Budget, the UK Government announced a freeze in the Carbon Price Floor until the levels for the 2015/2016 budget year are set.

Transitional arrangments

To maintain current investment in the sector, prior to the introduction of FiTs with CfDs in 2015 the UK Government has ensured there are effective transitional arrangement in place whereby new solar PV generation assets can elect to either accredit under the RO Scheme or the FiT between 2014 and 31 March 2015. Thereafter all new solar PV assets (greater than 5 MW) must accredit under the CfD framework. Given the currently more established nature of the RO Scheme it is expected that all solar PV assets acquired by the Company will accredit under the RO Scheme until the 2015 deadline.

Importantly, as part of the EMR transitional arrangements, the UK Government has confirmed that all existing generation accredited under the ROC regime will be grandfathered at its existing levels for 20 years until 2035.

In terms of the long-term value of ROCs, the original EMR white paper contemplated a market-based ROC mechanism until 2027 (during which period a large pool of capacity is expected to remain sufficient to ensure that ROCs will retain their value) following which there would be a move to a fixed price system from 2027 (albeit maintaining the total value of ROCs). According to those original proposals, from 2027 RO Scheme projects would then be transferred to a premium FiT system until 2035.

However, in response to stakeholder concerns that the ROC market price could fall below the ROC buyout price the UK Government is reconsidering its approach in terms of timings of this system and a current consultation is considering bringing this fixed price ROC mechanism forward to 2017. This mechanism would provide a fixed FiT based on the ROC buyout price (as it stood at the first year of its operation) plus 10 per cent. Subsequent years' support would be indexed at the CPI.

The defining feature of the fixed price scheme is the obligation on the purchasing body appointed by the UK Government to purchase certificates at a fixed price, which will replace the obligation on suppliers to purchase ROCs or to pay into the recycle fund. Making this change in the obligation requires legislative and mechanical replacement of the RO Scheme with a fixed price scheme.

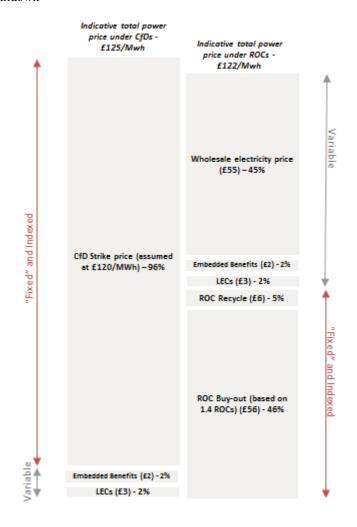
In moving to the fixed price scheme, the intention is that there will be no change in the level or duration of support received by operators in relation to capacity within the RO, or the frequency with which certificates are issued. The intention is that generating capacity which qualified for ROCs under the RO Scheme will qualify for the fixed price certificates on a like-for-like basis. However the implementation details of this mechanism remain subject to consultation and secondary legislation.

¹⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335865/government_response_use_technology_groupings_minima_maxima.pdf

 $^{11 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302725/af_event_9_april_slides.pdf$

¹² Bloomberg New Energy Finance - 'Beginning of the end game: UK set for CfD competition', 26th June 2014

 $^{13 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42639/consult_carbon_price_support_condoc.pdf$



Source: Investment Manager

Solar energy in the UK

The UK is making good progress against its EU targets. In 2013, renewables made up 14.9 per cent. of electricity generation capacity, an increase of 3.6 per cent. from 2012. He Generation from wind accounted for 53 per cent. of this, with solar only responsible for 4 per cent. However, in the same period electricity generation capacity increased by 4.2 GW (27 per cent.) to 19.7 GW, where solar PV contributed 1 GW of this, up 59 per cent. on total solar capacity, demonstrating the substantial growth in the sector. He sector.

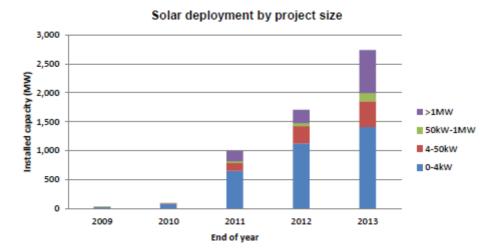
In the UK Renewable Energy Roadmap Update, published in 2012, DECC classified solar PV as a "key technology" for reaching the UK's renewable targets, with analysis showing that generation capacity could reach between 7 GW to 20 GW by 2020. Current DECC forecasts estimate that total solar PV capacity in the UK is set to exceed 4 GWp by the end of 2014, up from 2.7 GWp installed at December 2013.¹⁶

 $^{14 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/338750/DUKES_2014_printed.pdf$

¹⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/323429/Renewable_energy_in_2013.pdf

 $^{16 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302049/uk_solar_pv_strategy_part_2.pdf$

The Solar PV Roadmap, published in October 2013, followed by the UK Solar PV Strategy in April 2014, highlights strong Government support for the sector. Current solar deployment by project size is highlighted below:



Source: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302049/uk_solar_pv_strategy_part_2.pdf

In particular, over the last four years the development of large, ground-mounted sites has greatly increased. At the end of 2012 there were 46 projects larger than 1 MWp and totalling 160 MWp installed capacity. By February 2014 this number had grown to 184 projects (850 MWp), with a further 48 projects (538 MWp) expected commission by the end of 2014. In addition, another 194 projects (totalling approximately 1.7 GW) have planning permission and are awaiting construction.¹⁷

Panel prices

The development of the UK solar market has been supported by a reduction in solar panel prices over recent years which has in turn led to a reduction in overall EPC costs. Indeed, in 2013 alone Tier 1 module makers reduced costs by approximately 15 per cent. This has resulted in increased installation of solar PV which has enabled the UK Government support for solar PV to be reduced from 2 ROCs per MWh to 1.4 ROCs per MWh, a level which is considered more sustainable. It is anticipated that, in the long term, solar power generation will achieve grid parity and will be able to deliver a commercial return without the requirement for subsidies.

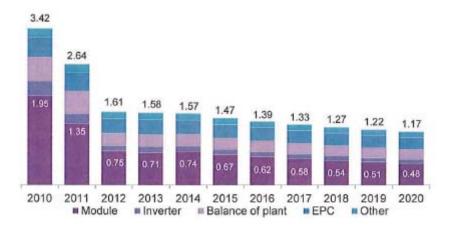
The Board is of the view that there is likely to be a continued reduction in panel prices (albeit at a slower level to that displayed in 2008 to 2011) as efficiency in the sector improves and this, coupled with the existing UK support mechanism for renewables and the anticipated increase in capital availability in the sector is expected to result in a significant increase in solar generation capacity in the UK.

 $^{17 \}quad https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/302049/uk_solar_pv_strategy_part_2.pdf$

¹⁸ Q2 2014 PV Market Outlook - A time for cautious expansion', 15th May 2014, Bloomberg New Energy Finance

Reduction of global panel prices

The expected decrease in module prices, together with a general expected reduction in the remaining balance of plant works is highlighted below, which demonstrates that installation costs for solar PV are expected to decrease significantly over the medium term¹⁹:

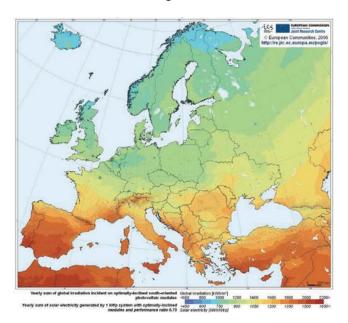


Note: Units shown are USD per W

Source: "Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

Solar energy in Europe²⁰

Solar PV capacity has grown significantly over recent years and, as at 2012, Europe was the leading market for the technology with more than 70 GW installed as of 2012, driven in part by substantially higher irradiation than the UK in the southern regions:



 $Source: \ http://re.jrc.ec.europa.eu/pvgis/countries/europe/EU-Glob_opta_presentation.png$

Europe's strong PV market development until 2012 was the result of certain countries such as Germany showing a commitment to supporting the development of PV and achieving unprecedented installation numbers. In 2010 alone Italy, the Czech Republic and Germany added in aggregate approximately 3.8 GW of PV systems.

Since then overall European growth in solar PV has slowed, peaking in 2011 with more than 22 GWp capacity installed. Such a high level was not sustainable and new installations decreased to 17.7 GWp in 2012 and 11 GWp in 2013, resulting in Europe being overtaken by China (11.8 GWp new installed capacity in 2013) as the world leader in new annual installed capacity. However, European

^{19 &}quot;Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

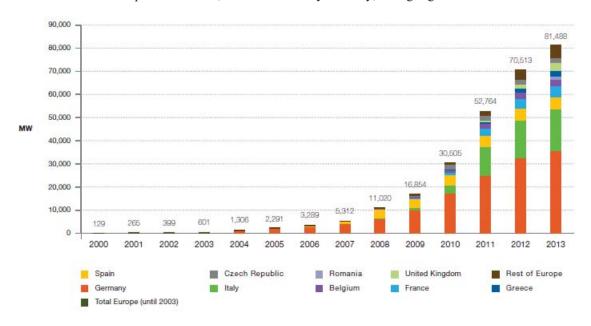
 $^{20 \}quad http://re.jrc.ec.europa.eu/pvgis/countries/europe/EU-Glob_opta_presentation.png$

growth is expected to resume, albeit at a lower rate, with current estimates suggesting that Europe will add between 7 GWp to 8.1 GWp solar capacity in 2014 and 6.8 GWp to 8.6 GWp in 2015.

Within Europe, Germany remains the market leader with 3.3 GWp new capcity in 2013, followed by the UK (1.5 GWp), Italy (1.4 GWp), Romania (1.1 GWp) and Greece (1.04 GWp).²¹

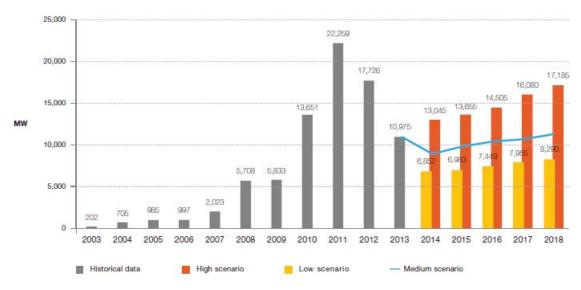
Evolution of solar PV capacity in Europe

The evolution of European solar PV, broken down by country, is highlighted below²²:



Source: "Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

The future of the European solar PV market as a whole is uncertain. The continued decrease in installation costs and robust support systems which is expected in a number of countries must be balanced against the decrease in the level of policy support in other areas and an uncertain number of emerging markets. The table below highlights the anticipated deployment of new solar PV in Europe to 2018 (both a central and low scenario)²³:



Source: "Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

^{21 &}quot;Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

^{22 &}quot;Q2 2014 PV Market Outlook – A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

^{23 &}quot;Q2 2014 PV Market Outlook - A time for cautious expansion", Bloomberg New Energy Finance, 15th May 2014

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

Directors

The Directors, all of whom are non executive and, other than Mr Dicks, independent of the Investment Manager and Foresight Group, are responsible for the determination of 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 Portfolio. The Directors are as follows:

Alexander Ohlsson (Chairman), Mr Ohlsson is managing partner for the law firm Carey Olsen in Jersey. He is recognised as a leading expert in corporate and finance law in Jersey and is regularly instructed by leading global law firms and financial institutions. He is the independent chairman of the States of Jersey's audit committee and an advisory board member of Jersey Finance, Jersey's promotional body. He is also a member of the Financial and Commercial Law Sub-Committee of the Jersey Law Society which reviews as well as initiates proposals for legislative changes. He was educated at Victoria College Jersey and at Queens' College, Cambridge, where he obtained an MA (Hons) in law. He has also been an Advocate of the Royal Court of Jersey since 1995.

Christopher Ambler, Mr Ambler has been the Chief Executive of Jersey Electricity plc since 1 October 2008. He previously held various senior positions in the global industrial, energy and materials sectors working for major corporations, such as ICI/Zeneca, the BOC Group and Centrica/British Gas as well as in strategic consulting roles. Mr Ambler is a Chartered Engineer and a Member of the Institution of Mechanical Engineers. He holds a first class Honours Degree from Queens' College Cambridge and an MBA from INSEAD.

Peter Dicks, Mr Dicks is currently a director of a number of quoted and unquoted companies. In addition, he was the Chairman of Foresight VCT plc and Foresight 2 VCT plc from their launch in 1997 and 2004 respectively until 2009 and since then he has continued to serve on both of these boards. He is also on the Board of Graphite Enterprise Trust plc, Foresight 3 VCT plc, Foresight 4 VCT plc and Mears Group PLC. He is also Chairman of Unicorn AIM VCT plc and Private Equity Investor Plc.

Corporate governance

The Company is committed to high standards of corporate governance and the Board is responsible for ensuring the appropriate level of corporate governance is met.

Jersey does not have its own corporate governance code. However, as a listed fund that is regulated by the JFSC the Company is required to adhere to the codes of practice for certified funds which contain provisions relating to effective corporate governance systems. Furthermore, as the Company is listed on the premium segment of the Official List it is required to comply with all of the relevant provisions of the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012 or to explain any non-compliance in its annual reports and accounts.

The Board considers the principles and recommendations of the Association of Investment Companies Code of Corporate Governance by reference to the AIC Corporate Governance Guide for Investment Companies. It is the intention of the Directors that the Company will comply with the recommendations of the AIC Code and the relevant parts of the Code in all material respects except as disclosed below.

The Chairman and Mr Ambler are independent of the Investment Manager and each member of the Board is a non-executive Director.

Save as disclosed below, in respect of the provisions of the UK Corporate Governance Code, the Company complies with the provisions of the UK Corporate Governance Code. The areas of noncompliance are as follows:

- there is no chief executive position which is not in accordance with A.2.1 of the Code. As an investment company the Company has no employees and therefore there is no requirement for a chief executive:
- the recommendations in D.1.1 of the Code relating to executive directors' remuneration are not relevant to the Company as all the Directors are non-executive directors; and
- the recommendations in C.3.2 of the Code relating to the need for an internal audit function is not relevant to the Company as it is an externally managed investment company.

Independence

The Board consists solely of non-executive Directors of which Mr Ohlsson is Chairman. All of the Directors other than Mr Dicks are considered by the Board to be independent of the Investment Manager. Mr Ohlsson is a managing partner at Carey Olsen in Jersey and is based in Jersey. Whilst Foresight Group has used the services of Carey Olsen in Guernsey within the last three years, the Board considers that Mr Ohlsson is independent on the basis that Foresight Group has never directly used the services of Mr Ohlsson (whether in Jersey or in Guernsey) nor Carey Olsen in Jersey over the last three years. The Board and the Investment Manager will ensure that a majority of the Board including the Chairman remain independent. The Board's policy on tenure is that continuity and experience are considered to add significantly to the strength of the Board and, as such, no limit on the overall length of service of any of the Company's Directors, including the Chairman, has been imposed.

Senior independent director

In view of its non-executive nature and the requirement of the Articles that all Directors retire periodically at least every three years, the Board considers that it is not appropriate for a senior independent director to be appointed.

Appointment, re-election and remuneration of Directors

Directors are selected and appointed by the Board as a whole functioning as a nomination committee. It is chaired by Mr Ohlsson. There is no separate nomination committee as the Board is considered small relative to listed trading companies. The Directors are therefore responsible for reviewing the size, structure and skills of the Board and considering whether any changes are required or new appointments are necessary to meet the requirements of the Company's business or to maintain a balanced Board. New Directors will receive an induction from the Investment Manager and Company Secretary on joining the Board, and all Directors receive other relevant training as necessary.

The Articles require that Directors submit themselves for re-election at least every three years. In addition, the Board has agreed that any Director with more than nine years' service will be required to stand for re-election at each annual general meeting. Further details are given at paragraph 5 of this Part 9 of this document.

The Company does not have a separate remuneration committee as the Board as a whole fulfils the function of a remuneration committee.

Board and Directors' performance appraisal

The performance of the Board committees and individual Directors will be evaluated through an assessment process led by the Chairman. The performance of the Chairman will be evaluated by the other Directors.

The audit committee

Mr Ambler is the chairman of the Company's audit committee which comprises the full Board. In discharging its responsibilities the audit committee will review the annual and half yearly accounts, the system of internal controls and the terms of appointment and remuneration of the auditor. It is also the forum through which the auditor reports to the Board. The audit committee is expected to meet at least twice a year. The Directors intend to review regularly and formally the effectiveness of the Company's system of internal control. This process will be led by the Audit Committee receiving and examining reports from the Investment Manager and the Administrator which will cover, for example, financial and non financial key performance indicators. The objectivity of the auditor will also be reviewed by the audit committee, which will also review the terms under which the external auditor is appointed to perform non-audit services. The audit committee will review the scope and results of the audit, its cost effectiveness and the independence and objectivity of the auditor, with particular regard to non-audit fees.

The management engagement and remuneration committee

Mr Ohlsson is the chairman of the Company's management engagement and remuneration committee which comprises the full Board. The management engagement committee will review the appropriateness of the Investment Manager's continuing appointment, together with the terms and conditions thereof and the basis of its remuneration on a regular basis.

The Investment Manager is subject to the overall supervision and control of the Board. The Investment Manager will act within the Company's investment policy and any further investment guidelines set by the Board from time to time. The Investment Manager will also report quarterly to the Board and one or more of its representatives will attend Board meetings when requested. The Board as a whole will be responsible for reviewing the quarterly solar power plant performance reports produced by Quintas and the Investment Manager, once the net proceeds of the Issue have been fully invested.

Each of the committees has written terms of reference which are reviewed at least annually and clearly define their responsibilities and duties.

Directors' share dealings

The Board will abide by the Model Code for Directors' Dealings contained in the Listing Rules and has adopted the Share Dealing Code which is equivalent to the Model Code. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Share Dealing Code.

The Investment Manager

The Company has appointed Foresight Group CI Limited as its investment manager pursuant to the Investment Management Agreement, the terms of which are set out in more detail below and in Part 9 of this document. The Investment Manager is a Guernsey registered company, incorporated under the Guernsey Law with registered number 51471. The Investment Manager is licensed and regulated by the Guernsey Financial Services Commission and acts as the AIFM of the Company. The Investment Manager is a partner of Foresight Group LLP (holding the majority of the voting and capital rights) which holds 100 per cent. of the voting rights of, *inter alia*, Foresight Fund Managers Limited.

Foresight Group comprises a team of experienced individuals with expertise in the operation of and investment in ground-based solar assets and currently has approximately £850 million of solar assets under management.

Foresight Group has offices in the UK, Italy and the USA and is currently managing 20 funds including five venture capital trusts which are listed on the premium segment of the Official List and are admitted to trading on the Main Market. Foresight Group currently has approximately £1.2 billion assets under management. Foresight Group has extensive fund management experience. It established its solar investment team in 2007 and launched its first solar fund, Foresight European Solar Fund, in early 2008. Foresight Solar VCT plc was launched in November 2010 and its NAV has increased from 94.5p at launch to 101.8p as at 30 June 2014. Foresight Solar VCT plc has invested in four utility scale UK solar projects each of which is generating returns in line with the Company's target return. It has also paid all forecast dividends. In 2013, Foresight Group's managed funds issued the largest UK solar index linked bond at that time.

In its capacity as the Investment Manager to the Company, the Investment Manager is responsible for the management of the assets of the Company including the sourcing of future ground-based solar power plants predominantly located in the UK, advising on the Group's borrowing strategy, the sale of the electricity and the administering of green benefits.

Key personnel of the Investment Manager

The individuals responsible for the management of the Company comprises three experienced UK fund managers and a Technical Director with six years of European solar experience. The fund managers are responsible for new asset acquisitions, pipeline development, value enhancement of the Company and advise the Board on the optimal borrowing strategy of the Group. The Technical Director supervises the operational management of the Company's portfolio on a day to day basis. The management team is supported by a team of UK based solar investment analysts with additional resource obtained from Foresight Group's US and Italian investment teams. Foresight Group has an Executive Committee of which Jamie Richards is a member as well as Bernard Fairman, Gary Fraser and David Hughes. This Executive Committee provides strategic investment advice to the management team and the Board. Foresight's solar investment team has combined investment experience of 200 years and currently has approximately £850 million of solar assets under management. The management team who are responsible for managing the portfolio are:

Jamie Richards: Jamie is a chartered accountant and has 20 years' experience in fund management, banking and corporate recovery. He is one of four executive committee members that manage

Foresight Group. Since inception in 2007, he has had overall responsibility for Foresight's solar business in the UK, Italy, Spain and US and his main activities include responsibility for Foresight's infrastructure funds (including Foresight Solar VCT plc), origination and structuring. Jamie has overseen, as a member of Foresight's Investment Committee, more than 30 solar projects representing Foresight's approximately £850 million solar portfolio. Since joining Foresight in 2000, he has led a number of venture, cleantech and renewable infrastructure investments. Prior to Foresight, he worked at PwC, Citibank and Macquarie, both in London and Sydney.

Ricardo Piñeiro: Ricardo is an investment director focused on new solar power plant acquisitions in the UK. He has led the acquisition of 14 UK solar power plants totalling over 200MW and has overseen their commercial management since then. He led the refinancing of a 16MW UK solar portfolio through the issuance of a listed £60 million index linked bond, one of the largest UK solar bond issuances at that time. Prior to joining Foresight, Ricardo worked for Espirito Santo Investment, where he spent three years in the project finance division, focusing on the energy and transport sectors.

Richard Thompson: Richard is a CFA charterholder and is an investment director focused on new solar power plant acquisitions in the UK. Richard manages Foresight's Infrastructure VCT share class that invests in a combination of UK solar power plants and secondary market PFI. Prior to joining Foresight, Richard worked in equity investment origination at Carillion, a FTSE 250 infrastructure investor and solar developer, both in London and Toronto. Whilst at Carillion Richard was responsible for £800 million of bank and bond project financings.

Arnoud Klaren: Arnoud is portfolio manager with technical responsibility for Foresight Group's UK solar power plants as well as two solar assets in Spain. He joined Foresight Group in 2011 and prior to that was a project manager at SolFocus responsible for managing a pilot project in Masdar (United Arab Emirates) as well as being responsible for the construction and start-up of pioneering CPV projects in Spain, Saudi Arabia and Greece. Prior to SolFocus, Arnoud founded and managed ThinkSpectrally, a spin-off company of the University of Valencia in Spain, dedicated to Quality Assurance in the PV manufacturing process, among other areas.

Gary Fraser: Gary is a chartered accountant and member of the Securities Institute. He worked with Ernst & Young between 1993 and 1999, predominantly in the audit and risk assurance and corporate finance areas. He joined ISIS Asset Management plc in 1999 and was responsible for the provision of company secretarial services for several investment companies including two of the Baronsmead VCTs. He joined Foresight Group in September 2004.

Investment Management Agreement

The Company and the Subsidiary have entered into the Investment Management Agreement with the Investment Manager under which the Investment Manager has been appointed with responsibility for the management of the Company's assets, subject to the overall control and supervision of the Board. The Investment Manager manages the Company's investments in accordance with the policies laid down by the Board from time to time and in accordance with the investment restrictions referred to in the Investment Management Agreement. The Board has ultimate discretion as to whether the Company makes an investment.

The Investment Management Agreement further provides that the Company will pay to the Investment Manager an annual management fee of one per cent. per annum of the Net Asset Value of the Company which are equal to or less than £500 million plus an amount equal to 0.9 per cent. per annum of the Net Asset Value of the Company which are in excess of £500 million. The Investment Management Agreement does not provide for any performance fees or acquisition fees to be payable to the Investment Manager by the Company or the Subsidiary.

The Investment Management Agreement is terminable by any of the parties to it on 12 months' written notice which cannot be served prior to the fourth anniversary of the Investment Management Agreement. The Investment Management Agreement may be terminated immediately if the Investment Manager is in material breach of the agreement, guilty of negligence, wilful default or fraud, is the subject of insolvency proceedings or there occurs a change of two Key Managers to which the Board has not given its prior consent. Further details of the Investment Management Agreement are set out in paragraph 8.3 of Part 9 of this document.

Conflicts of interest and asset allocation

The Investment Manager and its officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the

Company. In particular, the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company. The Investment Manager will have regard to its obligations under the Investment Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to its obligations to other clients or funds, should potential conflicts of interest arise. Where a company in another client's portfolio provides or seeks to provide services to assets in the Group's portfolio, the Investment Manager will put in place procedures to ensure that decisions are only made on an arm's length basis and after consultation with the Board.

The Investment Manager also has in place an allocation policy to ensure that it is able to resolve fairly any potential conflicts between the funds that it manages. Under its allocation policy, the Investment Manager will use its best efforts to ensure that the Company has the opportunity to participate in potential investments identified by the Investment Manager that fall within the Company's investment objective and policy on the best terms obtainable at the relevant time having regard to the interests of the Company. In so doing the Investment Manager will take into account the available asset opportunities for each of its funds in the light of the stated geographic and maximum single investment limit policies, the investment time horizon and stage and the level of uninvested cash held by each of them.

In the event that another client of the Investment Manager may be interested in assets or companies in which the Group may also be interested in investing, the Investment Manager will at the time put in place appropriate provisions to ensure that the interests of clients are protected to the maximum extent possible. Conflicts of interest will be disclosed in reports to the Board recommending any investment decision and reports of any decision of the Investment Manager to allocate an opportunity to another client.

If the Investment Manager believes that it is in the interest of its clients to bid together on particular opportunities, it will wherever possible, seek to discuss the opportunity with both clients in order to agree the investment allocation. Where it is not possible to reach such agreement or where it is not possible to discuss the potential allocation conflict with both parties, the Investment Manager will apply its allocation policy having regard to the interests of both clients and being mindful of not jeopardising a sale to any one of the clients of any part or all of the assets by trying to agree a joint allocation.

The Investment Manager will maintain a record of all determinations made with respect to allocations under its allocation policy and, will, where possible, provide details of decisions relating to the Group to the Board, subject to any specific confidentiality agreement entered into.

The allocations policy may be amended from time to time, but any changes that significantly adversely affect the Group will be subject to the prior approval of the Board.

Administration and secretarial arrangements

JTC (Jersey) Limited has been appointed as administrator and secretary pursuant to the Administration Agreement. In such capacity, the Administrator is responsible for general secretarial functions required by the Companies Law and for ensuring that the Company complies with its Articles and its continuing obligations as a company listed on the premium segment of the Official List. The Administrator is also responsible for the Company's general administrative functions, including managing the Company's cash and short term securities in accordance with the Company's investment policy, as set out in the Administration Agreement.

Pursuant to the Administration Agreement, the Administrator is entitled to a minimum fee of £80,000 per annum in relation to the provision of administration services to the Company, which will increase to a maximum of £100,000 should the total funds raised since launch following this fundraising be between £200 million and £250 million. The Administration Agreement can be terminated by the Company or Administrator on 90 days' written notice.

Safekeeping arrangements

The Group's assets comprise certificates of title in relation to the solar power plants, the share certificates in relation to the SPVs and cash. The Investment Manager holds any property deeds on behalf of the Company and the Administrator manages, subject to the overall control of the Board, the Company's bank accounts. The Company has therefore not appointed a custodian.

Registrar arrangements

The Company utilises the services of Computershare Investor Services (Jersey) Limited as registrar in relation to the transfer and settlement of Ordinary Shares held in certificated and uncertificated form. The Registrar maintains the Company's register of members in Jersey and ensures that it is available for inspection in accordance with the provisions of the Companies Law.

The Auditor

KPMG LLP provide audit services to the Group. The annual report and accounts will be prepared according to accounting standards in line with IFRS. The role of the auditors will be to carry out a review of and make a report on the amounts and disclosures made in the Company's financial information. This will also include an assessment of significant estimates and judgements 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.

Net Asset Value publication and calculation

The Investment Manager is responsible for providing fair market valuations of the Group's assets based on discounted cash flow methodology in accordance with IFRS. In conjunction with the Investment Manager, the Administrator calculates the Net Asset Value and Net Asset Value per Ordinary Share as at the end of each quarter of the Company's financial year and report such calculation to the Board for approval. The Board approve each quarterly Net Asset Value calculation. These calculations are reported quarterly to Shareholders and reconciled in the Company's annual report. The Net Asset Value is announced as soon as possible on a Regulatory Information Service, by publication on www.londonstockexchange.com and on the Company's website www.foresightsolarfund.co.uk. Further information on the basis of, and assumptions used in, valuing the Group's assets is set out in Part 4 of this document.

The Company may, in accordance with its investment policy, hold minority stakes in SPVs and in these circumstances, the Investment Manager or the Administrator 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. In addition the financial reports, where not provided by the Investment Manager and/or the Administrator, are typically provided on a half yearly or quarterly basis only, and are generally issued one to four months after the end of the relevant quarter. Consequently, each quarterly Net Asset Value calculation will contain information that may be out of date, require updating or be incomplete. Shareholders should bear in mind that where the Company holds a minority stake in such company the actual Net Asset Values may be materially different from the quarterly estimates.

The calculation of the Net Asset Value per Share will only be suspended in circumstances where the underlying data necessary to value the investments of the Company cannot readily, or without undue expenditure, be obtained. Details of any suspension in making such calculations will be announced through a Regulatory Information Service.

Shareholder meetings, reports and accounts of the Company

All general meetings of the Company are held in Jersey. The Company holds an annual general meeting each year with the first annual general meeting to be held in 2015 and no more than 18 months after the date of incorporation of the Company.

The Company's annual report and accounts are prepared up to 31 December each year. Copies of the annual report and accounts will be made public within the following four months and sent to all Shareholders as soon as possible thereafter. They are also made available on the Company's website www.foresightsolarfund.co.uk. Shareholders will also receive an unaudited half yearly report covering the six months to 30 June each year. These are made public within the following two months and sent to Shareholders as soon as possible thereafter. They are made available on the Company's website www.foresightsolarfund.co.uk. For so long as it is required to by the Disclosure and Transparency Rules, the Company will also issue interim management statements within the meaning of the Disclosure and Transparency Rules during the period commencing ten weeks after the beginning and six weeks before the end of each six month period of the financial year, covering the period between the beginning of such six month period and the date of publication of such statement.

Accounting policies

The audited accounts of the Company are prepared in Sterling and in accordance with IFRS as adopted by the EU. Financial statements prepared by the Company in accordance with IFRS include a statement of comprehensive income, a balance sheet, a statement of changes in equity and cash flow statement.

The Company's management and administration fees, finance costs and all other expenses are charged through the statement of comprehensive income. Costs directly relating to the issue of new Ordinary Shares are charged to the Company's special reserve.

Annual expenses

The principal annual expenses of the Company are the fees payable to the Investment Manager, the Administrator and the Directors. The Company will also incur regulatory fees, insurance costs, professional fees, audit fees and other expenses. It is estimated that (on the basis that the Initial Placing and Offer are fully subscribed) the total material expenses of the Company for the accounting period ending 31 December 2014 (excluding the costs of share issues and acquisitions, capital expenditure, irrecoverable property running costs and the fee payable to the Investment Manager) will not exceed 1.2 per cent. of total assets of the Company, annualised over this period.

PART 4

THE PORTFOLIO

Where information contained in this Part 4 has been sourced from a third party, the Company confirms that such information has been accurately reproduced and the source identified and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Overview of the Portfolio

The Company has acquired, or agreed to acquire subject only to the assets receiving ROC Accreditation, nine operational assets with a current aggregated value of £239.2 million. The following table sets out a summary of the key information in respect of the Portfolio:

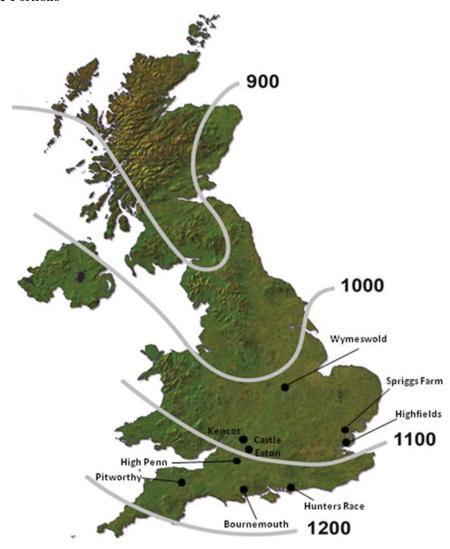
Asset	Location	Installed Capacity (MW)	ROC Banding (ROC/ MWh)	Tilted Irradiance (kWh/m2/ yr)	Grid Connection Date	EPC/ O&M Provider	PPA Provider
ROC Accredited							
Wymeswold	Leicestershire	32.2	2.0	1,117	29 March 2013	Lark Energy Limited	Total Gas & Power Limited
Castle Eaton	Swindon	17.8	1.6	1,122	31 March 2014	SunEdison	Smartest- Energy Limited
Highfields	Essex	12.2	1.6	1,144	28 March 2014	SunEdison	Smartest- Energy Limited
High Penn	Wiltshire	9.6	1.6	1,143	31 March 2014	SunEdison	Smartest- Energy Limited
Pitworthy	Devon	15.6	1.4	1,158	24 April 2014	SunEdison	Smartest- Energy Limited
Spriggs Farm ⁽¹⁾	Essex	12.0	1.6	1,203	19 March 2014	Bester Generacion UK Limited	Statkraft Markets GmbH
Hunters Race ⁽¹⁾	West Sussex	10.7	1.4	1,240	9 July 2014	Hareon Solar GmbH	Statkraft Markets GmbH
Pending ROC Accreditation ⁽²⁾							
Bournemouth	Dorset	37.3	1.4 (Expected)	1,264	23 September 2014	Goldbeck Construction Limited	Total Gas & Power Limited
Kencot	Oxfordshire	37.2	1.4 (Expected)	1,166	24 September 2014	Conergy UK Limited	Statkraft Markets GmbH
Total		184.6		10,557			

Notes

⁽¹⁾ The acquisition of the assets at Spriggs Farm and Hunters Race are unconditional subject only to certain legal conditions precedent which can be waived by the Company. The acquisitions are expected to formally complete before the end of October 2014.

⁽²⁾ The acquisition of the assets at Bournemouth and Kencot are conditional, *inter alia*, on ROC Accreditation which is expected to be received prior to 31 December 2014.

Location of the Portfolio



Note: Units shown are KWh per m² per annum

Source: Investment Manager

The Company has entered into sale and purchase agreements in connection with the assets at Bournemouth and Kencot, Oxfordshire. The Company will take full title to the entire issued share capital of these assets following them receiving full ROC Accreditation which is expected to be prior to 31 December 2014.

A summary of the key terms of the sale and purchase agreement for each of the assets is set out in paragraph 8 of Part 9 of this document.

Summary of the assets

ROC Accredited

Wymeswold

The Wymeswold solar power plant consists of a 32.2MW ground-mounted photovoltaic power plant constructed by S.A.G. Solar UK Limited on a disused airfield in Leicestershire with a total area covering approximately 78 hectares. The solar plant was connected to the grid on 29 March 2013 achieving ROC Accreditation at the rate of 2.0 ROCs per MWh. The project uses approximately 134,000 solar panels, approximately 94 per cent. of which have been supplied by Trina Solar with the remaining 6 per cent. supplied by SunTech Power. The distribution network operator is Western Power Distribution.

Lark Energy replaced S.A.G. Solar UK Limited as the EPC and O&M Contractor on 4 April 2014.

The project entered a 15-year PPA agreement with Total Gas & Power Limited on 14 June 2013 for the sale of ROCs and electricity.

No third party debt facilities are in place at project level.

Castle Eaton

The Castle Eaton solar power plant consists of a 17.8MW ground-mounted photovoltaic power plant constructed by SunEdison on agricultural farmland of approximately 40 hectares, located in Cirencester, Gloucestershire. The Castle Eaton solar power plant uses approximately 59,000 solar panels supplied by Canadian Solar. The solar plant was connected to the grid on 31 March 2014 achieving ROC Accreditation at the rate of 1.6 ROCs per MWh. The distribution network operator is Scottish and Southern Energy.

SunEdison is the EPC and O&M Contractor in respect of this project.

The project has entered an 18-month PPA agreement with SmartestEnergy Limited for the sale of ROCs and electricity. The contract will expire on 30 September 2015.

No third party debt facilities are in place at project level.

Highfields

The Highfields solar power plant consists of a 12.2MW ground-mounted photovoltaic power plant constructed by SunEdison on arable land of approximately 37 hectares, located in Chelmsford, Essex. The Highfields solar power plant uses approximately 37,000 solar panels supplied by MEMC (SunEdison). The solar plant was connected to the grid on 28 March 2014 achieving ROC Accreditation at the rate of 1.6 ROCs per MWh. The distribution network operator is UK Power Networks.

SunEdison is the EPC and O&M Contractor in respect of this project.

The project has entered a 18-month PPA agreement with SmartestEnergy Limited for the sale of ROCs and electricity. The contract will expire on 30 September 2015.

No third party debt facilities are in place at project level.

High Penn

The High Penn solar power plant consists of a 9.6MW ground-mounted photovoltaic power plant constructed by SunEdison on agricultural farmland of approximately 30 hectares, located in Calne, Wiltshire. The High Penn solar power plant uses approximately 30,000 solar panels supplied by MEMC (SunEdison). The solar plant was connected to the grid on 31 March 2014 achieving ROC Accreditation at the rate of 1.6 ROCs per MWh. The distribution network operator is Scottish and Southern Energy.

SunEdison is the EPC and O&M Contractor in respect of this project.

The project has entered an 18-month PPA agreement with SmartestEnergy Limited for the sale of ROCs and electricity. The contract will expire on 30 September 2015.

No third party debt facilities are in place at project level.

Pitworthy

The Pitworthy solar power plant consists of a 15.6MW ground-mounted photovoltaic power plant constructed by SunEdison on agricultural farmland of approximately 44 hectares, located in Holsworthy, Devon. The Pitworthy solar power plant uses approximately 48,000 solar panels supplied by MEMC (SunEdison). The solar plant was connected to the grid on 24 April 2014 achieving ROC Accreditation at the rate of 1.4 ROCs per MWh. The distribution network operator is UK Power Networks.

SunEdison is the EPC and O&M Contractor in respect of this project.

The project has entered an 18-month PPA agreement with SmartestEnergy Limited for the sale of ROCs and electricity. The contract will expire on 30 September 2015.

No third party debt facilities are in place at project level.

Spriggs Farm

The Spriggs Farm solar power plant consists of a 12.0MW ground-mounted photovoltaic power plant constructed by Bester Generacion UK Limited on agricultural farmland of approximately 30 hectares, located in Thaxted, Essex. The Spriggs Farm solar power plant uses approximately 49,000 solar panels supplied by Talesun. The solar plant was connected to the grid on 19 March 2014 achieving ROC Accreditation at the rate of 1.6 ROCs per MWh. The distribution network operator is Western Power Distribution.

Bester Generacion UK Limited is the EPC and O&M Contractor in respect of this project.

The project has entered an 18-month PPA agreement with Statkraft Markets GmbH for the sale of ROCs and electricity. The contract will expire on 30 September 2015.

No third party debt facilities are in place at project level.

The acquisition of the solar plant is unconditional subject only to certain legal conditions precedent which can be waived by the Company. The acquisition is expected to formally complete during October 2014.

Hunters Race

The Hunters Race solar power plant consists of a 10.4MW ground-mounted photovoltaic power plant constructed by Hareon Solar GmbH on agricultural farmland of approximately 12.4 hectares, located in Lavant, Sussex. The Hunters Race solar power plant uses approximately 33,000 solar panels supplied by Hareon Solar GmbH. The solar plant was connected to the grid on 9 July 2014 achieving ROC Accreditation at the rate of 1.4 ROCs per MWh. The distribution network operator is Scottish and Southern Energy.

Hareon Solar GmbH is the EPC and O&M Contractor in respect of this project.

The project has entered an 18-month PPA agreement with SmartestEnergy Limited for the sale of ROCs and electricity.

No third party debt facilities are in place at project level.

The acquisition of the solar plant is unconditional subject only to certain legal conditions precedent which can be waived by the Company. The acquisition is expected to formally complete during October 2014.

Pending ROC Accreditation

Bournemouth

The Bournemouth solar power plant consists of a 37.3 MW ground-mounted photovoltaic power plant constructed by Goldbeck Construction Limited on farmland of approximately 77 hectares, located in Bournemouth, Dorset. The Bournemouth solar plant uses approximately 146,000 solar panels supplied by REC Solar. The Bournemouth Purchaser SPV has entered into a binding conditional sale and purchase agreement with Adiant Solar Opportunities I SA to acquire 100 per cent. of the share capital of the Bournemouth SPV. The Bournemouth solar plant was connected to the grid on 23 September 2014 and is expected to achieve ROC Accreditation at the rate of 1.4 ROCs per MWh. The solar plant will accrue revenues for the Company from the earlier of ROC Accreditation or 60 days from date of grid connection. The distribution network operator will be Scottish and Southern Energy.

The project has entered an 18-month PPA agreement with Total Gas & Power Limited for the sale of ROCs and electricity. This contract will expire on 31 March 2016.

As the asset has not yet received ROC Accreditation the consideration agreed under the Bournemouth SPA has not yet been transferred to the Bournemouth Vendor.

On the assumption that the Initial Placing and Offer are fully subscribed at the £100 million level the Company will use the proceeds of the Issues to fund the completion of this project. If the Issues are not fully subscribed the Company will use the revolving acquisition facility to fund the balance of the consideration for the acquisition of the entire issued share capital of the Bournemouth SPV.

No third party debt facilities are in place at project level.

Kencot

The Kencot solar power plant consists of a 37.2 MW ground-mounted photovoltaic power plant constructed by Conergy UK Limited on a disused airfield with a total area of approximately 52 hectares, located in Kencot, Oxfordshire. The Kencot solar power plant uses approximately 144,000 solar panels supplied by Astroenergy. Kencot Purchaser SPV has entered into a legally binding conditional sale and purchase agreement with RWE Supply and Trading GmbH to acquire 100 per cent. of the share capital of the Kencot SPV. The Kencot solar plant was connected to the grid on 24 September 2014 and is expected to achieve ROC Accreditation at the rate of 1.4 ROCs per MWh. The solar plant will accrue revenues for the Company from the date of grid connection. The distribution network operator is Scottish and Southern Energy.

The project has entered an 18-month PPA agreement with Statkraft Markets GmbH for the sale of ROCs and electricity.

As the asset has not yet received ROC Accreditation the consideration agreed under the relevant sale and purchase agreement has not yet been transferred to the Kencot Vendor.

On the assumption that the Initial Placing and Offer are fully subscribed at the £100 million level the Company will use the proceeds of the Issues to fund the completion of the project. If the Issues are not fully subscribed the Company will use the revolving acquisition facility to fund the balance of the consideration for the acquisition of the entire issued share capital of the Kencot SPV.

No third party debt facilities are in place at project level.

Summary of the typical terms of the key operational contracts in relation to the Portfolio

Each of the SPVs has entered into a number of contracts which will provide the SPVs with certain protections in respect of the design, construction, performance operation and maintenance of the individual solar power plants. The key contracts are the EPC Contracts and the O&M Contracts and in each case a summary of the typical key terms of each type of contract is outlined below.

The EPC Contracts

The EPC Contractors guarantee that the solar power plant will meet certain performance ratios during the first two years of operation. If they do not meet the set performance ratio the EPC Contractor will have to pay liquidated damages to cover the performance ratio shortfalls over the two year contract term as well as assumed future shortfalls on a discounted cash flow basis. The liability of the EPC Contractor to pay liquidated damages is typically subject to a separate cap of around 10 per cent. of the contract price. The EPC Contractors will, pursuant to the EPC Contract, have obligations to rectify any defects that become apparent within the solar power plant within the typical initial term of two years.

It is expected that the EPC Contracts will also provide for the SPVs to take security, usually for up to two years, which may take the form of a cash retention of up to 10 per cent., an on-demand performance bond of up to 10 per cent. and/or a guarantee from the parent company of the EPC Contractor. The security is likely to be released once the solar power plant has passed its performance tests or, in the event it doesn't pass these performance tests, once all the performance liquidated damages due to the SPVs have been paid.

At the end of the two year term, the EPC Contractors are usually obliged to assign to each SPV the manufacturer warranties in relation to the component parts of the solar power plants which extend beyond such term. These manufacturer warranties typically relate to the solar panels, inverters and sometimes other components. Such manufacturers warranties offer a degree of on-going protection in connection with the repair or replacement of the warranted components if they break down.

The above summary is of the typical terms of an EPC Contract. There is no guarantee that the eventual terms of any EPC Contract in respect of any solar power plant will be on such terms.

The O&M Contracts

The SPVs have also entered into an O&M Contract with different O&M Contractors pursuant to which the O&M Contractor will provide both preventative and corrective maintenance. Under the terms of the O&M Contracts an annual test will be carried out on each of the solar power plants which will analyse the solar power plant's availability to generate power over the previous 12 month period. If the solar power plant's availability were to be less than that guaranteed under the O&M Contract, typically 99 per cent., the O&M Contractor will be liable to pay liquidated damages according to the formula that is set out in the O&M Contract which is usually capped per annum to the level of the annual fees paid to the O&M Contractor.

The above summary is of the typical terms of an O&M Contract. There is no guarantee that the eventual terms of any O&M Contract in respect of any solar power plant will be on such terms.

Asset management services

Foresight Group LLP has entered into an agreement with Quintas Energy S.L. ("Quintas") pursuant to which Quintas will provide the Company and Foresight Group with back office and administrative services in relation to the solar power plants in the Company's portfolio. In particular, Quintas will oversee each of the O&M Contractors' performance, incident control and technical reporting in order to ensure that each solar power plant is operated and managed so as to maximise revenues. Quintas

will also carry out the invoicing and financial reporting for each solar power plant. The fees for the services provided by Quintas will be payable by Foresight Group LLP which shall, in turn, invoice the SPVs for such services.

Valuation of the Portfolio

The Investment Manager is responsible for providing fair market valuations of Group's assets to the Directors. The Directors review and approve these valuations following appropriate challenge and examination. Valuations are carried out quarterly.

The current portfolio consists of non-market traded investments and valuations are based on a discounted cash flow methodology in accordance with IFRS.

It is the policy of the Investment Manager to value the assets with reference to discounted cash flows immediately following acquisition. This is partly due to the long periods between agreeing an acquisition price and financial completion of the acquisition. Quite often this delay incorporates construction as well as time spent applying for, and achieving, accreditation, which the Group's acquisition of assets is contingent on. Whilst revenues generally accrue for the benefit of the purchaser, revenues accrued do not form part of the discounted cash flow calculation when making a fair and proper valuation until ROC Accreditation is achieved.

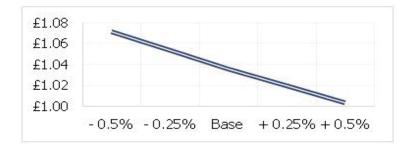
A broad range of assumptions are used in the valuation models. These assumptions are based on long-term forecasts and are not affected by short term fluctuations in inputs, be it economic or technical.

Valuation sensitivities

A broad range of assumptions are used in the valuation models. Where possible, assumptions are based on observable market and technical data. In many cases, such as the forward power price, the Company makes use of professional advisors to provide reliable and evidenced information while often applying a more prudent approach to market leading information providers. Set out below are the inputs that the Board and Investment Manager believe would have a material effect upon the NAV should they be flexed. The following information assumes the relevant input is flexed over the entire useful life of an asset. All sensitivities are calculated independently of each other.

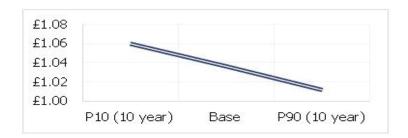
Discount Rate





All assets in the Portfolio are valued using discounted cash flow methodology at a constant discount rate. This sensitivity demonstrates the effect of a change in the weighted average discount rate applied across all the assets in the Portfolio and its impact on the expected NAV per share. The sensitivity assumes a range of +/-0.5 per cent. against an assumed weighted average discount rate of 8 per cent. as per the 30 June 2014 valuation.

	P10 (10		P90 (10
	year)	Base	year)
Directors valuation (£m)	158.97	155.43	151.71
NAV per share (£)	1.060	1.036	1.011



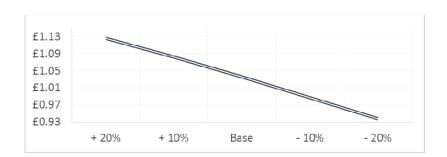
All assets in the Portfolio are valued based on a P50 solar energy yield (being a 50 per cent. probability that this yield will be met or exceeded) as recommended by the independent technical advisor. The technical advisor will derive this yield by analysing a range of irradiation datasets to assess the most appropriate source and will typically use a range of both satellite and ground-based measurements. A range of site-specific loss factors including but not limited to assumptions for degradation, module mismatch, inverter losses etc. are then applied to derive the anticipated energy production of the site (MWh per annum) based on a 50 per cent. probability of exceedance (P50 – base case).

The above sensitivity looks at the impact of a change in production yield to the 90 per cent. confidence level (P90 – downside) and the 10 per cent. confidence level (P10 – upside). Under the P10 scenario, production yields are expected to be equal to or above this level only 10 per cent. of the time whereas under the P90 scenario, production yields are expected to equal to or above this level at least 90 per cent. of the time.

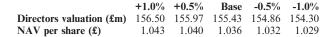
All scenarios assume the P10, P50 or P90 energy yield is constant over the operating life of the Portfolio.

Power Price





The power price forecasts used to value the Portfolio are based on the Investment Manager's analysis of a range of leading power price forecasters' and government reference curves, where under all sources a real increase in UK power prices is anticipated over the medium to long term. The above sensitivity assumes a shift in this power curve of +/-20 per cent. and the resultant impact on the anticipated NAV per share.

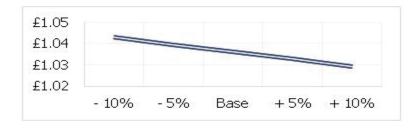




This sensitivity demostrates the impact of a +/-1 per cent. change in the annual base case inflation assumption used in the financial model. The base case RPI assumption is 2.5 per cent. which is considered an appropriate estimate of long-term inflation within the UK market and is applied to relevant revenue and cost assumptions within the financial model.

Operating costs (investment level)

	-10%	-5%	Base	+5%	+10%
Directors valuation (£m)	156.43	155.93	155.43	154.91	154.39
NAV per share (£)	1.043	1.040	1.036	1.033	1.029



Ongoing annual operating costs for assets within the Portfolio include but are not limited to the annual O&M fee, lease costs, insurance rates, business rates, administration costs etc. The above sensitivity assumes a +/-10 per cent. change in annual operating costs for all assets in the Portfolio and the resultant impact on anticipated NAV per Share.

Supply of future solar power plants in the UK

It is the Board's intention to liaise with the Investment Manager to explore future investment opportunities in accordance with the Company's investment policy. The Investment Manager has, through its position in the market, strong relationships with experienced developers enabling it to maintain a high quality solar PV pipeline.

Furthermore in the latest UK Solar PV Strategy paper, published in October 2013 (Part 1) and April 2014 (Part 2), DECC classified solar PV as one of the key renewable technology for reaching the UK's renewable targets, with central forecast showing that generation capacity could reach 10GW by 2020, with the potential to reach 20GW depending on the technology cost reduction during that period. The Board believes that the requirement to reach these targets coupled with the presence of the RO incentive mechanism until 2017 for assets below 5MW, the introduction of FiT with CfDs for assets greater than 5MW and the reducing component and EPC costs over time, will lead to significant investment opportunities in the sector in the medium term. In the longer term it is predicted that solar power generation will achieve grid parity and will be able to deliver a commercial return without the requirement for subsidies.

PART 5

THE INITIAL PLACING AND OFFER

Introduction

Under the Initial Placing and Offer, subject to compliance with the Companies Law and the Articles, the Company is proposing to target an issue of up to 100 million New Shares to raise Gross Proceeds of approximately £100 million. The Initial Placing and Offer Price is equal to the NAV per Share on 30 September 2014 plus a premium of two per cent. to cover the costs of the Initial Placing and Offer. The NAV per Share as at 30 September 2014 will not include the interim dividend of 3p per Ordinary Share in respect of the period from 1 January 2014 to 30 June 2014 which will be paid on 30 September 2014 to Shareholders who were on the register on 27 August 2014.

The Directors have reserved the right, in consultation with Oriel, to increase the number of New Shares offered pursuant to the Initial Placing and Offer to up to the maximum amount for which the Directors are seeking authority pursuant to the Issues, being up to 200 million New Shares. Any such increase will be announced via an RIS.

The costs of the Initial Placing and Offer are dependent on subscriptions received but, by way of illustration, will be between 2.1 per cent. of the Gross Proceeds should the Initial Placing and Offer raise Gross Proceeds of £100 million and 1.8 per cent. of the Gross Proceeds should the Initial Placing and Offer raise £200 million. These expenses will be met out of the Gross Proceeds of the Initial Placing and Offer.

The New Shares will rank pari passu in all respects with the existing Ordinary Shares, (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment of the relevant New Shares). The New Shares issued under the Initial Placing and Offer will not be entitled to receive any dividend for the period from 1 January 2014 to 30 June 2014, which is expected to be paid on 30 September 2014.

The Initial Placing and Offer is conditional, inter alia, on:

- (i) the Issue Resolution being passed at the EGM;
- (ii) the Placing Agreement becoming wholly unconditional (save as to Initial Admission and each subsequent Admission under the Placing Programme) and not having been terminated in accordance with its terms prior to Initial Admission; and
- (iii) Initial Admission occurring by 8.00 a.m. on 21 November 2014 (or such later date as the Company and Oriel may agree in writing, being not later than 8.00 a.m. 19 December 2014).

The Directors intend to apply the Net Proceeds of the Initial Placing and Offer in accordance with the Company's investment objective and policy. There is no minimum size of the Initial Placing and Offer and the Initial Placing and Offer is not being underwritten.

The Initial Placing

Oriel has agreed under the Placing Agreement to use its reasonable endeavours to procure Placees for New Shares at the Initial Placing and Offer Price. Details of the Placing Agreement are set out in paragraph 8.1 of Part 9 of this document.

The total number of New Shares issued under the Initial Placing will be determined by the Company and Oriel, after taking into account demand for the New Shares, prevailing market conditions and the acquisition costs of assets that the Investment Manager has identified as being suitable for purchase by the Company. The final result of the Initial Placing will be announced via an RIS.

The Initial Placing will close at 12.00 p.m. on 16 October 2014 (or such later date, not being later than 18 December 2014, as the Company and Oriel may agree). If the Initial Placing is extended, the revised timetable will be notified via an RIS.

The procedure for, and the terms and conditions of, application under the Initial Placing are set out in Part 10 of this document.

Commitments under the Initial Placing, once made, may not be withdrawn without the consent of the Directors.

Offer for Subscription

The Directors are also proposing to offer New Shares under the Offer for Subscription. The Offer for Subscription is being made in the UK only. The public generally (unless they are located or resident outside the UK) may apply for New Shares through the Offer for Subscription.

Applicants under the Offer for Subscription must specify a fixed sum in Sterling, being the aggregate subscription price for the New Shares for which they wish to apply at the Initial Placing and Offer Price. The aggregate subscription price is payable in full on application. Individual applications must be for a minimum of £1,000 and applications in excess of that amount should be made in multiples of £100, although the Board may accept applications below the minimum amounts stated above in their absolute discretion. Multiple subscriptions under the Offer for Subscription by individual investors will not be accepted. Fractions of a New Share will not be issued.

The procedure for, and the terms and conditions of, application under the Offer for Subscription are set out in Part 11 of this document and an Application Form for use under the Offer for Subscription is set out at the end of this document.

Completed Application Forms and the accompanying payment in relation to the Offer for Subscription must be posted to Computershare, Corporate Actions Projects, Bristol BS99 6AH so as to be received by no later than 11.00 a.m. on 15 October 2014.

Commitments under the Offer for Subscription, once made, may not be withdrawn without the consent of the Directors.

Admission and dealings

Applications will be made to the FCA for admission of the New Shares to the Official List. Applications will also be made for the New Shares to be admitted to trading on the London Stock Exchange. It is expected that Initial Admission will become effective and that unconditional dealings in the New Shares will commence on the main market for listed securities of the London Stock Exchange at 8.00 a.m. (London time) on 22 October 2014.

The Initial Placing and Offer Shares will be issued in registered form and may be held in certificated or uncertificated form. The Initial Placing and Offer Shares allocated will be issued through the CREST system unless otherwise stated. The Initial Placing and Offer Shares will be eligible for settlement through CREST with effect from Initial Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the applicants concerned or their nominees with their respective entitlements to the Initial Placing and Offer Shares. The names of applicants or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Dealings in the Initial Placing and Offer Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The Initial Placing and Offer Shares will be denominated in Sterling.

Transfer

The transfer of the Initial Placing and Offer Shares outside the CREST system should be arranged directly through the Registrar by completing and lodging an appropriate stock transfer form. However, an investor's beneficial holding held through the CREST system may rematerialise, in whole or in part, only upon the specific request of a beneficial owner to CREST through submitting a stock withdrawal form for share certificates or an uncertificated holding in definitive registered form.

If an applicant or transferee requests Initial Placing and Offer Shares to be issued in certificated form and is holding such Initial Placing and Offer Shares outside CREST, a share certificate will be despatched either to it or its nominated agent (at its own risk) within ten days of completion of the registration process or transfer, as the case may be, of the Initial Placing and Offer Shares. Investors holding a definitive certificate may elect at a later date to hold their Initial Placing and Offer Shares through CREST.

Scaling back

In the event that the number of New Shares applied for under the Initial Placing and Offer at the Initial Placing and Offer Price would result in the Company receiving net proceeds which are in excess of the Issue size then it would be necessary to scale back applications under the Initial Placing and Offer. The Placing Agent reserves the right, at its sole discretion but after consultation with the

Company, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part an application for New Shares pursuant to the Initial Placing and Offer. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they applied.

Commissions

Oriel will be entitled to a commission payable by the Company in connection with monies raised under the Initial Placing and Offer. No commissions are payable by the Company to Places under the Initial Placing and Offer. Oriel is entitled, at its discretion and out of its own resources, at any time to rebate to some or all investors, or to other parties, all or any part of any fee or commissions received by it relating to the Initial Placing and Offer.

Dilution

Existing Shareholders are not obliged to participate in the Issues. However, those Shareholders who do not participate in the Issues will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of Ordinary Shares issued. Assuming 200 million New Shares are issued, Shareholders will suffer a dilution of approximately 57 per cent. to their existing percentage holdings. However, as the New Shares will be issued at a premium to the prevailing NAV per Share in order to take account of the costs of such issue, it is not anticipated that there will be any dilution in the NAV per Share as a result of the Initial Placing and Offer.

Overseas investors

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 134 to 135 of this Prospectus which set out restrictions on the holding of Ordinary Shares by such persons in certain jurisdictions.

In particular investors should note that the Ordinary 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 Ordinary 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.

Money laundering

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

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Manager and Oriel 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 Ordinary 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 Investment Manager and Oriel, may refuse to accept a subscription for Ordinary Shares, or may refuse the transfer of Ordinary Shares held by any such Shareholder.

ISA, SSAS and SIPP

General

The new ISA ("NISA") regime commenced on 1 July 2014 which, amongst other things, removed the concept of stocks and shares and cash components of an ISA. For the 2014/2015 tax year NISAs will have an overall subscription limit of £15,000 (from 1 July 2014) all of which can be invested in stocks and shares, such as the Ordinary Shares.

Sums received by a Shareholder on a disposal of Ordinary Shares will not count towards the Shareholder's annual limit but the Shareholder will not be able to reinvest the sums if the overall

subscription limit of £15,000 has already been utilised by the Shareholder in the tax year. Individuals wishing to invest in Ordinary Shares through an NISA should contact their professional advisers regarding their eligibility.

Offer for Subscription

Ordinary Shares allotted under the Offer for Subscription will be eligible for inclusion in an ISA, subject to the applicable subscription limits to new investments into an ISA, as set out above, being complied with.

Initial Placing

Ordinary Shares allotted under the Initial Placing, subject to applicable subscription limits as set out above, are not eligible for inclusion in an ISA.

Secondary market purchases

Ordinary Shares acquired by an account manager by purchase in the secondary market, subject to applicable subscription limits, as set out above, will be eligible for inclusion in an ISA.

UK small self administered schemes and self invested personal pensions

The Ordinary Shares will be eligible for inclusion in a UK SSAS or a UK SIPP.

Subscriber warranties

Each subscriber of Ordinary Shares in the Issues and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- 1. it is not a U.S. Person, is not located within the United States and is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;
- 2. it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- 3. it acknowledges that the Ordinary 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 may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
- 4. it acknowledges that the Company has not been registered under the U.S. 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 U.S. Investment Company Act;
- 5. no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of 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 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 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 Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- 6. that if any Ordinary Shares are being offered under 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:

FORESIGHT 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 "U.S. 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 "U.S. 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, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE U.S. SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.

- 7. if in the future the subscriber decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. 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:
- 8. it is purchasing the Ordinary 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 Ordinary Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 9. it acknowledges that the Company reserves the right to make enquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the U.S. 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 U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- 10. it is entitled to acquire the Ordinary 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 Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager or Oriel, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issues or its acceptance of participation in the Issues;
- 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 Ordinary Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 12. if it is acquiring any Ordinary 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, and does make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and
- 13. the Company, the Investment Manager and Oriel 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.

PART 6

THE PLACING PROGRAMME

The Placing Programme

Following the Initial Placing and Offer, the Directors intend to implement the Placing Programme. Conditional on the Issue Resolution being passed, the Directors will be authorised to issue up to 200 million New Shares pursuant to the Placing Programme less any such shares issued pursuant to the Initial Placing and Offer without having to first offer those New Shares to existing Shareholders. The Placing Programme is being implemented to enable the Company to raise additional capital in the period from 22 October 2014 to 24 September 2015 as and when it identifies suitable assets for acquisition. This should, in turn, enable the Investment Manager to act opportunistically, by making a series of accretive acquisitions whilst also mitigating the risk of cash drag on Shareholders' funds.

The Net Proceeds of the Initial Placing and Offer and the Placing Programme are dependent on subscriptions received pursuant to both the Initial Placing and Offer and the Placing Programme. Assuming that Gross Proceeds of £100 million are raised under the Initial Placing and Offer and Gross Proceeds of a further £100 million are raised under the Placing Programme, the Net Proceeds of the Initial Placing and Offer and the Placing Programme would be approximately £196.4 million with expenses (including any commission) of approximately £3.6 million. These expenses will be met out of the Gross Proceeds of the Initial Placing and Offer and the Placing Programme.

The Directors intend to apply the Net Proceeds of the Placing Programme in making investments in accordance with the Company's investment objective and policy. The Placing Programme is not being underwritten.

New Shares will be issued at 8.00 a.m. on the relevant issue date in the period from 23 October 2014 to 24 September 2015. The issue of New Shares pursuant to the Placing Programme is at the discretion of the Directors in conjunction with Oriel.

In the event that there are any significant changes affecting any of the matters described in this document or where any significant new matters have arisen after the publication of this document and prior to Admission of the New Shares issued pursuant to the Placing Programme, the Company will publish a supplementary prospectus. Any supplementary prospectus published will give details of the significant change(s) or the significant new matter(s). Otherwise the Prospectus will not be updated but investors should refer to the Company's announcements made through a Regulatory Information Service.

Conditions

Each issue pursuant to the Placing Programme is conditional, inter alia, on the following:

- (i) the Issue Resolution having been passed at the EGM;
- (ii) the relevant Placing Programme Price being determined by the Directors in conjunction with Oriel as described below;
- (iii) Admission of the New Shares issued pursuant to such issue;
- (iv) a valid supplementary prospectus being published by the Company if such is required by the Prospectus Rules; and
- (v) the Placing Agreement becoming unconditional in respect of each Issue and having been terminated in accordance with its terms prior to such Admission.

In circumstances where these conditions are not fully met, the relevant issue of New Shares pursuant to the Placing Programme will not take place.

New Shares issued under the Placing Programme will rank *pari passu* with the Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid by reference to a record date prior to the issue of the relevant New Shares.

Placing Programme Price

The Placing Programme Price will be determined by the Company and will be at a premium to the Net Asset Value in respect of each Issue per Share.

The Directors will determine the Placing Programme Price in respect of each Issue on the basis described above so as to at least cover the estimated costs and expenses of each Issue under the

Placing Programme and to thereby avoid any dilution of the Net Asset Value of the existing Ordinary Shares. In determining the Placing Programme Price, the Directors will also take into consideration, *inter alia*, the prevailing market conditions at that time.

The Placing Programme Price will be announced through an RIS as soon as is practicable in conjunction with each Issue.

Admission and Dealing

Applications will be made to the FCA for admission of the New Shares to the Official List. Applications will also be made for the New Shares to be admitted to trading on the London Stock Exchange through the period from 23 October 2014 to 24 September 2015.

The New Shares will be issued in registered form and may be held in uncertificated form. The New Shares allocated will be issued to Places through the CREST system unless otherwise stated. The New Shares will be eligible for settlement through CREST with effect from Admission.

The Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the Placees concerned or their nominees with their respective entitlements to the New Shares. The names of Placees or their nominees that invest through their CREST accounts will be entered directly on to the share register of the Company.

Dealings in the New Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The New Shares will be denominated in Sterling.

Scaling back

Conditional on the Issue Resolution being passed, the Directors will be authorised to issue up to 200 million New Shares pursuant to the Issues. In the event that the aggregate applications under the Initial Placing and Offer and the Placing Programme were to exceed 200 million New Shares or would result in the Company receiving Net Proceeds which are significantly in excess of the estimated costs of assets that the Investment Manager has identified for acquisition at the time of such Issue, then it would be necessary to scale back applications under the Placing Programme. The Placing Agent reserves the right, at its sole discretion but after consultation with the Company, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part an application for New Shares pursuant to the Placing Programme. Accordingly, applicants for Shares may, in certain circumstances, not be allotted the number of Shares for which they applied.

Subscriber warranties

Each subscriber of Ordinary Shares in the Issues and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed as follows:

- 1. it is not a U.S. Person, is not located within the United States and is not acquiring the Ordinary Shares for the account or benefit of a U.S. Person;
- 2. it is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S;
- 3. it acknowledges that the Ordinary 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 may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or an exemption from registration under the U.S. Securities Act;
- 4. it acknowledges that the Company has not been registered under the U.S. 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 U.S. Investment Company Act;
- 5. no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of 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 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 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 Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;

6. that if any Ordinary Shares being offered under 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:

FORESIGHT 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 "U.S. 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 "U.S. 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, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE U.S. SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE U.S. INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS.

- 7. if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the U.S. Securities Act and under circumstances which will not require the Company to register under the U.S. 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;
- 8. it is purchasing the Ordinary 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 Ordinary Shares in any manner that would violate the U.S. Securities Act, the U.S. Investment Company Act or any other applicable securities laws;
- 9. it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the U.S. 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 U.S. securities laws to transfer such Ordinary Shares or interests in accordance with the Articles;
- 10. it is entitled to acquire the Ordinary 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 Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Manager or Oriel, or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Issues;
- 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 Ordinary Shares to within the United States or to any U.S. Persons, nor will it do any of the foregoing;
- 12. if it is acquiring any Ordinary 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, and does make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account; and

13. the Company, the Investment Manager and Oriel 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.

PART 7

FINANCIAL INFORMATION

PART 7A HISTORICAL FINANCIAL INFORMATION

1. Introduction

The audited accounts of the Company for the period from incorporation to 30 June 2014, in respect of which the Company's auditors, KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL, who are members of the Institute of Chartered Accountants in England and Wales, made an unqualified report, are incorporated by reference into this document and are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and from the registered office of the Company, Elizabeth House, 9 Castle Street, St Helier, Jersey JE2 3RT.

Save for the historical information of the Company for period ended 30 June 2014 set out, or incorporated by reference, in paragraph 2 of this Part 7A of the Prospectus, none of the information in this Prospectus has been audited. Unless otherwise indicated, all unaudited financial information relating to the Company contained in this document has been sourced, without material adjustment, from the internal accounting records of the Company which are maintained by the Administrator on the Company's behalf on a basis consistent with the Company's accounting policies.

2. Historical financial information

Historical financial information relating to the Company on the matters referred to below is included in the published audited accounts of the Company for the period ended 30 June 2014 as set out in the table below and is expressly incorporated by reference into this document. The non-incorporated parts of these annual reports and accounts of the Company are either not relevant to investors or covered elsewhere in the Prospectus.

Audited interim report for the period ended 30 June 2014

Nature of information	Page No.
Financial Highlights	1
Independent Auditor's Report	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Notes to the financial statements	15 to 28

3. Selected financial information

The information in this paragraph 3 is information regarding the Company which has been prepared by the Company and has been extracted directly from the historical financial information referred to in paragraph 2 of this Part 7A. Selected historical financial information relating to the Company which summarises the financial condition of the Company for the period ended 30 June 2014 is set out in the following table:

out in the following table.	Audited interim report for the period ended 30 June 2014
Net asset value	
Total assets	£158,487,360
Total equity	£155,426,977
Net asset value per Share	£1.04
Consolidated income statement	
Total revenue	£11,976,757
Total expenditure	£ $(3,888,824)$
Earnings per Ordinary Share (p)	5.39

4. Operating and financial review

A description of changes in the performance of the Company, both capital and revenue, and changes to the Company's portfolio of investments is set out in the sections headed "Chairman's Statement", "Investment Manager's Report" and "Investment Summary" in the published accounts of the Company as follows and are expressly incorporated by reference into this document:

Audited interim report for the period ended 30 June 2014

Nature of information	Page No.
Chairman's Statement	4
Investment Manager's Report	5
Investment Summary	8

5. Capitalisation and indebtedness

The following table shows the consolidated gross indebtedness of the Group as at 31 August 2014 and the consolidated Group capitalisation as at 30 June 2014 (the last date in respect of which financial information on the Group has been published). The figures for capitalisation have been extracted without material adjustment from the audited consolidated interim financial statements of the Company for the period ended 30 June 2014, incorporated by reference in section 2 of Part 7A. The indebtedness figures have been extracted from the underlying accounting records of the Group as at 31 August 2014.

	As at 31 August 2014 £'000
Total current debt: - Guaranteed - Secured - Unguaranteed/unsecured Total non-current debt (excluding current portion of long-term debt): - Guaranteed - Secured - Unguaranteed/unsecured	(unaudited) ————————————————————————————————————
Total indebtedness	2,100
	As at 30 June 2014 £'000
Capitalisation: - Share capital - Legal reserve - Other reserves	(unaudited) 147,339
Total capitalisation	147,339

Assets secured comprise the solar PV assets held by the SPVs. Capitalisation does not include retained earnings.

The following table shows the consolidated Group net financial liquidity as at 31 August 2014.

	As at 31 August 2014 £'000
Cash Cash in escrow Trading securities	(unaudited) 10,183 20,892
Liquidity	31,075
Current financial receivables	
Current bank debt Current portion of non-current debt Other current financial debt	
Current financial indebtedness	
Net current financial liquidity	31,075
Non-current bank loans Bonds issued Other non-current loans	2,100
Non-current financial indebtedness	2,100
Net financial liquidity	28,975

Cash in escrow relates to cash held in escrow accounts in relation to the proposed acquisitions of Bournemouth, Spriggs Farm and Kencot.

Non-current bank loans comprise amounts drawn down against the Group's revolving credit facility as at 30 June 2014. The balance excludes interest outstanding on the loan balance.

As at 31 August 2014 the Group had no material indirect or contingent indebtedness.

PART 7B

UNAUDITED PRO FORMA FINANCIAL INFORMATION

SECTION 1: UNAUDITED PRO FORMA INCOME STATEMENT

The unaudited *pro forma* income statement of the Group set out below has been prepared to illustrate the effect on the Group's income statement for the period 13 August 2013 to 30 June 2014 of the acquisitions of Wymeswold, Bournemouth and Kencot (the "Acquisitions") as if they had occurred at the start of that period. The unaudited *pro forma* income statement has been prepared in a manner consistent with the accounting policies applied in preparing the Group's audited consolidated historical financial information as incorporated by reference in section 2 of Part 7A, on the basis set out in the notes below, and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II to the PD Regulation.

The unaudited *pro forma* income statement has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results.

Unaudited pro forma income statement for the period 13 August 2013 to 30 June 2014

		Pro forma		
£	Consolidated results of the Group for the period 13 August 2013 to 30 June 2014	Interest receivable in relation to Wymeswold for the period 13 August 2013 to 9 November 2013	Forfeiture of interest income on cash balances between 13 August 2013 and 9 November 2013	Pro forma results of the Group for the period 13 August 2013 to 30 June 2014
	(Note 1)	(Notes 2 and 3)	(Notes 2 and 4)	
Continuing operations Revenue Interest income	2,125,602	698,591	(39,058)	2,785,135
Gains on investments at fair value through profit and loss	9,851,155			9,851,155
Total revenue Expenditure	11,976,757	698,591	(39,058)	12,636,290
Finance costs	(2,064,105)	_	_	(2,064,105)
Management fees	(1,038,463)		_	(1,038,463)
Administration and accountancy expenses	(110,373)	_		(110,373)
Launch costs	(339,044)			(339,044)
Directors' fees	(109,247)	_	_	(109,247)
Other expenses	(227,592)			(227,592)
Total expenditure	(3,888,824)			(3,888,824)
Profit before tax for the period Taxation	8,087,933	698,591	(39,058)	8,747,466
Profit and total comprehensive income for the period	8,087,933	698,591	(39,058)	8,747,466

Notes to the unaudited pro forma income statement

1. The consolidated results of the Group for the period ended 30 June 2014 have been extracted, without material adjustment, from the Group's historical financial information incorporated by reference in section 2 of Part 7A. As explained in the Group's audited interim financial statements incorporated by reference in section 2 of Part 7A, the Company has taken advantage of the exemption conferred by IFRS10 "Consolidated Financial Statements" that relieves an entity that meets the definition of an investment entity of the obligation to produce a

consolidated set of financial statements. The Company has consolidated its holding in its immediate subsidiary undertaking, Foresight Solar (UK Holdco) Limited, for the purposes of preparing its audited consolidated financial statements as it provides investment related services to the Company and is therefore considered an extension of the investment entity's investing activities.

- 2. Each of the Acquisitions represents a significant gross change and is therefore required to be reflected in the *pro forma* income statement as if it had been acquired on 13 August 2013. As acquired entities are not consolidated into the Group's income statement, the impact of any acquisition is limited to dividends received and gains/losses on investments due to changes in value (neither of which require adjustment in *pro forma* financial information) and interest income. Subordinated debt is issued to the Group by underlying subsidiaries in order to finance the acquisitions and this debt generates interest income for the Group, which has been reflected as explained in note 3 below. Conversely, the Group loses interest income it would otherwise have earned on the funds loaned to subsidiaries as explained in note 4 below.
- 3. An adjustment has been made to reflect additional interest receivable by the Group on subordinated shareholder debt held by the Group in Wymeswold Solar Farm Limited ("Wymeswold Subordinated Debt") which would have been receivable by the Group had Wymeswold been acquired on 13 August 2013 rather than 9 November 2013. This adjustment has been calculated by multiplying the Wymeswold Subordinated Debt balance (as extracted from note 16 of the Group's historical financial information incorporated by reference in section 2 of Part 7A) by the applicable interest rate (as extracted from note 20.4 of the Group's historical financial information incorporated by reference in section 2 of Part 7A) and pro-rating this amount for the period from 13 August 2013 to 9 November 2013 (being the date of the Wymeswold acquisition).
- 4. An adjustment has been made to eliminate interest receivable on cash balances for the period from 13 August 2013 to 9 November 2013 relating to the consideration payable for Wymeswold that would not have been generated had the acquisition of Wymeswold occurred on 13 August 2013 (as has been assumed for the purposes of this *pro forma* financial information). This adjustment has been calculated by multiplying the total cost of the Wymeswold Investment (as extracted from note 16 of the Group's historical financial information incorporated by reference in section 2 of Part 7A) by the weighted average interest rate applicable to cash (as extracted from note 20.4 of the Group's historical financial information incorporated by reference in section 2 of Part 7A) and pro-rating this amount for the period from 13 August 2013 to 9 November 2013 (being the date of the Wymeswold acquisition).
- 5. No adjustment has been made to reflect interest receivable by the Group on subordinated debt which is expected to be issued by subsidiary undertakings to the Group in relation to its proposed acquisitions of Kencot and Bournemouth, had the acquisitions of Kencot and Bournemouth taken place on 13 August 2013. This is because the value of this subordinated debt and the coupon rate at which such interest would have been earned in respect of this debt is not known at the date of this Prospectus.
- 6. No adjustment has been made to reflect the professional fees incurred in relation to the acquisitions of Kencot and Bournemouth. These costs are invoiced directly to the Group's underlying subsidiaries and therefore will not impact the Group's income statement. Management estimate that the aggregate acquisition costs associated with the Kencot and Bournemouth acquisitions will be approximately £425,000.
- 7. No account has been taken of any trading or transactions of the Group, or the Acquisitions subsequent to 30 June 2014, or of any other event, save as disclosed above.

SECTION 2: UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The unaudited *pro forma* statement of net assets of the Group set out below has been prepared to illustrate the effect on the Company of the acquisitions of Bournemouth and Kencot and the receipt of the net proceeds of the Initial Placing and Offer on the consolidated net assets of the Group as at 30 June 2014 as if they had occurred on 30 June 2014. The unaudited *pro forma* statement of net assets has been prepared in a manner consistent with the accounting policies applied in preparing the Group's audited consolidated historical financial information as incorporated by reference in section 2 of Part 7A on the basis set out in the notes below, and in accordance with the requirements of item 20.2 of Annex I and items 1 to 6 of Annex II to the PD Regulation.

The unaudited *pro forma* statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not represent the Group's actual financial position or results.

Unaudited pro forma statement of net assets as at 30 June 2014

	Pro forma adjustments			
Consolidated net assets of the Group as at 30 June 2014	Net proceeds from Initial Placing and Offer	Acquisition of Bournemouth	Acquisition of Kencot	Pro forma net assets of the Group as at 30 June 2014
(Note 1)	(Note 2)	(Notes 3 & 4)	(Notes 3 & 5)	
124,794,372	_	48,000,000	48,500,000	221,294,372
124,794,372		48,000,000	48,500,000	221,294,372
1,299,100	_			1,299,100
32,393,888	97,900,000	(48,000,000)	(48,500,000)	33,793,888
33,692,988	97,900,000	(48,000,000)	(48,500,000)	35,092,988
158,487,360	97,900,000			256,387,360
2,100,000				2,100,000
2,100,000				2,100,000
960,383				960,383
960,383				960,383
3,060,383				3,060,383
155,426,977	97,900,000			253,326,977
	net assets of the Group as at 30 June 2014 (Note 1) 124,794,372 124,794,372 1,299,100 32,393,888 33,692,988 158,487,360 2,100,000 2,100,000 960,383 960,383 3,060,383	Consolidated net assets of the Group as at 30 June 2014 (Note 1) (Note 2) 124,794,372 1,299,100 32,393,888 97,900,000 33,692,988 97,900,000 2,100,000 2,100,000 960,383 960,383 960,383 3,060,383	Consolidated net assets of the Group as at 30 June 2014 Net proceeds from Initial Placing and Offer Acquisition of Bournemouth (Note 1) (Note 2) (Notes 3 & 4) 124,794,372 — 48,000,000 1,299,100 — 48,000,000 32,393,888 97,900,000 (48,000,000) 33,692,988 97,900,000 (48,000,000) 158,487,360 97,900,000 — — 2,100,000 — — — — 960,383 — — — — — 960,383 — — — — — 3,060,383 — — — — — 3,060,383 — — — — —	Consolidated net assets of the Group as at 30 June 2014 Net proceeds from Initial Placing and Offer Bournemouth Acquisition of Kencot (Note 1) (Note 2) (Notes 3 & 4) (Notes 3 & 5) 124,794,372 — 48,000,000 48,500,000 124,794,372 — 48,000,000 48,500,000 1,299,100 — — — — — — — — — — — — — — — — — — —

Notes to the unaudited pro forma statement of net assets

1. The consolidated net assets of the Group as at 30 June 2014 have been extracted, without material adjustment, from the historical financial information of the Group incorporated by reference in section 2 of Part 7A. As explained in the Group's audited interim financial statements incorporated by reference in section 2 of Part 7A, the Company has taken advantage of the exemption conferred by IFRS10 "Consolidated Financial Statements" that relieves an entity that meets the definition of an investment entity of the obligation to produce a consolidated set of financial statements. The Company has consolidated its holding in its immediate subsidiary undertaking, Foresight Solar (UK Holdco) Limited, for the purposes of preparing its audited consolidated financial statements as it provides investment related services to the Company and is therefore considered an extension of the investment entity's investing activities.

- 2. The net proceeds from the Initial Placing and Offer of approximately £97.9 million are disclosed in Part 5.
- 3. The acquisitions of Kencot and Bournemouth represent a significant gross change and are therefore required to be reflected in the *pro forma* statement of net assets as if they had been acquired on 30 June 2014. As acquired entities are not consolidated into the Group's balance sheet on a line by line basis, the impact of any acquisition is limited to recognition within investments held at cost through profit and loss and cash and cash equivalents.
- 4. An adjustment has been made to reflect the impact on investments held at cost through the profit and loss at 30 June 2014 had Bournemouth been acquired on 30 June 2014. This adjustment reflects the estimated maximum consideration payable in relation to the acquisition of Bournemouth as extracted from paragraph 8.6(viii) of Part 9. The consideration is assumed to reflect the value of Bournemouth as at the date of acquisition.
- 5. An adjustment has been made to reflect the impact on investments held at fair value through the profit and loss at 30 June 2014 had Kencot been acquired on 30 June 2014. This adjustment reflects the estimated maximum consideration payable in relation to the acquisition of Kencot as extracted from paragraph 8.6(ix) of Part 9. The consideration is assumed to reflect the value of Kencot as at the date of acquisition.
- 6. No separate adjustment has been made to reflect the impact on the net asset statement of professional fees incurred in relation to the acquisitions of Kencot and Bournemouth. Such costs would be borne by the Group's subsidiaries. In the case of Kencot, estimated costs of £250,000 will be settled by Kencot SPV and the estimated maximum consideration payable of £48.5 million reflects this. In the case of Bournemouth, estimated acquisition costs of £175,000 will be partly or wholly funded by the Group's subsidiary. Any element of the acquisition costs funded by the Group would impact Group cash and trade and other receivables. However, because this amount is not known, no adjustment has been made to the *pro forma* statement of net assets to reflect it.
- 7. No account has been taken of the financial performance of the Group or of the Acquisitions since 30 June 2014 save as disclosed above.

SECTION 3: ACCOUNTANT'S OPINION ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



BDO LLP 55 Baker Street London W1U 7EU

The Directors
Foresight Solar Fund Limited
Elizabeth House
9 Castle Street
St Helier
Jersey
JE2 3RT
Oriel Securities Limited
150 Cheapside
London
EC2V 6ET

25 September 2014

Dear Sirs

Foresight Solar Fund Limited (the "Company")

Pro forma financial information

We report on the unaudited *pro forma* income statement and the *pro forma* statement of net assets (together, the "Pro Forma Financial Information") set out in Sections 1 and 2 of Part 7B of the prospectus dated 25 September 2014 (the "Prospectus") which has been prepared on the basis described, for illustrative purposes only, to provide information about how the acquisitions of Wymeswold, Bournemouth and Kencot and the Initial Placing and Offer might have affected the financial information presented on the basis of accounting policies adopted by the Company in preparing the financial statements for the period ended 30 June 2014.

This report is required by item 20.2 of Annex I of the Commission Regulation (EC) No. 809/2004 (the "PD Regulation") and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the "Directors") to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Rule 5.5.3R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the 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 of the PD Regulation consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

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. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

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 of the PD Regulation.

Yours faithfully

BDO LLP

Chartered Accountants

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127

PART 8

TAXATION

General

The following paragraphs are intended as a general guide only to Jersey taxation issues and UK taxation issues and are based on the laws and regulations in force as at the date of this document, which are in principle subject to change at any time. They summarise advice received by the Board as to the position of Shareholders who are resident or ordinarily resident in Jersey or the United Kingdom for tax purposes, who are the absolute beneficial owners of their Shares and who hold their Shares as an investment. Certain Shareholders, such as dealers in securities, insurance companies and collective investment vehicles, may be taxed differently and are not considered below.

If you are in any doubt as to your tax position or you are subject to tax in a jurisdiction outside the UK, you should consult an appropriate professional adviser without delay.

Jersey taxation

The Company

The Company will be tax resident in Jersey by virtue of incorporation. Under the Income Tax (Jersey) Law 1961 (as amended (the "Tax Law"), as a Jersey resident company, the Company will be liable to tax in Jersey at the standard rate of zero per cent. There are certain exemptions to this rate including, namely: (i) companies which are regulated by the Jersey Financial Services Commission under certain sections of the Financial Services (Jersey) Law 1998, the Banking Business (Jersey) Law 1991 or the Collective Investment Funds (Jersey) Law 1988, shall be subject to income tax at a rate of 10 per cent. (these companies are defined as "financial services companies" in the Tax Law); (ii) specifically identified utility companies shall be subject to income tax at a rate of 20 per cent. (these companies are defined as "utility companies" in the Tax Law); (iii) any income derived from the ownership or disposal of land in Jersey shall be subject to income tax at a rate of 20 per cent.; (iv) annual profits or gains arising from the trade of exploitation of land including quarrying are subject to tax at 20 per cent.; and (v) annual profits arising from the trade of importing and supplying hydrocarbon oil will be subject to tax at 20 per cent. However it is likely the Jersey tax rate applicable to all the activities of the Company will be 0 per cent.

Jersey 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 Jersey Grant of Representation where the deceased dies leaving assets in Jersey which require presentation of such a Grant).

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

Shareholders

Shareholders not resident in Jersey for tax purposes will not be subject to income tax in Jersey and will receive dividends without deduction of Jersey income tax. Any Shareholders who are resident for tax purposes in the Island of Jersey will be subject to income tax in Jersey on any dividends paid on Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company.

The Company is required to provide the Comptroller of Taxes in Jersey with such particulars relating to any distribution paid to Jersey resident Shareholders including the names and addresses of the Jersey resident Shareholders, the gross amount of any distribution paid and the date of the payment. Shareholders resident in Jersey should note that where income is not distributed but is accumulated, then a tax charge should not arise although any Jersey resident investor should take note of the anti-avoidance provisions within the Tax Law.

The Comptroller of Taxes can require the Company to provide the name and address of every Jersey resident who, on a specified date, has a beneficial interest in Shares in the Company, with details of the interest.

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

Implementation of the EU Savings Directive in Jersey

Although not a Member State of the European Union, Jersey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. Paying agents in Jersey must either report to the Comptroller of Taxes in Jersey 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 Jersey or have withholding tax applied. 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 Jersey 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 the Company to Shareholders should not be subject to reporting obligations pursuant to the agreements between Jersey and EU Member States to implement the EU Savings Directive in Jersey, or any withholding.

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, could significantly widen its scope. The States of Jersey have been requested to make regulations that will make it mandatory, from 1 January 2015, for Jersey to automatically exchange tax information for EU Savings Tax Agreements. Such regulations will repeal the present retention tax provisions for the Savings Tax Agreements that were entered into in 2005 with the Member States of the European Union.

UK taxation

The Company

The Directors intend that the affairs of the Company should 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 should not be subject to UK income tax or corporation tax on its profits other than on any UK source income. Certain interest and other income received by the Company which has UK source may be subject to withholding taxes in the UK.

The Subsidiary, the Purchaser SPVs and the SPVs

The Subsidiary, the Purchaser SPVs and SPVs will be liable to UK corporation tax on their income (currently 21 per cent. but falling to 20 per cent. in April 2015 as enacted in the Finance Act 2013), although dividend income may be exempt from tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. The SPVs are expected to claim tax relief for interest on loans and capital allowances on qualifying expenditure. The Subsidiary, the Purchaser SPVs and the SPVs will also be liable to UK corporation tax on chargeable gains, however in certain cases these may be exempt under the Substantial Shareholding Exemption subject to meeting the relevant qualifying criteria.

Shareholders

Income

UK resident or ordinarily resident individual Shareholders who are additional rate taxpayers will be liable to income tax at 37.5 per cent., higher rate taxpayers will be liable to income tax at 32.5 per cent. and other individual taxpayers will be liable to income tax at 10 per cent. on any dividend received from the Company. A tax credit equal to 10 per cent. of the gross dividend (also equal to one-ninth of the cash dividend received) should be available to set off against a 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 additional tax equal to 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 additional tax equal to 27.5 per cent. of the gross dividend (or 30.56 per cent. of the cash dividend received). The tax credit will not be available to any individual who owns (together with connected persons) 10 per cent. or more of the class of issued share capital of the Company in respect of which the dividend is made. There will be no repayment of all or part of the tax credit to an individual Shareholder whose liability to income tax on all or part of the gross dividend is less than the amount of the tax credit. This will include a Shareholder who holds Shares through an ISA.

Individual Shareholders who are not resident in the UK may be entitled to a payment from HMRC of a proportion of the tax credit relating to their dividends but such entitlement will depend, in general, on the provisions of any double taxation agreement or convention which exists between the UK and their country of residence. Non-UK resident Shareholders may be subject to local taxation on dividend income in their country of residence. Any person who is not resident in the UK should consult their own tax adviser on the question of the double taxation position applying between their country of residence and the UK.

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

A UK resident corporate Shareholder will be liable to UK corporation tax unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is likely that dividends will fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

Chargeable gains

Depending on their personal circumstances, UK resident Shareholders may be subject to capital gains tax or, in the case of corporate Shareholders, corporation tax on chargeable gains in respect of any gain arising on a transfer or disposal of their Shares, including a disposal on a winding-up of the Company.

UK resident 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 flat rate of 18 per cent. Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 28 per cent. No indexation allowance will be available to such Shareholders but they may be entitled to an annual exemption from capital gains (this is £11,000 for the year 2014/2015).

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Shareholders within the charge to UK corporation tax may be subject to corporation tax on chargeable gains in respect of any gain arising on a 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.

Anti-avoidance provisions

The attention of UK resident or ordinarily resident Shareholders is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 under which, in certain circumstances, a portion of capital gains made by the Company can be attributed to a Shareholder who holds, alone or together with associated persons, more than 10 per cent. of the Ordinary Shares. The Finance Bill 2013 contains provisions which mean that section 13 will not apply where such proportion does not exceed one quarter of the gain. This applies if the Company is a close company for the purposes of UK taxation. It is not anticipated that the Company would be regarded as a close company if it were resident in the UK although this cannot be guaranteed.

The attention of individuals resident in the UK for taxation purposes is drawn to the provisions of sections 714 to 751 of the Income Tax Act 2007. These sections contain anti-avoidance legislation dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company.

The attention of companies resident in the UK is drawn to the controlled foreign companies legislation contained in Part 9A of the Taxation (International and Other Provisions) Act 2010. Broadly, a charge may arise to UK tax resident companies with a 25 per cent. assessable interest in the Company if the Company is controlled directly or indirectly by a person or persons who are resident in the UK, it has profits which are attributable to its significant people functions and one of the exemptions does not apply.

Stamp duty and stamp duty reserve tax (SDRT)

The acquisition of shares in a UK SPV by the Purchaser SPVs will be subject to UK Stamp Duty at 0.5 per cent. of the consideration provided rounded up the nearest £5.

Shares held in certificated form

In practice, whilst the acquisition of shares in a Jersey company in certificated form by a UK resident shareholder may be within the scope of UK stamp duty, there is no requirement to obtain a stamped instrument in respect of such shares. However, such an instrument will not be admissible as evidence in a UK court unless duly stamped at a rate of 0.5 per cent. (rounded up to the nearest £5) of the amount of the consideration given. In this regard it should be noted that an exemption from stamp duty is available on an instrument transferring shares where the amount or value of the consideration is £1,000 or less, and it is certificated on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions in respect of which the aggregate amount or value of the consideration exceeds £1,000. Interest on unpaid stamp duty will accrue from 30 days after the date the instrument was executed. Penalties may also apply for late stamping.

No charge to stamp duty reserve tax will arise in respect of an agreement to transfer shares in a Jersey company held in certificated form, provided such shares are not registered in any register kept in the UK by or on behalf of the company.

Shares held in un-certificated form

Under the CREST system for paperless transfers, no stamp duty or stamp duty reserve tax should arise on the transfer of Shares into the system provided no consideration is given for the transfer. No stamp duty or stamp duty reserve tax should arise on transfers within the CREST system provided the Shares are not registered in any register kept in the UK by or on behalf of the Company.

In the ordinary course of events, liability to pay any stamp duty or stamp duty reserve tax is that of the purchaser or transferee. In the case of stamp duty reserve tax this liability of the purchaser or transferee has a statutory basis.

Special rules apply to agreements made by market makers and broker-dealers in the ordinary course of their business.

New Individual Savings Accounts

The NISA regime commenced on 1 July 2014 which, amongst other things, removed the concept of stocks and shares and cash components of an ISA. For the 2014/15 tax year NISAs will have an overall subscription limit of £15,000 (from 1 July 2014), all of which can be invested in stocks and shares, such as the Ordinary Shares.

It is the intention of the Directors that the Company will operate so as to ensure that the Ordinary Shares continue to qualify for inclusion within an ISA.

PART 9

ADDITIONAL INFORMATION ON THE COMPANY

1. General

- 1.1. The Company is a closed-ended investment company and was incorporated with limited liability in Jersey under the Companies Law with registered number 113721 on 13 August 2013. The Company operates under the Companies Law and is regulated in Jersey as a listed fund in accordance with the JFSC's Listed Fund Guide. Its registered office and principal place of business is at Elizabeth House, 9 Castle Street, St Helier JE2 3RT (telephone number: 01534 700 000). By way of a special resolution being passed as a written resolution on 18 September 2013 the Company became a public company within the meaning of the Companies Law and it has an indefinite life. Save for its compliance with the Companies Law, the Listing Rules, the Disclosure and Transparency Rules and the Prospectus Rules, the Company is not authorised or regulated by the Financial Conduct Authority.
- 1.2. The Subsidiary is a private limited company and was incorporated in England and Wales under the Companies Act with registered number 8584284 on 25 June 2013. The Subsidiary operates under the Companies Act (and the regulations from time to time made thereunder). Its registered office is at The Shard, 32 London Bridge Street, London SE1 9SG (telephone number: 020 3667 8100). Save for its compliance with the Companies Act (and the regulations from time to time made thereunder), the Subsidiary is not an authorised or regulated entity. The Subsidiary is a wholly owned subsidiary of the Company and the Company funds the Subsidiary by subscribing for the Eurobonds. The Directors of the Subsidiary are Jamie Richards and Richard Thompson. The articles of association of the Subsidiary provide the Company, as its sole shareholder, with full control over the Subsidiary including the right to remove the board of directors of the Subsidiary. Since its incorporation the Subsidiary, other then entering into the purchaser SPV acquisition agreement between the Subsidiary and Foresight Group LLP dated 19 September 2013 in relation to the acquisition of certain assets on launch, and the Investment Management Agreement, has not carried on business or incurred borrowings and no accounts of the Subsidiary have been made up.
- 1.3. The Investment Manager is a limited liability company and was incorporated in Guernsey under the Companies (Guernsey) Law, 2008 with registered number 51471 on 12 February 2010. The Investment Manager operates under the Companies (Guernsey) Law, 2008 and has an indefinite life. Its registered office and principal place of business is at Frances House, Sir William Place, St. Peter Port, Guernsey GY1 1WF (telephone number: 01481 702411). The Investment Manager is authorised and regulated by the GFSC (registration number 2006518). The Investment Manager has the power to, under its articles of association, issue an unlimited number of no par value shares.
- 1.4. The Administrator is a private limited company and was incorporated in Jersey under the Companies Law with the registered number 37293 on 23 March 1987. The Administrator operates under the Companies Law. Its registered office is at Elizabeth House, 9 Castle Street, St Helier JE2 3RT. The Administrator's place of business is situated at Elizabeth House, 9 Castle Street, St. Helier JE2 2QP (telephone number: 01534 700 000).

Share capital

- 2.1. The Company was incorporated with an unlimited number of no par value shares. At incorporation, the issued share capital of the Company consisted of two Ordinary Shares, which were issued to the subscribers to the Company's memorandum of association and Articles.
- 2.2. The issued share capital of the Company (all of which will be fully paid-up) as at the date of this document and immediately following the final Admission under the Issues (on the assumption that 200 million New Shares are issued pursuant to the Issues) is and will be as follows: Number of

Shares 150 million

As at the date of this document **Ordinary Shares Immediately following final Admission Ordinary Shares**

350 million

- 2.3. As at 23 September 2014 (being the latest practicable date prior to the date of this document) the Company did not hold any Ordinary Shares in treasury and no Ordinary Shares were held by or on behalf of the Company itself or by subsidiaries of the Company.
- 2.4. Save for the subscription of the Ordinary Shares referred to above, since the date of incorporation no share or loan capital of the Company has been issued or (other than pursuant to the Issues) has agreed to be issued, is proposed to be issued, for cash or any other consideration and no commissions (save pursuant to the placing agreements which are summarised in paragraphs 8.1 and 8.2 of this Part 9), discounts, brokerages or other special terms have been granted by the Company in connection with the issue of any such capital.
- 2.5. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.6. The Company does not have in issue any securities not representing share capital. No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.7. No Ordinary Shares are currently in issue with a fixed date on which entitlement to a dividend arises or within a time limit after which entitlement to a dividend will lapse in accordance with the Articles and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.8. No person has voting rights that differ from those of other Shareholders.
- 2.9. It is expected that the New Shares to be issued under the Initial Placing and Offer will be issued pursuant to a resolution of the Board on 21 October 2014 conditional only upon the UKLA having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the application for the admission of the New Shares arising under the issue to the Official List with a premium listing has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject ("listing conditions")) will become effective as soon as a dealing notice has been issued by the Financial Conduct Autority and any listing conditions having been satisfied and the London Stock Exchange having acknowledged to the Company or its agent (and such acknowledgment not having been withdrawn) that the New Shares will be admitted to trading.
- 2.10. The Subsidiary was incorporated with no authorised share capital. The issued share capital of the Subsidiary as at the date of this document is 100 ordinary shares of £1 each. The Subsidiary is wholly owned by the Company.

3. Share capital authorities

At the Extraordinary General Meeting of the Company to be held on 13 October 2014, the Directors are seeking authorisation that, in substitution for any authority already granted to the Directors and in accordance with Article 10(G) of the Articles, the Directors be empowered to allot and issue or make offers or agreements to allot and issue equity securities (as defined in the Articles) for cash in such number as does not exceed 200 million Shares as if the pre-emption rights contained in Article 10(B) of the Articles did not apply to any such allotment and such authority will, unless previously revoked or varied, expire 15 months after this resolution granting such authority was passed, save that the Company may, in accordance with Article 10(I) of the Articles, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if this power had not expired.

4. Related party transactions

Save for the Investment Management Agreement and the deeds of indemnity entered into by the Company with the Directors (described in paragraphs 8.3 and 6.6 of this Part 9 respectively) the Company is not a party to, nor had any interest in, any related party transaction (as defined in the standards adopted according to the Regulation (EC) No 1606/2002) at any time since its incorporation on 13 August 2013.

5. Summary of the Articles

The Articles of the Company were adopted on 18 September 2013 by way of a special resolution being passed a written resolution and contain provisions, *inter alia*, to the following effect:

5.1. Objects

The Company's memorandum of association and Articles do not limit the objects of the Company.

5.2. Votes of members

Subject to the rights or restrictions referred to in 5.3 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares, on a show of hands (a) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

5.3. Restrictions on voting

Unless the Board otherwise decides, a member of the Company shall not be entitled to vote, either in person or by proxy, at any general meeting of the Company in respect of any share held by him unless all calls and other amounts presently payable by him in respect of that share have been paid.

A member of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he, or another person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 18 and the Company has given that member a further restriction notice informing the member that from the service of this further notice restriction the relevant shares will be subject to some or all of such relevant restrictions (as set out above) and the Board is not satisfied that all information required by the disclosure notice within seven days of the further restriction notice.

5.4. Dividends

Subject to the provision of the Companies Law, the Company may, by ordinary resolution, declare a dividend to be paid to the members, according to their respective rights and interests. The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company. No dividend or other monies payable by the Company on or in respect of any shares in the Company shall bear interest as against the Company unless otherwise provided by the rights attaching to such shares.

The Board may, with the authority of an ordinary resolution of the Company, direct that payment of any dividend declared may be satisfied wholly or partly by the distribution of assets, and in particular of paid up shares or debentures of any other company, or in any one or more of such ways.

The Company or the Board may fix a date as the record date by reference to which a dividend will be declared or paid or a distribution, allotment or issue made, and that date may be before, on or after the date on which the dividend, distribution, allotment or issue is declared.

A dividend unclaimed for a period of ten years after having been declared or became due for payment shall be forfeited and cease to remain owing by the Company.

5.5. Scrip dividends

The Board may also, with the prior authority of an ordinary resolution of the Company and subject to such terms and conditions as the Board may determine, offer to holders of Ordinary Shares (excluding any member holding Ordinary Shares as treasury shares) the right to elect to receive Ordinary Shares, credited as fully paid, instead of the whole (or some part, to be determined by the Board) of any dividend specified by the ordinary resolution.

5.6. Return of capital

If the Company is in liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by law, divide among the members in specie the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the members or different classes of members. The liquidator may, with the same sanction, vest the whole or any part of the assets in trustees on trust for the benefit of the members as the liquidator, with the same sanction, thinks fit but no member shall be compelled to accept any assets on which there is any liability.

5.7. Variation of rights

Any rights attaching to a class of shares in the Company may be varied in such manner (if any) as may be provided by those rights or with the written consent of the holders of three-fourths in number of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the relevant class. The quorum for the separate general meeting shall be two persons holding, or representing by proxy, not less than one-third in number of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

5.8. Transfer of Shares

Subject to the restrictions set out in this paragraph and at paragraph 15 below, any member may transfer all or any of his shares in the Company in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.

The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Companies Law and is from time to time approved by the Board.

The Directors have a discretion to refuse to register any transfer of a certificated share of any class which is not fully paid provided that, where any shares are admitted to the Official List or to trading on AIM, this does not prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also decline to register any transfer of shares in certificated form unless (a) the instrument of transfer, duly stamped, is deposited at the office of the Company or such other place as the Board may appoint, accompanied by the certificate for the shares to which it relates if such a certificate has been issued, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; (b) the transfer is in respect of only one class of shares and is in favour of no more than four transferees.

The Directors may also, in their absolute discretion, refuse to register a transfer of any Ordinary Shares to a person that it has reason to believe is an employee benefit plan subject to ERISA or similar US laws, that will give rise to an obligation of the Company to register under the U.S. Investment Company Act or preclude the availability of certain exemptions, that will cause the Company or the Ordinary Shares to become subject to registration under the U.S. Exchange Act, would subject the Investment Manager to registration under the U.S. Commodity Exchange Act of 1974 or that would give rise to the Company or the Investment Manager becoming subject to any U.S. law or regulation (including the provisions of the Foreign Account Tax Compliance Act) determined to be detrimental to it (any such person being a Prohibited U.S. Person). The Company may require a person believed to be a Prohibited U.S. Person to provide documentary evidence that it is not such a Prohibited U.S. Person or to sell or transfer the Ordinary Shares held by it to a person who is qualified to hold the Ordinary Shares and, if these requirements are not satisfied within 30 days' notice, the Ordinary Shares will be deemed to have been forfeited.

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a disclosure notice under Article 18 and in respect of which the required information has not been received by the Company within seven days after service by the Company of a further restriction notice informing the relevant member that from the service of the further restriction notice, the relevant shares will be subject to, for example, the relevant restrictions as set out above.

The registration of transfers of shares or of transfers of any class of shares may be suspended at such times and for such periods as the Directors may determine.

In respect of any allotment of any share the Directors shall have the same right to decline to approve the registration of any renouncee of any allottee as if the application to allot and the renunciation were a transfer of a share under the Articles.

Save as aforesaid and as set out at paragraph 5.9 below, the Articles contain no restrictions as to the free transferability of fully paid shares.

5.9. Provision of information by Shareholders

The Board has the power to require or may, by Shareholders holding not less than one-tenth of the total voting rights attaching to the Ordinary Shares, be requisitioned to require any Shareholder to disclose to the Company in writing such information as the Board determines is necessary or appropriate to permit the Company to satisfy any applicable United States Tax withholding, reporting or filing requirements arising with respect to the Shareholder's ownership interest in the Company under U.S. tax provisions commonly known as the Foreign Account Tax Compliance Act or FATCA, including: (i) compliance with the Company's withholding and reporting obligations under FATCA; and (ii) determining, withholding and reporting to the U.S. Internal Revenue Service or other applicable taxing jurisdiction by the Company on amounts received, paid or, solely for United States Tax compliance and reporting purposes, accrued that are derived from U.S. source income (including in respect of the payment of U.S. sourced fixed or determinable annual or periodic income) (a "Tax Reporting Notice").

If any Member has been duly served with a Tax Reporting Notice and is in default after the prescribed deadline (28 days from the date of service of the Tax Reporting Notice) the Board may in its absolute discretion at any time thereafter serve a direction notice upon such Shareholder. A direction notice may direct that the Shareholder shall not be entitled to vote at a general meeting of the Company and/or to exercise any other right conferred by membership in relation to meetings of the Company. A direction notice may additionally, in certain prescribed circumstances, direct that, in respect of the relevant shares, any dividend or distribution or the proceeds of any repurchase, redemption or repayment which would otherwise be payable on such relevant shares shall be retained by the Company (and such dividend or proceeds may be reduced by an amount equal to any taxes or other costs or expenses incurred resulting from such failure or default).

5.10. Pre-emption rights

There are no provisions under the Companies Law equivalent to section 561 of the UK Companies Act 2006 which confer pre-emption rights on existing shareholders in connection with the allotment of equity securities for cash or otherwise, but similar pre-emption rights (with certain exceptions) are contained within the Articles.

The Articles provide that, unless otherwise authorised by a special resolution, the Company shall not allot equity securities (as defined in the Articles) on any terms unless (i) the Company has first made an offer to each person who holds shares in the Company to allot to him, on the same or more favourable terms, such proportion of those equity securities that is as nearly as practicable (fractions being disregarded) equal to the proportion of the total number of shares currently in issue which are held by such person; and (ii) the period, which shall not be less than 14 days, during which any offer referred to in (i) above may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities includes the grant of a right to subscribe for, or to convert any securities into, equity securities in the Company but does not include the allotment of any equity securities pursuant to such a right.

The pre-emption rights set out above shall not apply to:

- (i) a particular allotment of equity securities if these are, or are to be, wholly or partly paid up or allotted otherwise than in cash or are allotted in whole or in part otherwise than for cash; or
- (ii) the allotment of equity securities which would, apart from a renunciation or assignment of the right of their allotment, be held under an employee share scheme; or
- (iii) the allotment of bonus shares in the Company.

5.11. Alteration of share capital

The Company may alter its share capital in any way that is permitted by the Companies Law.

5.12. General meetings

5.12.1. Annual general meetings

Subject to the Companies Law and the Articles, the first general meeting (being an annual general meeting) of the Company shall be held within a period of not more than 18 months from the date on which the Company was incorporated. The Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place in Jersey as may be determined by the directors provided that, so long as the Company holds its first annual general meeting within eighteen months of its incorporation, the Company need not hold an annual general meeting in the year of its incorporation or in the following year.

5.12.2. Convening of general meetings

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. All general meetings and annual general meetings shall take place in Jersey. The Board shall comply with the provisions of the Companies Law regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

5.12.3. Notice of general meetings

At least 14 clear days' notice shall be given of every annual general meeting and of every general meeting of the Company, including without limitation, every general meeting called for the passing of a special resolution.

Every notice shall specify the place, the day and the time of the meeting and the general nature of the business to be transacted, any special business to be put to the meeting, the address of the website where information relating to the meeting is available, the Record Date (as defined in the Articles), any procedures on attendance and voting and an explanation of members' rights to requisition resolutions in accordance with the Companies Law.

Subject to the provisions of the Companies Law and the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member, to the auditors (if any) and to every Director.

5.12.4. Quorum

No business shall be transacted at any general meeting, except the adjournment of the meeting, unless a quorum of members is present at the time when the meeting proceeds to business.

A quorum of members shall consist of not less than two members present in person or by proxy (or by a duly authorised corporate representative).

If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to a day seven clear days after the original meeting (or, if that day is not a Business Day, to the next Business Day) and the same time and place, as the original meeting, or to such later Business Day, and at such other time and place, as the original meeting and if at such adjourned meeting a quorum is not present within 15 minutes from the time appointed for holding the meeting, the members present shall be a quorum and may transact the business for which the meeting was called.

5.12.5. Chairman

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for

the purpose by the Board or (failing appointment by the Board), by the members present, shall preside as chairman of the meeting, but if no Director is present within five minutes after the time appointed for holding the meeting or, if none of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

5.12.6. Directors entitled to attend and speak

Whether or not he is a member, a Director shall be entitled to attend and speak at any general meeting of the Company and at any separate general meeting of the holders of any class of shares of the Company.

5.12.7. Adjournment

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting either indefinitely or to another time or place.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) either indefinitely or to another time and for place if, in his opinion, it appears to him that (a) the members, proxies and corporate representatives wishing to attend cannot be conveniently accommodated in the place appointed for the meeting; (b) the conduct of persons present prevents or is likely to prevent the orderly continuation of business; or (c) an adjournment is otherwise necessary so that the business of the meeting may be properly conducted.

When a meeting is adjourned indefinitely the time and place for the adjourned meeting shall be fixed by the Board. No business shall be transacted at any adjourned meeting except business which might properly have been transacted at the meeting had the adjournment not taken place.

When a meeting is adjourned for three months or more, or indefinitely, notice of the adjourned meeting shall be given as in the case of an original meeting. Except where the Articles or the Companies Law otherwise require, it shall not be necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting.

5.12.8. Method of voting and demand for poll

At a general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless (before or immediately after the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded by:

- the chairman of the meeting;
- at least two members having the right to vote on the resolution; or
- a member or members representing in aggregate not less than 10 per cent. of the total voting rights of all the members having the right to vote on the resolution (excluding any voting rights attached to any shares in the Company held as treasury shares),

and a demand for a poll by a person as proxy for a member shall be as valid as if the demand was made by the member himself.

5.12.9. Taking a poll

If a poll is demanded (and the demand is not withdrawn), it shall be taken in such manner as the Chairman shall direct and he may appoint scrutineers (who need not be members).

5.12.10. Proxies

A proxy need not be a member of the Company and a member may appoint more than one proxy in relation to a meeting to attend and to speak and to vote on the same occasion provided that each proxy is appointed to exercise the rights attached to a different share or shares held by a member.

5.13. Directors

5.13.1. Number and residence

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than two but there shall be no maximum number of Directors. At no time shall a majority of the Board not be resident in Jersey for Jersey tax purposes. Each director shall immediately inform the Board and the Company of any change potential or intended to his residential status for tax purposes.

5.13.2. Remuneration

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such fees shall not exceed £250,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Directors may be paid reasonable travelling, hotel and other expenses properly incurred in connection with the exercise of their powers and discharge of their duties as Directors including expenses incurred in travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

5.13.3. Periodic retirement of Directors

At each annual general meeting, any Director who has been appointed by the Board since the previous annual general meeting shall retire from office. Each Director shall retire from office at the third annual general meeting after the annual general meeting at which he was last elected.

5.13.4. Executive Directors

The Board may appoint one or more Directors to hold any executive office or employment under the Company for such period and on such terms as the Board may determine.

A Director appointed to any executive office or employment shall automatically cease to hold that office if he ceases to be a Director.

5.13.5. Directors' interests

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save where the other Directors resolve that the Director concerned should be entitled to do so where they are satisfied that the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

- the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by such Director or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of (ii) a debt or obligation of the Company (or any of its subsidiary undertakings) for which such Director has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;
- any contract concerning an offer of shares, debentures or other securities of or by the Company (or any of its subsidiary undertakings) for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub- underwriting thereof;

- any contract in which such Director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- any contract concerning any other company in which such Director is interested, directly or indirectly, in less than one per cent. either of its equity share capital or of its voting rights;
- any contract relating to an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award such Director any privilege or benefit not generally awarded to the employees to whom the arrangement relates;
- any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to directors and employees of the Company or of any of its subsidiary undertakings and does not provide in respect of any director as such any privilege or advantage not accorded to the employees to which the fund or scheme relates; and
- any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

Save as otherwise provided in the Articles and subject to the interest of a Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is in any way interested shall not be avoided nor shall any Director be liable to account to the Company for any benefit realised as a result of the contract.

A Director shall not vote, or be counted in the quorum at a meeting, in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment as the holder of any office or place of profit with the Company or any other company in which the Company is interested.

Where proposals are under consideration concerning the appointment (including fixing or varying its terms) or the termination of the appointment of two or more Directors to offices or places of profit with the Company or any other company which the Company is interested, a separate resolution may be put in relation to each Director and in that case, each Director concerned (if not otherwise debarred from voting) is entitled to vote.

5.13.6. Authorisation of conflicts of interest

Where a situation occurs or is anticipated to occur which gives rise or may give rise to a conflict of interest (excluding a conflict of interest arising in relation to a transaction or arrangement with the Company) on the part of any Director ("Conflicted Director") (other than a situation which cannot reasonably be regarded as likely to give rise to a conflict of interest), the matter shall be referred to the Directors other than the Conflicted Director (the "Non-Conflicted Directors").

The Non-Conflicted Directors shall meet to consider the matter as soon as possible after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board.

The Non-Conflicted Directors have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or who has at any time been a director of the Company or of any Associated Company (as defined in the Articles) or in the employment or service of the Company or any Associated Company or of the predecessors in business of the Company or any Associated Company (or the relatives or dependants of any such person).

5.13.7. General powers

Subject to the Companies Law, the Articles and to any directions given to the Company at the general meetings by special resolution, the Directors shall manage the Company's business and can use all the Company's powers. The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to

the provisions of the Companies Law, the memorandum of association and the Articles. No special resolution or alteration of the memorandum of association or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

5.13.8. Borrowing powers

The Directors may exercise all the Company's powers to borrow money, to mortgage or charge all or any of the Company's undertaking, property and assets (present and future) and uncalled capital, to issue debentures and other securities and to give security for any debt, liability or obligation of the Company or of any third party. The Directors will limit the total borrowings of the Company and its subsidiary undertakings and holding companies (if any) to ensure that the total amount of the group's borrowings does not exceed, at the time such borrowings are incurred, 50 per cent. of the Gross Asset Value of the Group (as per the latest published information).

5.13.9. Indemnity of officers

Insofar as the Companies Law allows, each current or former officer of the Company shall be indemnified out of the assets of the Company against any loss or liability incurred by him by reason of being or having been such an officer.

The Board may, without sanction of the Company in general meeting, authorise the purchase or maintenance by the Company for any officer or former officer of the Company of any such insurance as is permitted by the Companies Law in respect of any liability which would otherwise attach to such officer or former officer.

5.13.10. Board meetings

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit.

5.13.11. Quorum

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two provided that only a meeting at which a majority of the directors present are resident in Jersey for Jersey tax purposes shall be declared quorate. Subject to the provisions of the Articles, any Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

5.3.12. *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote.

5.13.13. Continuation vote

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

5.13.14. Winding up

The Company may be wound up pursuant to a special resolution passed by the Shareholders in accordance with the provisions contained in the Articles. On any such winding up, Shareholders would be entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their shares.

5.13.15. Changes to the Articles

In accordance with the Companies Law, the Articles can be amended by means of a special resolution of Shareholders which requires 75 per cent. of the votes cast at a general meeting to be in favour, provided that in relation to any amendment which would affect class rights, the appropriate class has approved the amendment in accordance with the Articles.

6. Directors' and other interests

- 6.1. It is estimated that the aggregate remuneration to be paid and benefits in kind granted to Mr Ohlsson, Mr Ambler and Mr Dicks by the Company in respect of the first financial period of the Company to 31 December 2014 will not exceed £125,000.
- 6.2. All of the Directors are non-executive directors. None of the Directors have service contracts with the Company nor are any such service contracts proposed. Each of Mr Ohlsson, Mr Ambler and Mr Dicks entered into a letter of appointment with the Company dated 16 August 2013. The current period of service for each Director expires at the first annual general meeting of the Company to be held in 2015, subject to renewal at that time. The Company has the right to terminate each appointment without compensation if the relevant Director is required to vacate office in accordance with the Articles and, subject thereto, the letters of appointment do not contain any contractual provisions regarding the compensation which would be payable upon early termination by the Company. None of the Directors receive any pension benefits from the Company, nor do they participate in any bonus or incentive schemes. Accordingly, there are no amounts set aside or accrued by the Company to provide pension, retirement or similar benefits to the Directors. The fees payable to the Directors pursuant to their letters of appointment are £55,000 per annum to Mr Ohlsson, the Chairman, £40,000 per annum to Mr Ambler, the Chairman of the audit committee and £30,000 per annum to Mr Dicks. The fees will be reviewed annually and may be increased in line with usual market rates. The Company will also pay insurance premiums in respect of directors' and officers' insurance taken out on behalf of the Directors.
- 6.3. The total emoluments payable to the Directors will not be varied in consequence of the Issues.
- 6.4. No Director has or has had any interest in any transactions which are or were unusual in their nature or conditions or significant to the business of the Company and which were effected by the Company since its date of incorporation or remain in any respect outstanding or unperformed.
- 6.5. No loan or guarantee has been granted or provided by any member of the Company for the benefit of any Director.
- 6.6. The Company has entered into deeds of indemnity in favour of each of the Directors. The deeds of indemnity give each Director the benefit of an indemnity, out of the assets and profits of the Company, to the extent permitted by the Companies Law and subject to certain limitations against liabilities incurred by each of them in the execution of their duties and exercise of the powers as Directors of the Company.
- 6.7. There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected.
- 6.8. There are no restrictions agreed by any Director on the disposal within a certain period of time of their holdings in the Company's securities.
- 6.9. As at the date of this document, other than as disclosed in paragraph 6.10 below, there are no interests of any Director, including any connected persons of any Director, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director whether or not held through another party, in the share capital of the Company or any options in respect of such capital.
- 6.10. The Directors do not have any options over Shares. The Directors hold the following number of Ordinary Shares:

	Number of Ordinary Shares as at the date of this document	Percentage of current Issued Ordinary Shares
Alexander Ohlsson	25,000	0.02%
Christopher Ambler	0	0%
Peter Dicks	50,000	0.03%

6.11. Details of those companies (other than the Company) and partnerships of which the Directors have been directors or partners at any time within the five years ending on 23 September 2014 (being the latest practicable date prior to the publication of this document) are as follows:

Current directorships/ partnerships Alexander Ohlsson Abbey National International Limited Aspen Portfolio Holdings Limited Auburn Limited Augres Enterprises Limited BL Chess Adviser Limited BL Leadenhall (Cap Loss) Company Limited BL Leadenhall Holding Company (Jersey) Limited Bluebutton Properties Limited Cambay Group Holdings Limited Carey Olsen Corporate Services Jersey Limited Carey Olsen GP Limited Carey Olsen Group Holdings Limited Carey Olsen London Services Limited Carlton Investment Trust Limited Carlton Management Services Limited Carlton Trustees Limited Carmel Portfolio Holdings Limited Clarsu Trustees Limited Crestbridge Corporate Holdings Limited Dassie Property Investments Limited Envisage Investments Limited Family Mortgage Company Limited Finn Limited Geasim Limited Gainton Trustees Limited GCP Sovereign Infrastructure Debt Limited Kerdal Properties Limited La Falaise Properties Limited La Hauteur Investments Limited La Hauteur Properties Limited

Previous directorships/ partnerships

Bourbon Nominees Limited
Carlton International Holdings
Limited*
Clarsu Investments Limited*
Fundlogic Al-Kasi Investments
Company PCC*
Lerwick Limited*
NB Consulting Limited*
Neslo Holdings Limited*
Neslo Investments Limited*
OBD Investments Limited*
Sandhill Holdings Limited*

Leadenhall Holding Co (Jersey)

Lady K Limited

Les Verdiers Limited Lexo Investments Limited Lexo Pension Plan Limited Max Property Group Plc MRC Advisers LLC

Limited

Current directorships/partnerships

Previous directorships/ partnerships

Monterey Holdings Limited Neslo Partners No. 1 Limited Neslo Partners No. 2 Limited Neslo Partners No. 3 Limited Neslo Partners No. 4 Limited Neslo Partners No. 5 Limited Neslo Partners No.6 Limited NHP Securities No. 11 Limited NHP Securities No. 9 Limited Puma Partners Limited RBL Jersey Overseas Branch (Holdings) Limited Richmount Management Limited Sandside Limited Scalpay Limited SD (MRC) Holdings Limited SFM Holdings Limited Somerston Group Limited Somerston Group International Holdings Limited Somerston Holdings America Limited Somerston Capital Limited St. James's Hotel Group Limited St. James's Hotel Financing Limited Sorrento Investments Limited Stoneleigh Investment Limited Stornoway Limited Structured Finance Management Limited Structured Finance Management Investments Limited Tehama Portfolio Holdings Limited Trinity Private Trust Company Limited Vaila Limited Verona Services Limited Willan Trustee Limited Willan Properties No. 1 Limited Willan Properties No. 2 Limited Wylam Investments Limited Carey Olsen Carey Olsen Group SLP Principal Investments (Jersey) SLP

Christopher Ambler

Jersey Electricity plc

Channel Islands Electricity Grid

Limited

Foreshore Holdings Limited Abbey National International

Limited

Longbeach Properties Limited

Capital Accumulation Ltd Daniel Stewart Securities plc Boostcareer Limited Committed Capital VCT plc

Bureau de Jersey Limited

Foreshore Limited

Peter Dicks

Current directorships/ partnerships

Foresight Clearwater VCT plc* Foresight VCT plc Foresight 2 VCT plc Foresight 3 VCT plc Foresight 4 VCT plc Foresight 5 VCT plc * Graphite Enterprise Trust plc Interactive Investor plc Mears Group plc Mercia Fund 1 General Partner Limited Miton Income Opportunities Trust plc Private Equity Investor plc SVM UK Emerging Fund plc Unicorn AIM VCT plc

Previous directorships/ partnerships

Enterprise Capital Trust plc
London Trust Productions
Limited
PCT Finance Limited
Polar Capital Technology Trust
plc
The East German Investment
Trust plc
Second London American Trust
plc
Sportingbet plc
Standard Microsystem Inc
Waterline Group plc

6.12. As at the date of this document none of the Directors:

- 6.12.1. has been a member of any administrative, management or supervisory body or partner of any company or partnership at any time during the five years preceding the date of this document, save as disclosed in paragraph 6.11 above;
- 6.12.2. has had any convictions in relation to fraudulent offences for at least the previous five years;
- 6.12.3. save as disclosed in paragraph 6.13 below, has been associated with any bankruptcies, receiverships or liquidations when acting in the capacity of a member of the administrative, management or supervisory body or a partner of the companies and/or partnerships referred to in paragraph 6.11 above for at least the previous five years; or
- 6.12.4. has any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has ever 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 (for this purpose "issuer" has the meaning ascribed to it by Appendix I to the Prospectus Rules).
- 6.13. Mr Dicks is a director of Foresight Clearwater VCT plc and Foresight 5 VCT plc which were placed into members' voluntary liquidation pursuant to a special resolution passed by each company's shareholders on 6 February 2012.
- 6.14. Save in respect of Mr Dicks (being a non-executive director of other investment funds that are managed by the Investment Manager), there are no potential conflicts of interest between any duties of the Directors to the Company and their private interests and/or other duties.

7. Substantial Share interests

7.1. The Companies Law imposes no requirement on Shareholders in the Company to disclose holdings of three per cent. (or any greater limit) or more of the share capital of the Company. However, the Disclosure Rules and Transparency Rules provide that certain persons (including Shareholders) must notify the Company, following Admission, if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of five per cent., 10 per cent., 15 per cent., 20 per cent., 25 per cent., 30 per cent., 50 per cent. and 75 per cent.

^{*} Note each of the companies marked with * have been subject to a solvent winding-up, liquidation or dissolution within their relevant jurisdiction or domicile

7.2 As at 23 September 2014 (being the latest practicable date prior to the publication of this document) the Company was aware of the following persons who are directly or indirectly interested in five per cent. or more of the Company's issued share capital:

	Number of Ordinary Shares	Percentage of issued share capital
BlackRock, Inc. and its Associates	15,097,087	10.06%
Close Asset Management Limited	10,503,812	7.00%
Baillie Gifford & Co	10,500,000	7.00%

7.3. As at the close of business on 23 September 2014 (being the latest practicable date prior to the publication of this document), the Directors are not aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company or of any arrangements, the operation of which may result in a change of control of the Company.

8. Material contracts

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Company since its incorporation or members of its Group or which are expected to be entered into prior to Admission and which are, or may be, material to the Company and/or the Group:

8.1. The Placing Agreement, dated 25 September 2014, has been entered into between the Company, the Investment Manager, the Directors and Oriel under which the Placing Agent has agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being the respective Admissions, to use its respective reasonable endeavours to procure subscribers for the Ordinary Shares under the Initial Placing and the Placing Programme. The Issues will not be underwritten. For Oriel's services in connection with the Issues and provided the Placing Agreement becomes wholly unconditional and is not terminated, Oriel will be entitled to commission (together with any VAT chargeable thereon) of 1.5 per cent. of the Gross Proceeds. The Company has also undertaken to pay Oriel a sponsor fee of £150,000.

In addition, the Placing Agent will be entitled to be reimbursed for all its reasonably and properly incurred costs, charges, fees and expenses in connection with or incidental to the Issue and Admission and the arrangements contemplated by the Placing Agreement. Under the Placing Agreement, the Company, the Directors and the Investment Manager have given certain market standard warranties and, in the case of the Company and the Investment Manager, indemnities to the Placing Agent concerning, *inter alia*, the accuracy of the information contained in this document.

The Placing Agreement can be terminated at any time on or before Initial Admission by Oriel giving notice to the Company and the Investment Manager if: (a) any of the conditions in the Placing Agreement are not satisfied at the required times and continue not to be satisfied at Admission; (b) any statement contained in any document published or issued by the Company in connection with the Initial Placing or the Placing Programme is or has become untrue, incorrect or misleading which Oriel considers to be material; (c) any matter has arisen which would require the publication of a supplementary prospectus; (d) the Company or any Director or the Investment Manager fails to comply with any of its or his obligations under the Placing Agreement or under the terms of the Initial Placing or Placing Programme which is material in the good faith opinion of Oriel; (e) there has been a breach, by the Company or the Investment Manager of any of the representations, warranties or undertakings contained in the Placing Agreement which in the good faith opinion of Oriel is material; (f) there is a material adverse change in the Company, the Group or the Investment Manager in Oriel's good faith opinion; or (g) it is reasonably likely that any of the following will occur: (i) any material adverse change in the international financial markets which may affect the Issues; (ii) trading on the London Stock Exchange or the New York Stock Exchange has been restricted or materially disrupted in a way which may affect the Issues; (iii) any actual or prospective change or development in applicable UK taxation or the imposition of certain exchange controls which may affect the Issues; (iv) any of the London Stock Exchange or FCA applications are withdrawn or refused by such entity; or (v) a banking moratorium has been declared by the United States, the UK, any relevant member state or the New York authorities.

If any notice is given by Oriel to the Company and the Investment Manager, Oriel shall on behalf of the Company withdraw any application made to the LSE or the FCA.

- 8.2. The placing agreement, dated 20 September 2013, was entered into between the Company, the Investment Manager, the Directors and RBC Europe Limited ("RBC") under which the RBC agreed, subject to certain conditions that are typical for an agreement of this nature, the last condition being IPO Admission, to use its reasonable endeavours to procure subscribers for the Ordinary Shares under such placing at the issue price. Under this placing agreement, the Company, the Directors and the Investment Manager gave certain market standard warranties and, in the case of the Company and the Investment Manager, indemnities to RBC concerning, inter alia, the accuracy of the information contained in the prospectus of the Company dated 20 September 2013.
- 8.3. The Company, the Subsidiary and the Investment Manager have entered into an investment management agreement dated 19 September 2013 pursuant to which the Investment Manager is appointed to act as investment manager of the Company. In its capacity as investment manager, the Investment Manager is responsible for the day-to-day management of the Company's investment portfolio, in accordance with the Company's investment objective and policy, subject to the overall supervision and control of the Board. The Investment Manager will act within the Company's investment policy and any further investment guidelines set by the Board from time to time and will also report to the Board.

The Investment Manager has also been appointed, pursuant to the terms of the Investment Management Agreement to procure certain administrative services to the Group and such other duties and services as may be reasonably required from time to time by a competent and prudent solar infrastructure investment company of its investment manager. The Investment Manager is entitled to delegate any of its duties under the Investment Management Agreement to its associates. Under the terms of the Investment Management Agreement, the Investment Manager has agreed to act in good faith and with the reasonable skill and diligence expected of a competent and prudent investment manager and to act in the best interests of the Company.

The Investment Management Agreement contains an unlimited indemnity in favour of the Investment Manager against claims by third parties except to the extent that the claim is due to a breach by the Investment Manager of the Investment Management Agreement or to the negligence, wilful default or fraud of the Investment Manager or any party to whom the Investment Manager has delegated any of its functions. The Investment Management Agreement may be terminated immediately if, among others, the Investment Manager is guilty of negligence, wilful default, fraud or material breach of the Investment Management Agreement, is the subject of insolvency proceedings or there occurs a change of two Key Managers to which the Board has not given its prior consent or a change of control of the Investment Manager or a continuation vote of the Company is proposed but not passed and an order is made or a resolution passed to wind up the Company. The Investment Management Agreement may be terminated by any party giving to the others not less than 12 months' written notice provided that any such notice shall not be served prior to the fourth anniversary of IPO Admission.

The Investment Management Agreement further provides that the Company will pay to the Investment Manager an annual management fee of one per cent. per annum of the Net Asset Value of the Company which are equal to or less than £500 million plus an amount equal to 0.9 per cent. per annum of the Net Assets of the Company which are in excess of £500 million. The Investment Manager is also entitled to be reimbursed for all out of pocket expenses under the Investment Management Agreement including all expenses of and incidental to convening and holding meetings of the Board, the Company or holders of any class of shares or other securities issued by the Company and in the event that one or more representatives of the Manager are attending the relevant meeting reasonable travel and accommodation expenses so incurred will be met by the Company. The Investment Management Agreement does not provide for any performance fees or acquisition fees to be payable to the Investment Manager. The Investment Manager is not entitled to retain any fees or benefits from portfolio companies save that it may, in accordance with the FCA rules and the provisions of the Investment Management Agreement, enter into a transaction with persons with whom it has a commission sharing arrangement.

Furthermore, the Investment Manager shall at its own cost take out and keep in place such policy or policies of insurance to cover its professional negligence or fraud or that of its employees or partners in such sums and at such levels as are appropriate. If the Investment Manager shall fail to take out or maintain such policy or policies, the Group may itself insure against such risk and any premium or costs incurred by the Group shall be paid by the Investment Manager to the Group on demand.

8.4. The Company is a party to an administration and secretarial agreement with JTC (Jersey) Limited dated 19 September 2013 pursuant to which the Administrator provides day-to-day administration of the Company and acts as secretary and administrator to the Company including maintenance of accounts, preparing half yearly and annual accounts of the Company and calculating the Net Asset Value of the Shares based on information provided to the Administrator by the Investment Manager.

Pursuant to the Administration Agreement, the Administrator is entitled to a minimum fee of £80,000 per annum in relation to the provision of administration services to the Company, which will increase to a maximum of £100,000 should the total funds raised following this fundraising raise be between £200 million and £250 million.

The Company will also reimburse the Administrator for disbursements and reasonable out of pocket expenses incurred by the Administrator on behalf of the Company.

The Administrator may delegate or sub-contract any duties or functions it deems necessary in order to perform its services under the Administration Agreement to another person on such terms and conditions as the Administrator reasonably thinks fit provided that the Administrator shall not delegate or sub-contract any such duties or functions to any person without the prior written consent of the Company or the Investment Manager. Unless otherwise agreed between the Company, the Administrator and any such delegate or sub-contractor, any fees and expenses payable to any delegate or sub-contractor shall be borne by the Administrator and the Administrator shall remain liable to the Company for the performance of any duties or functions so delegated or sub-contracted by the Administrator.

The Administration Agreement can be terminated by the Company or Administrator on 90 days' written notice.

The Administration Agreement may be terminated immediately if: (i) any party commits any material breach of its obligations under the Administration Agreement or the Applicable Requirements (as defined therein) and fails to remedy such breach (if capable of remedy) within 30 days of receipt of notice from the non-defaulting party requiring it to do so; or (ii) if a party goes into liquidation or equivalent procedure (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other parties) or if a receiver or equivalent is appointed over any assets of a party.

- 8.5. The Group entered into certain sale and purchase agreements in respect of the acquisition of nine assets. Further details of each of the Sale and Purchase Agreements are set out below:
 - (i) Wymeswold solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Wymeswold Solar Farm Limited was entered into on 30 August 2013 between Hazel Capital Solar 2 LLP, FS Wymeswold Limited and the Company. The sale and purchase agreement became unconditional when the project received ROC Accreditation effective from 31 August 2013.

The sale and purchase agreement contains the standard terms, conditions and warrants that you would expect to find in an agreement of this nature.

(ii) Castle Eaton solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Castle Eaton Solar Limited was entered into on 15 November 2013 between SunE Green HoldCo Ltd, FS Castle Eaton Limited and the Company. The sale and purchase agreement became unconditional following the project receiving ROC Accreditation effective from 31 March 2014.

The sale and purchase agreement contains the standard terms, conditions and warrants that you would expect to find in an agreement of this nature.

(iii) Highfields solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Highfields Solar Limited was entered into on 15 November 2013 between SunE Green HoldCo Ltd, FS Highfields Limited and the Company. The sale and purchase agreement became unconditional following the project receiving ROC Accreditation effective from 29 March 2014.

The sale and purchase agreement contains the standard terms, conditions and warrants that you would expect to find in an agreement of this nature.

(iv) High Penn solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of High Penn Solar Limited was entered into on 15 November 2014 between SunE Green HoldCo Ltd, FS High Penn Limited and the Company. The sale and purchase agreement became unconditional following the project receiving ROC Accreditation effective from 31 March 2014.

The sale and purchase agreement contains the standard terms, conditions and warrants that you would expect to find in an agreement of this nature.

(v) Pitworthy solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Pitworthy Solar Limited was entered into on 15 November 2013 between SunE Green HoldCo Ltd, FS Pitworthy Limited and the Company. The sale and purchase agreement became unconditional following the project receiving ROC Accreditation effective from 24 April 2014.

The sale and purchase agreement contains the standard terms, conditions and warrants that you would expect to find in an agreement of this nature.

(vi) Spriggs Farm solar power plant

The sale and purchase agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Spriggs Solar Limited was entered into on 31 March 2014 between Avic UK Solar Offshore Limited and FS Spriggs Farm Limited. The sale and purchase agreement became unconditional following the project receiving ROC Accreditation effective from 24 March 2014.

The sale and purchase agreement contains the standard terms and conditions that you would expect to find in an agreement of this nature.

(vii) Hunters Race solar power plant

The sale and purchaser agreement in respect of the acquisition of the entire issued share capital and outstanding shareholder loans of Brilliant Harvest 003 Limited was entered into on 6 February 2014 between Hareon Solar GmbH and FS Hunters Race Limited.

The sale and purchase agreement became unconditional following the project receiving ROC Accreditation. The sale and purchase agreement contains the standard terms and conditions that you would expect to find in an agreement of this nature.

(viii) Bournemouth solar power plant

The sale and purchase agreement in respect of the acquisition of ESS Solar Limited (the "Bournemouth SPV") (the SPV holding the Bournemouth solar project (the "Bournemouth Project")) was entered into on 20 May 2014 between Adiant Solar Opportunities I SA (the "Bournemouth Vendor") and FS Bournemouth Limited (the "Bournemouth Purchaser") (the "Bournemouth SPA").

Completion of the acquisition of the Bournemouth SPV pursuant to the Bournemouth SPA is conditional upon the following outstanding conditions (in summary) being satisfied by various milestone dates up to 31 January 2015:

- (a) confirmation from Ofgem that the site has been accredited to receive 1.4 ROCs;
- (b) the execution of the EPC, O&M and PPA on terms approved by the Purchaser;
- (c) a copy of the Technical DD Report having been delivered to the Purchaser and confirmation that a number of material items (the Technical Report List) having either been addressed and resolved to the satisfaction of the Technical Advisor; and

(d) issuance of the adoption certificate issued by the DNO.

Consideration

The consideration is calculated by reference to a formula based on capacity and yield. The base consideration is £47.6 million and it is estimated that the maximum consideration payable after the agreed adjustments will be approximately £48 million at completion, including the repayment of any borrowings required to finance the construction of the Bournemouth Project.

Purchaser protections

The Bournemouth SPA contains customary protections for the Bournemouth Purchaser SPV in respect of the period between signing and completion, including that the Bournemouth Vendor is required to ensure that the Bournemouth SPV carries on business in the ordinary course and it shall not allow any act to be performed or allow any omission either by themselves or by the Bournemouth SPV which may result in a breach of warranty.

The Bournemouth SPA contains warranties and indemnities given by the Bournemouth Vendor to the Bournemouth Purchaser, which are customary for a project of this nature, including a warranty that the Bournemouth SPV has not carried on any trade and that its only activity has been the development of the Bournemouth Project. The Bournemouth SPA also includes a tax covenant. The obligations of the Bournemouth Vendor pursuant to the warranties and indemnities in the Bournemouth SPA are supported by warranty and indemnity insurance in favour of the Bournemouth Purchaser.

Limitation of liability

The Bournemouth SPA contains customary provisions in respect of limitation of liability, including a cap on the liability of the Bournemouth Vendor. The cap is an amount equal to the aggregate consideration in relation to title to the shares transferred and the Bournemouth Vendor's capacity to enter into the agreement. The liability of the Bournemouth Vendor in relation to other warranties is limited to 25 per cent. of the aggregate consideration. These caps do not apply to any claim resulting from fraud, the indemnity or tax covenant.

(ix) Kencot solar power plant

The sale and purchase agreement in respect of the acquisition of Kencot Hill Solar Farm Limited (the "Kencot SPV") (the SPV holding the Kencot Hill Farm solar project (the "Kencot Project")) was entered into on 22 April 2014 between RWE Supply & Trading GmbH (the "Kencot Vendor") (1), FS Kencot Limited (the "Kencot Purchaser") (2) and the Company (3).

Conditions

Completion of the acquisition of the Kencot SPV pursuant to the Kencot SPA is conditional upon certain conditions, including the following:

- (a) receipt by the Kencot Purchaser SPV (or authorised agent) of written confirmation or otherwise that the Kencot Project has been accredited by Ofgem with 1.4 ROC support (the "Accreditation Condition"); and
- (b) the Accreditation Condition is to be completed by 31 March 2015. The Kencot SPA includes provision for extending the time period for satisfaction of the Accreditation Condition. However, if such extension is at the request of the Kencot Vendor, compensation payments will be payable to the Kencot Purchaser.

Consideration

The consideration is determined by a number of factors, including capacity and yield (all of which are applied in accordance with the methodology contained in an agreed form financial model) and will be payable upon the Kencot Project obtaining accreditation with at least 1.4 ROC support. The base consideration is £48.2 million and it is estimated that the maximum consideration payable after the agreed adjustments will be approximately £48.5 million. On completion of the Kencot SPA, the Kencot Purchaser will be required to

make certain payments to the Kencot SPV in order to enable the Kencot SPV to make payments in respect of the Kencot SPV's liabilities, as set out in the agreed financial model, relating to accreditation.

The Kencot Purchaser will also be required to pay to the Kencot Vendor the cash consideration set out in the agreed financial model, to be satisfied by the payment of cash following satisfaction of the Accreditation Condition

Purchaser protections

The Kencot SPA contains customary protections for the Kencot Purchaser in respect of the period between signing and completion, including that the Kencot Vendors are required to ensure that the Kencot SPV carries on business in the ordinary course and to use reasonable endeavours to ensure that there is no breach of warranty.

The Kencot SPA contains limited warranties and indemnities given by the Kencot Vendor, however pursuant to a deed of assignment dated 22 April 2014 between Tadeusz Czapski and Kazimierz Czapski (the "Kencot Developers") (1) the Kencot Vendor (2) and the Kencot Purchaser ("Deed of Assignment") the warranties which are customary for a project of this nature, including a warranty that the Kencot SPV has not carried on any trade and that its only activity has been the development of the Kencot Project, and a tex covenant are provided by the Kencot Developers and assigned to the Kencot Purchaser. The Kencot Developers' liabilities pursuant to the Deed of Assignment are supported by a retention of £1,000,000 which will be held in retention until September 2015, and will be available to the Kencot Purchaser in the event that there is any substantiated claim.

Limitation of liability

Both the Kencot SPA and the Deed of Assignement contain customary provisions in respect of limitation of liability, including a cap on the liability of the Kencot Developers and Kencot Vendor for warranty claims and/or claims under the tax covenant. This cap is equivalent to the aggregate value of the cash consideration.

8.6. The Company is a party to a £100 million revolving credit facility agreement dated 15 May 2014 (the "Facility Agreement"). The credit facility is provided to the Subsidiary (as borrower) by Abbey National Treasury Services PLC (trading as Santander Global Banking and Markets), Royal Bank of Canada and The Royal Bank of Scotland plc (as lenders), and administered by The Royal Bank of Scotland plc (as agent (the "Agent")) and security agent (the "Security Agent")).

The purpose of the Facility Agreement is to provide the Subsidiary with a facility that it can use, subject to the satisfaction of certain conditions precedent, to purchase ground-based operating solar power plants. Each of the Subsidiary's subsidiaries (and the immediate parent of each subsidiary) that owns one of these solar power plants has entered into or will accede to the Facility Agreement in order to guarantee the obligations of the Subsidiary, and each other subsidiary that is a party to the Facility Agreement, thereunder.

Interest under the Facility Agreement is charged at the margin plus LIBOR, the margin being 2.50 per cent. per annum until the date falling 18 months after the date of first drawdown, then potentially increasing to 3.50 per cent. per annum, depending on whether the aggregate of outstanding loans was reduced to less than £35 million for at least five successive Business Days at any point during the preceding year(s).

Security is granted by the Company via a separate share charge over its shares in the Subsidiary as security for its obligations under the various finance documents. The Subsidiary and each of its subsidiaries that is a party to the Facility Agreement has also entered into (or acceded to) a debenture over which it charges all of its assets in favour of the Security Agent, again as security for its obligations under the various finance documents.

The Facility Agreement comprises the provisions that you would customarily see in this type of financing, including representations, events of default and undertakings.

9. Investment restrictions

In addition to those restrictions set out in Part 1 of this document and in accordance with the requirements of the Listing Rules, the Company will comply with the investment restrictions set out

below and will continue to do so for so long as they remain requirements of the UK Listing Authority:

- (i) neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of its group as a whole, save as permitted by the Listing Rules;
- (ii) the Company will avoid cross-financing between businesses forming part of its investment portfolio;
- (iii) the Company will avoid the operation of common treasury functions as between the Company and investee companies;
- (iv) not more than 10 per cent., in aggregate, of the value of the total assets of the Company will be invested in other listed closed-ended investment funds other than closed-ended investment funds which themselves have published investment policies to invest no more than 15 per cent. of their total assets in other listed closed-ended investment funds; and
- (v) 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 the published investment policy.

In the event of any material breach of the Company's investment policy or of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company and/or the Investment Manager (at the time of such breach) through an announcement via a Regulatory Information Service.

10. Financial information

- 10.1. KPMG LLP of 15 Canada Square, Canary Wharf, London E14 5GL which is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales has been the only auditor of the Company since its incorporation. The annual report and accounts of the Company will be prepared in Sterling according to IFRS.
- 10.2. It is the intention of the Directors to prepare financial statements for the Company to 31 December of each year.
- 10.3. The Company is of the opinion that, taking account of available facilities, the working capital available to the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.
- 10.4. There has been no significant change in the financial or trading position of the Group since 30 June 2014 (being the end of the last financial period of the Company for which audited financial information has been published).
- 10.5. The Issues and the acquisitions of Kencot and Bournemouth will represent significant gross changes for the Company. Immediately following Admission, the Company's gross assets will increase by an amount equal to the gross proceeds of the Issues. On the basis that 200 million New Shares are to be issued, the net assets of the Company would increase by approximately £196.4 million immediately after Admission.
- 10.6. The latest published net asset value per Share as at 30 June 2014 was 103.62 pence.

11. Third party information and consents

- 11.1. Oriel has given and has not withdrawn its written consent to the issue of this document and the inclusion herein on its name and the references to it in the form and context in which they appear.
- 11.2. BDO LLP has given and not withdrawn its written consent to the inclusion in this document of its report in section 3 of Part 7B in the form and context in which it appears. BDO LLP accepts responsibility for the information contained in Part 7B and has taken all reasonable care to ensure that the information contained in Part 7B is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.
- 11.3. The Investment Manager has given and has not withdrawn its written consent to the issue of this document and the inclusion herein on its name and the references to it in the form and context in which they appear.

11.4. Certain information contained in this document has been sourced from third parties. 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.

12. General

- 12.1. There are no governmental, legal or arbitration proceedings (including in so far as the Company is aware any governmental, legal or arbitration proceedings which are pending or threatened) during the period since the Company's incorporation on 13 August 2013 which may have, or have had in the recent past a significant effect on the Company or the Group or the Company or Group's financial position or profitability.
- 12.2. The Company does not have any employees.
- 12.3. As at 23 September 2014 (being the latest practicable date prior to the date of this document), there have been no public takeover bids by third parties in respect of the Company's share capital since incorporation. As a company incorporated in Jersey with shares admitted to trading on the London Stock Exchange, the Company is subject to the provisions of the Takeover Code.

13. Mandatory bids, squeeze-out and sell-out rules

13.1. Mandatory bids

As a company incorporated in Jersey with shares admitted to trading on the London Stock Exchange, the Company is subject to the provisions of the Takeover Code. Under Rule 9 of the Takeover Code, any person or group of persons acting in concert with each other which, taken together with shares already held by that person or group of persons, acquires 30 per cent. or more of the voting rights of a public company which is subject to the Takeover Code or holds not less than 30 per cent. but not more than 50 per cent. of the voting rights exercisable at a general meeting and acquires additional shares which increase the percentage of their voting rights, would normally be required to make a general offer in cash at the highest price paid within the preceding 12 months for all the remaining equity share capital of the Company.

Under Rule 37 of the Takeover Code, when a company purchases its own voting shares, a resulting increase in the percentage of voting rights carried by the shareholdings of any person or group of persons acting in concert will be treated as an acquisition for the purposes of Rule 9. A shareholder who is neither a director nor acting in concert with a director will not normally incur an obligation to make an offer under Rule 9. However, under note 2 to Rule 37, where a shareholder has acquired shares at a time when it had reason to believe that a purchase by the company of its own voting shares may take place, an obligation to make a mandatory bid under Rule 9 may arise in certain circumstances. The buy back by the Company of Ordinary Shares could, therefore, have implications for Shareholders with significant shareholdings.

13.2. Squeeze-out and sell-out rules

Other than as provided by the Companies Law there are no rules or provisions relating to squeeze-out and sell-out rules in relation to the Ordinary Shares.

14. Disclosure requirements and notification of interest in Shares

Under Chapter 5 of the Disclosure and Transparency Rules, subject to certain limited exceptions, person must notify the Company (and, at the same time, the FCA) of the percentage of voting rights he holds (within four trading days) if he acquires or disposes of Shares in the Company to which voting rights are attached and if, as a result of the acquisition or disposal, the percentage of voting rights which he holds as a Shareholder (or, in certain cases, which he holds indirectly) or through his direct or indirect holding of certain types of financial instruments (or a combination of such holdings):

- 14.1. reaches, exceeds or falls below five per cent. and each five per cent. threshold up to 30 per cent. then also at 50 per cent. and 75 per cent.; or
- 14.2. reaches, exceeds or falls below an applicable threshold in paragraph 14.1 of this Part 9 above as a result of events changing the breakdown of voting rights and on the basis of the total voting rights notified to the market by the Company.

Such notification must be made using the prescribed form TR1 available from the FCA's website at http://www.fca.gov.uk. Under the Disclosure and Transparency Rules, the Company must announce the notification to the public as soon as possible and in any event by not later than the end of the third trading day following receipt of a notification in relation to voting rights.

The FCA may take enforcement action against a person holding voting rights who has not complied wit Chapter 5 of the Disclosure and Transparency Rules.

15. Restrictions on transfer

The distribution of this document and offer of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Further information on the restrictions on transferring Ordinary Shares is set out in the section headed "Notice to Overseas Investors"

16. Documents available for inspection

Copies of the following documents are available for inspection during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the offices of Dickson Minto W.S., Broadgate Tower, 20 Primrose Street, London EC2A 2EW and at the Company's registered office until close of business on 24 September 2015:

- (i) the Company's memorandum of association and Articles;
- (ii) the audited accounts of the Company for the period from incorporation to 30 June 2014;
- (iii) the letters of appointment referred to in paragraph 6.2 of this Part 9;
- (iv) the written consents referred to in paragraphs 11 of this Part 9; and
- (v) this document.

A copy of the Company's register of members is available for inspection in accordance with the provisions of the Companies Law.

17. Availability of the Prospectus

In addition, copies of this document are available free of charge from the registered office of the Company and the offices of the Placing Agent. Copies of this document are also available for access via the National Storage Mechanism at http://www.morningstar.co.uk/uk/NSM.

25 September 2014

PART 10

TERMS AND CONDITIONS OF THE INITIAL PLACING AND THE PLACING PROGRAMME

1. Introduction

- 1.1. Each Placee which confirms its agreement (whether orally or in writing) to Oriel to subscribe for Ordinary Shares under the Initial Placing and Placing Programme will be bound by these terms and conditions and will be deemed to have accepted them.
- 1.2. The Company and/or Oriel 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 Ordinary Shares

Conditional on: (i) in the case of the Initial Placing Initial Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 21 November 2014 (or such later time and/or date, not being later than 19 December 2014, as the Company, the Investment Manager and Oriel may agree) and in the case of the Placing Programme any subsequent Admission under the Placing Programme occurring not later than 8.00 a.m. on such other dates as may be agreed between the Company, the Investment Manager and Oriel prior to the closing of each placing under the Placing Programme, not being later than 24 September 2015; (ii) the Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before the date of such Admission (save as regards the Initial Placing for any condition relating only to the Placing Programme); and (iii) Oriel confirming to the Placees its allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Oriel at the Initial Placing and Offer Price under the Initial Placing and Offer or the relevant Placing Programme Price under the Placing Programme. 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.

3. Payment for Ordinary Shares

Each Placee must pay the relevant price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Oriel. If any Placee fails to pay as so directed and/or by the time required, the relevant Placee's application for Ordinary Shares shall be rejected.

4. Representations and Warranties

By agreeing to subscribe for Ordinary Shares, each Placee which enters into a commitment to subscribe for Ordinary Shares will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be deemed to agree, represent and warrant to each of the Company, the Investment Manager and Oriel that:

- 4.1. in agreeing to subscribe for Ordinary Shares under the Initial Placing and/or Placing Programme, it is relying solely on this document and any supplementary prospectus issued by the Company and (in the case of the Placing Programme) any subsequent Company announcement via an RIS and not on any other information given, or representation or statement made at any time, by any person concerning the Company or the Initial Placing and/or the Placing Programme. It agrees that none of the Company, the Investment Manager and Oriel, nor any of their respective officers, agents or employees, 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. the content of this document is exclusively the responsibility of the Company and its Board and apart from the liabilities and responsibilities, if any, which may be imposed on Oriel under any regulatory regime, neither Oriel nor any person acting on their behalf nor any of their affiliates makes any representation, express or implied, nor accepts any responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by them or on its or their behalf in connection with the Company, the Ordinary Shares or the Issues;

- 4.3. if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Initial Placing and/or 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 Investment Manager or Oriel or any of their respective officers, agents or employees 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 Initial Placing and/or Placing Programme;
- 4.4. 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 Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- 4.5. it agrees that, having had the opportunity to read this document, it shall be deemed to have had notice of all information and representations contained in this Prospectus, that it is acquiring Ordinary Shares solely on the basis of this document and no other information and that in accepting a participation in the Initial Placing and/or Placing Programme it has had access to all information it believes necessary or appropriate in connection with its decision to subscribe for Ordinary Shares;
- 4.6. it acknowledges that no person is authorised in connection with the Initial Placing and/or Placing Programme to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Oriel, the Company or the Investment Manager;
- 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 accepts that none of the Ordinary Shares have been or will be registered under the laws of the United States, Canada, Australia, Japan, New Zealand or South Africa or any other jurisdiction where the availability of the Initial Placing and/or Placing Programme would breach any applicable law (an "Excluded Territory"). Accordingly, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within any Excluded Territory;
- 4.9. 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 Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.10. if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive;
- 4.11. if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Initial Placing and/or Placing Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Initial Placing and/or 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 Ordinary 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;
- 4.12. it acknowledges that neither Oriel nor any of its respective affiliates nor any person acting on its behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Initial Placing and/or Placing Programme and participation in the Initial Placing and/or Placing Programme is on the basis that it is not and will not be a client of Oriel or any of its affiliates and that Oriel and any of its affiliates do not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Initial Placing and/or Placing Programme nor in respect of any representations, warranties, undertaking or indemnities contained in the Placing Letter;

- 4.13. it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this document; and (iii) to receive on behalf of each such account any documentation relating to the Initial Placing and/or Placing Programme in the form provided by the Company and/or Oriel. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- 4.14. it irrevocably appoints any Director and any director of Oriel 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 Ordinary Shares for which it has given a commitment under the Initial Placing and/ or Placing Programme, in the event of its own failure to do so;
- 4.15. it accepts that if the Initial Placing and/or Placing Programme does not proceed or the conditions to the Placing Agreement are not satisfied or the Ordinary Shares for which valid application are received and accepted are not admitted to listing and trading on the Official List and the Main Market (respectively) for any reason whatsoever then none of the Company, the Investment Manager, Oriel or any of their affiliates, 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;
- 4.16. in connection with its participation in the Initial Placing and/or Placing Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering and countering terrorist financing and that its application is only made on the basis that it accepts full responsibility for any requirement to identify and 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) 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 county in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.17. Oriel and the Company (and any agent on their behalf) are entitled to exercise any of their rights under the Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them (or any agent acting on their behalf);
- 4.18. the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Oriel, 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 Ordinary Shares are no longer accurate, it shall promptly notify Oriel and the Company;
- 4.19. where it or any person acting on behalf of it is dealing with Oriel, any money held in an account with Oriel 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 Oriel to segregate such money, as that money will be held by Oriel under a banking relationship and not as trustee;
- 4.20. any of its clients, whether or not identified to Oriel or any of their affiliates or agents, will remain its sole responsibility and will not become clients of Oriel or any of its affiliates or agents for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- 4.21. it accepts that the allocation of Ordinary Shares shall be determined by the Sole Bookrunner (in consultation with the Company and the Investment Manager) in their absolute discretion and that such persons may scale down any commitments for this purpose on such basis as they may determine; and

4.22. time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Initial Placing and/or Placing Programme.

5. Supply and Disclosure of Information

If Oriel, the Company or any of their agents request any information in connection with a Placee's agreement to subscribe for Ordinary Shares under the Initial Placing and/or Placing Programme or to comply with any relevant legislation, such Placee must promptly disclose it to them.

6. Miscellaneous

- 6.1. The rights and remedies of Oriel 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.
- 6.2. On application, 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 Initial Placing and/or 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.
- 6.3. Each Placee agrees to be bound by the Articles (as amended from time to time) once the Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Initial Placing and/or Placing Programme, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing 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 the Company and Oriel, 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 Placee in any other jurisdiction.
- 6.4. In the case of a joint agreement to subscribe for Ordinary Shares under the Initial Placing and/ or 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.
- 6.5. Oriel and the Company expressly reserve the right to modify the Initial Placing and/or Placing Programme (including, without limitation, their timetable and settlement) at any time before allocations are determined.
- 6.6. The Initial Placing and/or Placing Programme is subject to the satisfaction of the conditions contained in the Placing Agreement and the Placing Agreement not having been terminated. Further details of the terms of the Placing Agreement are contained in paragraph 8.1 of Part 9 of this document.

PART 11

TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The Ordinary Shares are only suitable for investors 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 Ordinary Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

The Terms and Conditions

- (a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
 - (i) Admission having occurred by not later than 8.00 a.m. (London time) on 21 November 2014 (or such later date as may be provided for in accordance with the terms of the Placing Agreement referred to in paragraph 8.1 of Part 9 of this Prospectus);
 - (ii) the Placing Agreement referred to in paragraphs 8.1 of Part 9 of this Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective (save for any condition relating only to the Placing Programme); and
 - (iii) satisfaction of the conditions set out in Part 5 of this document.
- (b) The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's Ordinary Shares into CREST, pending clearance of the successful Applicant's cheques or banker's drafts. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first Applicant through the 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.

To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment. If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Company (or any of its agents).

The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered Ordinary Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.

If the Company (or any of its agents) determines that the verification of identity requirements apply to any Application, the relevant Ordinary Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant (or any beneficial holder) or Application. The Company (or any of its agents) is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Application and whether such requirements have been satisfied, and neither the Company nor any agent of it will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Company (or any of its agents) has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant Application as invalid, in which event the monies payable on acceptance of the Offer for Subscription will be returned (at the Applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Administrator and the Registrar from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- if the Applicant is an organisation required to comply with 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
- if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- if the aggregate subscription price for the offered Ordinary Shares is less than the lower of £12,000 or €15,000.

In other cases the verification of identity requirements may apply. If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the "Firm") which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States of America, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Computershare Registrars at The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call the Shareholder Helpline on 0870 707 4040 (calls to this number are charged at ten pence per minute from a BT Landline, other network providers' costs may vary) or +44 870 707 4040 if calling from outside the United Kingdom. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Lines are open 9 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of Ordinary Shares with an aggregate subscription price of more than the higher of £12,000 or €15,000 and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of Ordinary Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by 11.00 a.m. on 15 October 2014, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

All payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies

or committees: cheques and banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Computershare Investor Services PLC re: "Foresight Solar Fund Limited – Offer for Subscription A/C" in respect of an Application and crossed "A/C Payee Only". Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above) Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above.

By completing and delivering an Application Form you, as the Applicant (and, if you sign the Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (i) below):

- (a) agree to subscribe for the number of Ordinary Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to this Prospectus, including these terms and conditions, and subject to the Articles of Association of the Company;
- (b) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked (subject to any legal right to withdraw your application which arises as a result of the publication of a supplementary prospectus) 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 during normal business hours only) on receipt by, the Receiving Agent of your Application Form;
- (c) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the Ordinary Shares until you make payment in cleared funds for the Ordinary Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, 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 you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such Ordinary Shares and may issue or allot such Ordinary Shares to some other person, in which case you will not be entitled to any payment in respect of such Ordinary Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (d) agree that (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (e) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- (f) agree that, in respect of those Ordinary Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;

- (g) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in respect of such Ordinary Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Application Form;
- (h) acknowledge that no person is authorised in connection with the Offer for Subscription 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 Receiving Agent, or any of their affiliates or any other person;
- (i) 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 or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Application Form;
- (j) agree that all Applications, acceptances of Applications and contracts resulting from such acceptances 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 proceeding 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;
- (k) confirm that in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in this Prospectus and, accordingly, you agree that no person (responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- (l) confirm that your Application is made solely on the terms of this Prospectus and subject to the Articles:
- (m) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such Ordinary Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (n) agree that, having had the opportunity to read this Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the Ordinary Shares contained therein;
- (o) confirm that you have reviewed the restrictions contained in these terms and conditions;
- (p) warrant that, if you are an individual, you are not under the age of 18;
- (q) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (r) warrant that in connection with your Application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, 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 which will or may result in the Company or any person responsible solely or jointly for the prospectus or any part of its or involved in the preparation thereof acting in breach of the regulatory or legal requirements of any territory (including in particular FSMA) in connection with the Offer for Subscription or your Application;
- (s) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not a resident of Australia, Canada, Japan or the Republic of South Africa; and

(t) agree, on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate.

If you are applying on behalf of someone else you will not, and will procure that none of your affiliates will, circulate, distribute, publish or otherwise issue (or authorise any other person to issue) any document or information in connection with the Issue, or make any announcement or comment (whether in writing or otherwise) which states or implies that it has been issued or approved by or prepared in conjunction with the Company or any person responsible solely or jointly for this Prospectus or any part thereof or involved in the preparation thereof or which contains any untrue statement of material fact or is misleading or which omits to state any material fact necessary in order to make the statements therein not misleading.

No person receiving a copy of this Prospectus and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used without contravention of any, or in compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for Ordinary Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

The Ordinary 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 may not be offered or sold directly or indirectly within the United States or to, or for the account or benefit of, U.S. Persons. The Company has not been and will not be registered as an "investment company" under the U.S. Investment Company Act, and investors will not be entitled to the benefits of the U.S. Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of Australia, Canada, Japan or the Republic of South Africa and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the Ordinary Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Australia, Canada, Japan or the Republic of South Africa. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a U.S. Person or a resident of Australia, Canada, Japan or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any U.S. Person or resident of Australia, Canada, Japan or the Republic of South Africa and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States, Australia, Canada, Japan or the Republic of South Africa or to or for the account or benefit of any U.S. Person or resident of Australia, Canada, Japan or the Republic of South Africa. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Australia, Canada, Japan or the Republic of South Africa unless an appropriate exemption is available as referred to above.

Pursuant to the Data Protection Act 1998 (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. Such personal data is held by Computershare as Receiving Agent, which will share such data with the Administrator and the Registrar, and is used by the Administrator and the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (i) effecting the payment of dividends to Shareholders and the payment of commissions to third parties and (ii) filing returns of Shareholders and their respective transactions in Ordinary 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.

The countries referred to in the paragraph immediately above include, but need not be limited to. those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Ordinary 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, the Administrator and/or the Registrar of any personal data relating to them in the manner described above.

The basis of allocation will be determined by the Placing Agent (following consultation with the Company and the Investment Manager), at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker's draft is for the wrong amount.

NOTICES TO OVERSEAS INVESTORS

This Prospectus has been approved by the FCA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and the Prospectus Directive. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), (other than the UK once this document has been approved by the FCA and published in accordance with the Prospectus Directive), an offer to the public of any Ordinary Shares may not be made in that Relevant Member State, except that the Ordinary Shares may be offered to the public in that Relevant Member State at any time under the following exemptions under the Prospectus Directive, if it has been implemented in that Relevant Member State:

- (a) to legal entities which are qualified investors as defined in the Prospectus Directive;
- (b) by the Placing Agent, to fewer than 100, or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company or any Manager of a prospectus pursuant to Article 3 of the Prospectus Directive, or supplementing a prospectus pursuant to Article 16 of the Prospectus Directive, and each person who initially acquires Ordinary Shares or to whom any offer is made will be deemed to have represented, warranted to and agreed with the Placing Agent and the Company that it is a "qualified investor" within the meaning of the law in that 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 Ordinary 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 the Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Ordinary Shares, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

In the case of any Ordinary 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, warranted, acknowledged and agreed that the Ordinary Shares subscribed by it in the Issue have not been subscribed on a non-discretionary basis on behalf of, nor have they been subscribed with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary 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 Placing Agent has been obtained to each such proposed offer or resale.

The Company, the Placing Agent and its affiliates and others will rely upon the truth and accuracy of the foregoing representation, warranty, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Placing Agent of such fact in writing may, with the consent of the Placing Agent, be permitted to subscribe for Ordinary Shares in the Issues.

Further, in order to comply with the AIFMD and local laws, the New Shares may only be marketed (as that term is used in the AIFMD) in the EEA in states which have not implemented the AIFMD

or in the United Kingdom. Otherwise, the New Shares are only offered in the EEA to the extent they can otherwise lawfully be offered or sold (including at the initiative of investors).

The Company is an AIF, as such term is defined for the purposes of the AIFMD and both the Company and the Investment Manager are located outside the EEA. Accordingly, the Company is seeking to market the New Shares into the UK in reliance on Article 42 of the AIFMD, as implemented in the national laws of the UK. To this end the Investment Manager, as the Company's AIFM has submitted (or will submit) all required notifications and obtained all necessary approvals to enable it to market the New Shares in the UK no later than on the date such notifications must be submitted.

For the attention of US investors

The Ordinary Shares offered by this Prospectus may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any U.S. Person (within the meaning of Regulation S under the U.S. Securities Act). In addition, the Company has not been, and will not be, registered under the U.S. Investment Company Act. Furthermore, the Articles provide that the Board may, in its absolute discretion, refuse to register a transfer of any Ordinary Shares to a person that it has reason to believe is an employee benefit plan subject to ERISA or similar US laws, that will give rise to an obligation of the Company to register under the U.S. Investment Company Act or preclude the availability of certain exemptions, that will cause the Company or the Ordinary Shares to become subject to registration under the U.S. Exchange Act, would subject the Investment Manager to registration under the U.S. Commodity Exchange Act of 1974 or that would give rise to the Company or the Investment Manager becoming subject to any U.S. law or regulation determined to be detrimental to it (any such person being a "Prohibited U.S. Person"). The Company may require a person believed to be a Prohibited U.S. Person to provide documentary evidence that it is not such a Prohibited U.S. Person or to sell or transfer the Ordinary Shares held by it to a person who is qualified to hold the Ordinary Shares and, if these requirements are not satisfied within 30 days' notice, the Ordinary Shares will be deemed to have been forfeited.

NOTES ON HOW TO COMPLETE THE APPLICATION FORM

Applications should be returned so as to be received by 11.00 a.m. on 15 October 2014. All Applicants should read notes 1-5. Note 6 should be read by Joint Applicants.

1. Application

Fill in (in figures) the aggregate subscription price for which your application is made. Your application must be for Ordinary Shares with a minimum aggregate subscription price of £1,000 or, if for more than £1,000, in multiples of £100.

2. Personal Details

Fill in (in block capitals) the full name, address and daytime telephone number of the applicant. If this application is being made jointly with other persons, please read Note 6 before completing Box 2.

3. Signature

The applicant named in Box 2 must date and sign Box 3.

The Application Form may be signed by another person on your behalf 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. A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated.

4. Cheque/Banker's Draft Details

Attach a cheque or banker's draft for the exact amount shown in Box 1 to your completed Application Form. Your cheque or banker's draft must be made payable to "Foresight Solar Fund Limited – Offer for Subscription A/C" and crossed "a/c Payee".

Your payment must relate solely to this application. No receipt will be issued.

Payments must be made by cheque or banker's draft in Sterling drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank or building society which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques or banker's drafts to be cleared through the facilities provided for members of any of these companies. Such cheques or banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have a sole or joint title to the funds, should be made payable to "Foresight Solar Fund Limited – Offer for Subscription A/C". Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping endorsing the cheque/bankers' draft to such effect.

The account name should be the same as that shown on the application.

Applications with a value of €15,000 (approximately equivalent to £12,000) or greater, which are to be settled by way of a third party payment, e.g. banker's draft, building society cheque or a cheque drawn by someone other than the applicant, will be subject to Jersey and the United Kingdom's verification of identity requirements which are contained in the Money Laundering (Jersey) Order 2008, as amended and the Money Laundering Regulations 2007. In order to ensure compliance with the CDD Rules the Company (or any of its agents) may require at its absolute discretion such evidence in respect of any application which is satisfactory to it to establish your identity or that of any person on whose behalf you are acting and/or your status.

For UK applicants, this may involve verification of names and addresses (only) through a reputable agency. For non-UK applicants, verification of identity may be sought from your bankers or from another reputable institution or professional adviser in the applicant's country of residence.

If satisfactory evidence of identity has not been obtained within a reasonable time, and in any event (unless the Offer for Subscription is extended) by 11.00 a.m. on 15 October 2014, your application may not be accepted.

Certificates, cheques and other correspondence will be sent to the address in Box 2.

5. Shares in Uncertificated Form (CREST)

If you wish your Ordinary Shares to be issued in uncertificated form you should complete the Application Form as above and must also complete Box 5.

6. Joint Applicants

If you make a joint application, you will not be able to transfer your Ordinary Shares into an ISA. If you are interested in transferring your Ordinary Shares into an ISA, you should apply in your name only.

If you do wish to apply jointly, you may do so with up to three other persons. Boxes 2 and 3 must be completed by one applicant. All other persons who wish to join in the application must complete and sign Box 6.

Another person may sign on behalf of any joint applicant if that other 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.

Certificates, cheques and other correspondence will be sent to the address in Box 2.

7. Verification of Identity

Section 7 of the Application Form applies if the aggregate value of the Ordinary Shares and any Subscription Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £12,000) or the Company (or any of its agents), at its absolute discretion deems it necessary to apply in order to ensure compliance with the CDD Rules. If section 7 applies to your application, you must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed.

7.1 Professional Adviser or Intermediary

You should complete section 7.1 of the Application Form if you are a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser acting on behalf of a client.

7.2 Reliable Introducer

If you are not a professional adviser or intermediary and the value of your application(s) exceed(s) €15,000 (or its equivalent, being approximately £12,000) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you will be required to provide the verification of identity documents listed in section 7.3 of the Application Form unless you can have the declaration set out in section 7.2 of the Application Form given and signed by a firm acceptable to the Receiving Agent and the Company. Section 7.2 of the Application Form details those firms acceptable to the Receiving Agent and the Company for signing the declaration. In order to ensure their Application Forms are processed timely and efficiently, all applicants who are not professional advisers or intermediaries and to whose applications section 7 of the Application Form applies are strongly advised to have the declaration set out in section 7.2 of the Application Form completed and signed by a suitable firm where possible.

7.3 Applicant Identity Information

Section 7.3 of the Application Form need only be completed where the aggregate value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds $\[\in \]$ 15,000 (or its equivalent, being approximately £12,000) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules and neither sections 7.1 nor 7.2 of the Application Form can be completed.

Notwithstanding that the declaration set out in section 7.2 of the Application Form has been completed and signed, the Receiving Agent and the Company reserve the right to request of you the identity documents listed in section 7.3 of the Application Form 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 7.3 of the Application Form, 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.

Instructions for Delivery of Completed Application Forms

Completed Application Forms should be returned, by post or by hand (during normal business hours) to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received by no later than 11.00 a.m. on 15 October 2014, 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 two days for delivery. Application Forms received after this date may be returned.

APPLICATION FORM

FORESIGHT SOLAR FUND LIMITED

Please send the completed form by post to Computershare, Corporate Actions Projects, Bristol BS99 6AH or by hand (during normal business hours) to Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol BS13 8AE so as to be received no later than 11.00 a.m. on 15 October 2014.

Important - Before completing this form, you should read the accompanying notes.

ALL APPLICANTS MUST COMPLETE BOXES 1 TO 3 (SEE NOTES 1 TO 6 OF THE NOTES ON HOW TO COMPLETE THIS APPLICATION FORM).

If you have a query concerning completion of this Application Form please call the Shareholder Helpline on 0870 707 4040 (calls to this number are charged at ten pence per minute from a BT Landline, other network providers' costs may vary) or +44 870 707 4040 if calling from outside the United Kingdom. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice. You are strongly recommended to read and consider the prospectus of Foresight Solar Fund Limited before completing an application.

1. Application						
I/We offer to subscribe for:						
£	` `	1,000 and thereafter in multiples of lacing and Offer Price per Ordinary				
subject to the Terms and Conc memorandum and articles of banker's draft for the amount p	nce with the prospectus of the Con- ditions of Application set out in su association of the Company respe ayable.	mpany dated 25 September 2014) ch prospectus and subject to the				
2. Personal Details (PLEASE	USE BLOCK CAPITALS)					
Mr, Mrs, Miss or Title Forenames (in full)						
Surname						
Address (in full)						
Postcode	Daytime telephone no.					
	nave read the Prospectus and make oplication set out in the Prospectus.	this application on and subject to				
Signature		Dated				



Cheque/Banker's Draft Details

Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "Foresight Solar Fund Limited - Offer for Subscription A/C" and crossed "a/c Payee".

Shares in Uncertificated Form (CREST)

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

CREST Participant ID: (no more than five characters)			CREST Member Account ID: (no more than eight characters)				
CREST Participant's Name:							

BOX 6 MUST ONLY BE COMPLETED BY JOINT APPLICANTS (SEE NOTE 6).

Joint Applicants (PLEASE USE BLOCK CAPITALS)

Complete this section only if you require your Ordinary Shares to be credited to your CREST account.

Mr, Mrs, Miss or Title	Forenames (in full)	Surnam	e	Signature
Intermediary	name, if applicable		Intermediary stamp, if	applicable
The state of the s				ф
Contact tel. no:			FCA No.:	

- 7. Verification of Identity (If the value of the Ordinary Shares which you are applying for, whether in one or more applications, exceeds €15,000 (or its equivalent, being approximately £12,000) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules, you must ensure that section 7.1, 7.2 or 7.3 (as appropriate) is completed)
- 7.1 Professional Advisers and Intermediaries (This section 7.1 should be completed if an application for Ordinary Shares is being made on behalf of a client by a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 or, if outside the United Kingdom, another appropriately authorised independent financial adviser)

(Name of professional adviser or intermediary, in full)					
(Address, in full)					
Address (in full)					
	(Post code)				
(Contact name)	(Telephone number)				

Declaration by the professional adviser or intermediary

To: Foresight Solar Fund Limited, Computershare Investor Services PLC and Oriel Securities Limited

We are a financial adviser authorised under the Financial Services and Markets Act 2000 applying for Ordinary Shares on behalf of one or more clients ("relevant clients"). As such, we hereby undertake to:

- 1. complete anti-money laundering verification of all relevant clients and to inform you of any unsatisfactory conclusion in respect of any such client;
- 2. to keep records to verify the name, identity, place of birth, residential address, occupation and signature of each relevant client; and
- 3. to supply copies of any such records to you as you may require.

We are governed in the conduct of our investment business and in respect of conducting antimoney laundering verification by the following regulatory or professional body (and our reference or other official number allocated to us by that body is included in the box below).

(Full name and country of operation of regulator)	y or professional body)
	(Reference or other official number)

If you require further information about our procedures or any of our relevant clients, please contact the person named as the contact in the first box in this section 7.1.

(Date)	2014	(Official stamp, if any)
(Signature)		
(Full name)		
(Title/position)		



7.2 Reliable Introducer (If you are not a professional adviser or intermediary to whom section 7.1 applies, completion and signing of declaration in this section 7.2 by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 7.3 of this form)

(The declaration 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 to operation of "know your customer" and anti-money laundering regulations no less stringent than those which prevail in Jersey or the United Kingdom. Acceptable countries include Austria, Belgium, Denmark, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Iceland, Isle of Man, Italy, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland and the United Kingdom.)

Declaration by the firm

To: Foresight Solar Fund Limited, Computershare Investor Services PLC and Oriel Securities Limited

With reference to the applicant(s) detailed in section(s) 2 and, in the case of joint applicants, 6 above, all persons signing sections 3 and 6 above and the payor identified in section 4 above if not also an applicant holder (collectively the "relevant persons"), we hereby declare that:

- 1. we operate in one of the above mentioned countries and our firm is subject to anti-money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Jersey or the United Kingdom;
- 2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- 3. each of the relevant persons is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
- 4. we confirm the accuracy of the names and residential/business address(es) of the applicant(s) named in section(s) 2 and, in the case of joint applicants, 6 above and, if details of a CREST account are included in section 5 above, that the owner thereof is the applicant named in section 2 above;
- 5. having regard to all local anti-money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the Ordinary Shares to which this application relates; and
- 6. where the payor and applicant(s) are different persons we are satisfied as to the relationship between them and the reason for the payor being different to the applicant(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of the firm or its officials.

(Date)	2014	(Official stamp, if any)
(Signature)		
(Full name)		
(Titlelposition)		

having authority to bind the firm, the details of which are set out below:

(Name of firm, in full)	
(Address, in full)	
	(Post code)
(Contact name)	(Telephone number)

(Full name of firm's regulatory authority)	
(Website address or telephone number of regulatory authority)	(Firm's registered, licence or other official number)

7.3 Applicant Identity Information (Only complete this section 7.3 if your application has a value greater than €15,000 (or its equivalent, being approximately £12,000) and neither of sections 7.1 and 7.2 can be completed) or the Company (or any of its agents) deems it necessary, at its absolute discretion, in order to ensure compliance with the CDD Rules.

In accordance with internationally recognised standards for the prevention of money laundering, the relevant documents and information listed below must be provided (please note that the Receiving Agent and the Company reserve the right to ask for additional documents and information).



		Tick here for documents provided				
			Applicant			
		1	2	3	4	Payor
Α.	For each applicant who is an individual enclose:					
(i)	a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: (a) current passport; (b) Government or Armed Forces identity card; or (c) driving licence; and					
(ii)	certified copies of at least two of the following documents which purport to confirm that the address(es) given in section 2 and, in the case of joint applicants, section 6 is the applicant's residential address: (a) a recent gas, electricity, water or telephone (not mobile) bill; (b) a recent bank statement; (c) a council tax bill; or (d) similar bill issued by a recognised authority; and					
(iii)	if none of the above documents show their date and place of birth, enclose a note of such information; and					
(iv)	details of the name and address of their personal bankers from which the Receiving Agent or the Company may request a reference, if necessary.					
B.	For each holder being a company (a "holder company") enclose:			•	•	
(i)	a certified copy of the certificate of incorporation of the holder company; and					
(ii)	the name and address of the holder company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iii)	a statement as to the nature of the holder company's business, signed by a director; and					
(iv)	a list of the names and residential addresses of each director of the holder company; and					
(v)	for each director provide documents and information similar to that mentioned in A above; and					
(vi)	a copy of the authorised signatory list for the holder company; and					
(vii)	a list of the names and residential/registered addresses of each ultimate beneficial owner interested in more than 5% of the issued share capital of the holder company and, where a person is named, also enclose the documents and information referred to in C below and, if another company is named (a "beneficiary company"), also complete D 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.					
C.	For each individual named in B(vii) as a beneficial owner of a holder company enclose for each such and information similar to that mentioned in	h person	documei	nts	•	•
D.	For each beneficiary company named in B(vii) as a beneficial owner of a holder company enclose:					
(i)	a certificated copy of the certificate of incorporation of that beneficiary company; and					
(ii)	a statement as to the nature of that beneficiary company's business signed by a director; ${\bf and}$					
(iii)	the name and address of the beneficiary company's principal bankers from which the Receiving Agent or the Company may request a reference, if necessary; and					
(iv)	enclose a list of the names and residential/registered address of each beneficial owner owning more than 5% of the issued share capital of that beneficiary company.					
E.	If the payor is not an applicant and is not a bank providing its own cheque or banker's draft on the is shown details of the account being debited with such payment (see note 4 on how to complete this			h		
(i)	if the payor is a person, for that person the documents mentioned in A(i);					
(ii)	if the payor is a company, for that person the documents mentioned in B(i) to (vii); and					
(iii)	an explanation of the relationship between the payor and the applicant(s).					



Foresight Solar Fund Limited. Elizabeth House 9 Castle Street St Helier Jersey JE2 3RT

Registered Office: 9 Castle Street, St Helier, Jersey