

**THIS REGISTRATION DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This Registration Document, the Securities Note and the Summary together which comprise a prospectus relating to Octopus Renewables Infrastructure Trust Plc (the "**Company**") (the "**Prospectus**") has been approved by the Financial Conduct Authority (the "**FCA**") under the Prospectus Regulation and has been delivered to the FCA in accordance with Rule 3.2 of the Prospectus Regulation Rules. The Prospectus has been made available to the public as required by the Prospectus Regulation Rules.

This Registration Document is valid for a period of 12 months following its publication and, save in circumstances where the Company is obliged to publish a supplementary prospectus, will not be updated. A future prospectus for any issuance of additional Ordinary Shares and/or C Shares may, for a period of up to 12 months from the date of the publication of this Registration Document, consist of this Registration Document, a Future Summary and Future Securities Note applicable to each issue and subject to a separate approval by the FCA on each issue. Persons receiving this Registration Document should read the Prospectus together as a whole and should be aware that any update in respect of a Future Summary and Future Securities Note may constitute a material change for the purposes of the Prospectus Regulation Rules.

The Prospectus has been approved by the FCA of 12 Endeavour Square, London, E20 1JN, as the competent authority under the Prospectus Regulation. Contact information relating to the FCA can be found at <https://www.fca.org.uk/contact>.

The FCA only approves the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the Company that is the subject of the Prospectus. Investors should make their own assessment as to the suitability of investing in securities.

The Company and each of the Directors, whose names appear on page 24 of this Registration Document, accept responsibility for the information contained in this Registration Document. To the best of the knowledge of the Company and the Directors, the information contained in this Registration Document is in accordance with the facts and this Registration Document makes no omission likely to affect its import.

**Prospective investors should read the entire Prospectus and, in particular, the section headed "Risk Factors" on pages 4 to 20 of this Registration Document and those set out in the Securities Note when considering an investment in the Company.**

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# OCTOPUS RENEWABLES INFRASTRUCTURE TRUST PLC

*(Incorporated in England and Wales with registered number 12257608 and registered as an investment company under section 833 of the Companies Act)*

## REGISTRATION DOCUMENT

**Investment Manager**

**Octopus Investments Limited**

**Sponsor, Broker, Placing Agent and Intermediaries Offer Adviser**

**Peel Hunt LLP**

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Peel Hunt LLP ("**Peel Hunt**"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company and for no-one else and will not regard any other person (whether or not a recipient of the Prospectus) as its client and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or providing any advice in relation to any Admission or the Share Issuance Programme, the contents of the Prospectus, or any transaction or arrangement referred to in the Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Peel Hunt does not make any representation, express or implied, in relation to, nor accepts any responsibility whatsoever for, the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares and/or the C Shares, the Share Issuance Programme or any Admission. Peel Hunt (together with its affiliates)

accordingly, to the fullest extent permissible by law, disclaims all and any responsibility or liability (save for statutory liability), whether arising in tort, contract or otherwise which it might otherwise have in respect of the Prospectus or any other statement.

The Ordinary Shares and the C Shares 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 and may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S under the U.S. Securities Act). There will be no offering of the Ordinary Shares and/or C Shares in the United States. The Ordinary Shares and the C Shares may be offered or sold outside the United States to non-U.S. Persons in offshore transactions in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S thereunder. 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**”), and the recipients of this Registration Document will not be entitled to the benefits of the U.S. Investment Company Act.

Neither the Ordinary Shares nor the C Shares have been approved or disapproved by the U.S. Securities Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any offering of Ordinary Shares or C Shares or the accuracy or adequacy of this Registration Document or the Prospectus of which it relates. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares or the C Shares in the United States or to U.S. Persons may constitute a violation of U.S. law or regulation. The Registration Document and the Prospectus of which it forms part may not be published, distributed or transmitted by means or made, directly or indirectly in whole or in part, in or into the United States. Any person in the United States who obtains a copy of this Registration Document is required to disregard it.

Copies of this Registration Document, the Securities Note and the Summary (along with any Future Securities Note and Future Summary) will be available on the Company's website ([www.octopusrenewablesinfrastructure.com](http://www.octopusrenewablesinfrastructure.com)) and the National Storage Mechanism of the FCA at [www.morningstar.co.uk/uk/nsm](http://www.morningstar.co.uk/uk/nsm) and hard copies of such documents can be obtained free of charge from the Company Secretary.

**Without limitation, neither the contents of the Company's or the Investment Manager's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the Investment Manager's website (or any other website) is incorporated into, or forms part of this Registration Document, or has been approved by the FCA.**

Dated: 19 November 2019

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## **RISK FACTORS**

**Investment in the Company should not be regarded as short-term in nature and involves a degree of risk. Accordingly, investors should consider carefully all of the information set out in this Registration Document and the risks attaching to an investment in the Company including, in particular, the risks described below.**

**The Directors believe that the risks described below are the material risks relating to the Company at the date of this Registration Document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem immaterial at the date of this Registration Document, may also have an adverse effect on the performance of the Company. Investors should review this Registration Document carefully and in its entirety and consult with their professional advisers before making an application to participate in the Share Issuance Programme.**

### **1. RISKS RELATING TO THE COMPANY**

#### ***The Company is a newly formed company with no separate operating history***

The Company was incorporated on 11 October 2019. As at the date of this Registration Document, the Company has not commenced its activities and has no operating history. As the Company lacks an operating history, investors have no basis on which to evaluate the Company's ability to achieve its investment objective and provide a satisfactory investment return.

The Company's returns will depend on many factors, including the performance of its investments, the availability and liquidity of investment opportunities within the scope of the Company's investment objective and policy, conditions in the global and relevant local financial markets and global and relevant local economies and the Company's ability to successfully operate its business and successfully pursue its investment policy. There can be no assurance that the Company's investment policy will be successful.

#### ***Reliance on third party service providers***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company will be reliant upon the performance of third party service providers for its executive function. In particular, the AIFM, the Investment Manager, the Depositary, the Administrator and the Registrar will be performing services which are integral to the operation of the Company.

#### ***Past performance cannot be relied upon as an indicator of the future performance of the Company***

The past performance of other investments managed by the AIFM and/or the Investment Manager or any of the AIFM's and/or the Investment Manager's investment professionals cannot be relied upon as an indicator of the future performance of the Company. Investor returns will be dependent upon the Company successfully pursuing its investment policy.

#### ***The Pipeline Assets are not a seed portfolio***

No investment opportunities from the Pipeline Assets have been contracted to be acquired by the Company and there are no contractually binding obligations for the sale and purchase of the Pipeline Assets. Neither the AIFM nor the Investment Manager is under an obligation to make the investment opportunities in the pipeline available to the Company and, other than where the Company has been granted exclusivity in respect of an investment opportunity, the Investment Manager will apply its Allocation Policy in respect of the allocation of investment opportunities among Octopus Managed Funds. Therefore, there can be no assurance that any of the Pipeline Assets will remain available for purchase after First Admission or, if available, at what price (if a price can be agreed at all) the investments can be acquired by the Company. Investments not comprised in the Pipeline Assets may also become available. The individual holdings within the Company's portfolio may therefore be substantially different to the Pipeline Assets.

## 2. RISKS RELATING TO THE COMPANY'S INVESTMENT STRATEGY

***The Company may not meet its investment objective and there is no guarantee that the Company's target level of dividends and other distributions and/or target returns, as may be from time to time, will be met***

The Company may not achieve its investment objective. Meeting the investment objective is a target but the existence of such an objective should not be considered as an assurance or guarantee that it can or will be met.

The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in Europe and Australia. The payment of future dividends and other distributions and the level of any future dividends or distributions paid by the Company is subject to the discretion of the Directors and will depend upon, amongst other things, the Company successfully pursuing its investment policy and the Company's earnings, financial position, cash requirements, level and rate of borrowings and availability of profit, as well as the provisions of relevant laws or generally accepted accounting principles from time to time. There can be no assurance that any dividends or distributions will be paid in respect of any financial year or period and no guarantee as to the level of any future dividends or distributions to be paid by the Company. There is no guarantee that the Company will achieve the stated target net total Shareholder return referred to in this Registration Document and therefore achieve its return objective.

***The Company's targeted returns are based on estimates and assumptions that are inherently subject to significant uncertainties and contingencies, and the actual rate of return may be materially lower than the targeted returns***

The Company's targeted returns set out in this Registration Document are targets only and are based on estimates and assumptions about a variety of factors including, without limitation, value, yield and performance of the Company's portfolio of Renewable Energy Assets, which are inherently subject to significant business, economic and market uncertainties and contingencies, all of which are beyond the Company's control and which may adversely affect the Company's ability to achieve its targeted returns. The Company may not be able to implement its investment objective and investment policy in a manner that generates returns in line with the targets.

Renewable Energy Asset acquisitions rely on detailed financial models to support valuations. There is a risk that inaccurate assumptions or methodologies may be used in a financial model. In such circumstances the returns generated by any Renewable Energy Asset acquired by the Company may be different to those expected.

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

The prices at which the Company acquires its assets will be determined by the Investment Manager's operational assumptions and economic expectations of such assets on the basis that the returns available to the Company are acceptable. The operation and economics of assets may fall short of the Investment Manager's expectations, and/or an investment may fail to generate its projected returns.

Furthermore, the targeted returns are based on the market conditions and the economic environment at the time of assessing the targeted returns, and are therefore subject to change. In particular, the targeted returns assume no material changes occur in government regulations or other policies, or in law and taxation, and that the Company and its portfolio of Renewable Energy Assets are not affected by natural disasters, terrorism, social unrest or civil disturbances or the occurrence of risks described elsewhere in this Registration Document.

There is no guarantee that actual (or any) returns can be achieved at or near the levels set out in this Registration Document. Accordingly, the actual rate of return achieved may be materially lower than the targeted returns, or may result in a partial or total loss, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Reliance on projections***

Investment valuation is based on financial projections for the Company's relevant Renewable Energy Assets. Projections will primarily be based on the Investment Manager's assessment and are only estimates of future results based on assumptions made at the time of the projection. The Company's quarterly announcements of Net Asset Value will be based on estimates provided by the AIFM and will not be audited. The financial information relating to the Company's portfolio of Renewable Energy Assets on which the quarterly valuations will be based, will be based on management information provided by the Investment Manager. Actual results may vary significantly from the projections, which may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

### ***Use of borrowings***

The Company may use borrowings for multiple purposes, including for investment purposes. While the use of borrowings should enhance the total return on the Ordinary Shares and/or C Shares, where the return on the Company's portfolio of Renewable Energy Assets exceeds the cost of borrowing, it will have the opposite effect where the return on the Company's portfolio of Renewable Energy Assets is lower than the cost of borrowing. The use of borrowings by the Company may increase the volatility of the Net Asset Value per Ordinary Share and/or Net Asset Value per C Share.

To the extent that a fall in the value of the Company's portfolio of Renewable Energy Assets causes gearing to rise to a level that is not consistent with the Company's borrowing and gearing policy, borrowing limits or loan covenants, the Company may have to sell investments in order to reduce borrowings. Such investments may be difficult to realise and therefore the market price which is achievable may give rise to a significant loss of value compared to the book value of the Renewable Energy Assets, as well as a reduction in income from the Company's portfolio of Renewable Energy Assets.

Any amounts that are secured under a bank facility will rank ahead of Shareholders' entitlements and accordingly, should the Company's portfolio of Renewable Energy Assets not grow at a rate sufficient to cover the costs of operating the Renewable Energy Assets, on a liquidation of the Company, Shareholders may not recover all or any of their initial investment.

The Company and SPVs may also find it difficult, costly or not possible to refinance future indebtedness as it matures or the terms become more expensive (for example, as the case may be, where the terms of construction finance change following completion of the construction of an asset). For example, the Company and/or SPVs may be unable to enter into an agreement to secure refinancing on similar terms or on a timely basis or at all. Further, if interest rates are higher when any relevant indebtedness is refinanced, the Company's and SPV's finance costs could increase. Any of the foregoing events may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares and may lead to Shareholder dilution as a result of further equity capital raisings by the Company or the forced sales of assets.

The Company and SPVs may incur debt with a floating rate of interest and be exposed to interest rate risk due to fluctuations in prevailing market rates. Changes in interest rates may also affect the valuation of the investment portfolio by impacting the valuation discount rate. The Company and SPVs may hedge or partially hedge interest rate exposure on borrowings. However, such measures may not be sufficient to protect the Company and SPVs from adverse movements in prevailing interest rates to the extent exposures are unhedged or hedges are inadequate to offer full protection. If exposures are unhedged, interest rate movements may lead to mark-to-market movements which may be positive or negative and upon breaking of such hedges may cause crystallisation of gains or losses. In addition, hedging arrangements expose the Company and SPVs to credit risk in respect of the hedging counterparty. Increased exposure to interest movements may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

### ***Investor returns will be dependent upon the performance of the Company's portfolio of Renewable Energy Assets and the Company may experience fluctuations in its operating results***

Returns achieved are reliant primarily upon the performance of the Company's portfolio of Renewable Energy Assets. No assurance is given, express or implied, that Shareholders will be able to realise the amount of their original investment in the Ordinary Shares and/or the C Shares. The Company may experience fluctuations in its operating results due to a number of factors, including changes in the supply and demand



for, and residual value of Renewable Energy Assets that the Company would seek to invest in, changes in the values of investments in the Company's portfolio of Renewable Energy Assets from time to time, changes in operating expenses, defaults by counterparties, fluctuations in foreign exchange and interest rates, availability and liquidity of investments, the degree to which it encounters competition and general economic and market conditions. Such variability may be reflected in dividends, may lead to volatility in the trading price of the Ordinary Shares and/or C Shares and may cause the Company's results for a particular period not to be indicative of its performance in a future period.

***Concentration risk in relation to exposure to individual Renewable Energy Assets, geography, technology and Offtakers***

It is intended that from the date of First Admission, the Investment Manager will seek to invest and manage the Company's assets in a way which is consistent with the Company's objective of spreading investment risk. However, there is a limit on the restriction to exposure to a single Renewable Energy Asset (following the Company becoming fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of Gross Asset Value) up to 32.5 per cent. of Gross Asset Value in one single asset, up to 27.5 per cent. of Gross Asset Value in a second single asset and 20 per cent. of Gross Asset Value in respect of all other assets, measured at the time of investment). In addition, over the long term it is expected that: (i) investments located in the UK will represent less than 50 per cent. of Gross Asset Value; (ii) investment in any single country other than the UK will represent no more than 40 per cent. of Gross Asset Value; (iii) investment in onshore wind farms will not exceed 60 per cent. of Gross Asset Value; and (iv) investment in solar PV parks will not exceed 60 per cent. of Gross Asset Value. Further, following the Company becoming fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of Gross Asset Value) at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Renewable Energy Assets under contract to any single Offtaker will not exceed 40 per cent. of Gross Asset Value.

In the event that the investments acquired by the Company give rise to concentration risk by reference to individual Renewable Energy Assets, geography, technology and/or Offtakers, the Company's targeted returns may be materially affected where those Renewable Energy Assets, geographies, technologies and/or Offtakers, do not deliver the returns anticipated by the Investment Manager. Where the Renewable Energy Assets comprising the Company's portfolio do give rise to concentration risk, the Company's overall performance will be more sensitive to the returns in respect of those individual Renewable Energy Assets, geographies, types of Renewable Energy Asset and/or Offtakers. In such circumstances, where any of the risks and uncertainties identified elsewhere in these risk factors come to fruition, this may have a more significant impact and may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or C Shares.

***The Company is exposed to transactional effects of foreign exchange rate fluctuations and risks of currency and interest rate hedging***

The Company will report its results in Sterling. The Company will make investments which are based in countries whose local currency may not be Sterling and the Company and SPVs may make and/or receive payments that are denominated in currencies other than Sterling. To the extent the Company invests in such jurisdictions, it may be exposed to foreign exchange risk caused by fluctuations in the value of foreign currencies when the net income and net assets of those operations in non-Sterling jurisdictions are translated into Sterling for the purposes of financial reporting. The Company and SPVs may also hedge the interest rate exposure in relation to any loan granted to them. While the Company and SPVs may enter into derivative transactions to hedge such currency and interest rate exposures, there can be no guarantee that the Company and/or SPVs will be able to, or will elect to, hedge such exposures in a timely manner and on terms acceptable to them, or that any such hedging arrangements, where entered into, will be successful. The Company and/or SPVs may be required to satisfy a margin call and in certain circumstances could be forced to choose between liquidating an investment to meet a margin call or taking a loss on a position that might, if held longer, have yielded a smaller loss or a gain. To the extent that the Company and/or SPVs do rely on derivative instruments to hedge exposure to exchange rate and interest rate fluctuations, they will be subject to counterparty risk. Any failure by a hedging counterparty of the Company or an SPV to discharge its obligations could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Availability of and competition for appropriate investments that accord with its investment policy***

The success of the Company's investment activities depends on the Investment Manager's ability to identify Renewable Energy Assets and the availability of such investments. Identification and exploitation of the investment strategies to be pursued by the Company involves a high degree of uncertainty. No assurance can be given that the Investment Manager will be able to secure suitable investment opportunities. Changes in the broader renewable energy market in which the Company seeks to invest, as well as other market factors, may reduce the scope for the Company's investment strategies. Additionally, the Company will compete with other parties for Renewable Energy Assets including, subject to the Investment Manager's Allocation Policy, other Octopus Managed Funds. Therefore, even when a suitable investment opportunity is identified, there can be no assurance that such opportunity will be available at all or at a price or upon terms and conditions (including financing) that the Board considers satisfactory.

The Pipeline Assets represent investment opportunities currently held in other Octopus Managed Funds (including some on exclusive terms) or in respect of which the Investment Manager has submitted non-binding offers, and which the Investment Manager considers fall within the Company's investment policy. However, the Company has no option or right of first refusal over those investment opportunities and there is no guarantee that the Company will ultimately acquire any investments from the Pipeline Assets.

The inability of the Company to acquire Renewable Energy Assets will reduce the amount of income which the Company is able to generate which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Inflation***

Inflation may be higher or lower than expected. The revenue and expenditure of Renewable Energy Assets are frequently partially index-linked and therefore any discrepancy with the Company's inflation expectations could impact positively or negatively on the Company's cashflows. From a financial modelling perspective, an assumption is usually made that inflation will exist at a long-term rate (which may vary depending on country and prevailing inflation projections). The effect on revenue and price projections and more generally on investment returns if inflation overshoots or undershoots the original projections for this long-term rate is dependent on the nature of the underlying project earnings and any indexation provisions agreed with the relevant counterparty on any project. The consequences of higher or lower levels of inflation than those assumed by the Company will not be uniform across the portfolio. An investment in the Company cannot be expected to provide protection from the effects of inflation or deflation. In the event that actual inflation differs from forecasts or projected levels, this could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***The Company may not retain 100 per cent. control of its Renewable Energy Assets***

Under certain investment structures, the Company may retain less than a 100 per cent. interest in a particular Renewable Energy Asset or SPV and the remaining ownership interest will be held by one or more third parties, which could include other Octopus Managed Funds. In such instances, the Company may acquire a controlling or non-controlling interest.

These investment arrangements may expose the Company to the risk that:

- co-owners become insolvent or bankrupt, or fail to fund their share of any capital contribution which might be required, which may result in the Company having to pay the co-owner's share or risk losing the investment;
- co-owners have economic or other interests that are inconsistent with the Company's interests and are in a position to take or influence actions contrary to the Company's interests and plans, which may create impasses on decisions and affect the Company's ability to implement its strategies and/or dispose of the asset or entity;
- disputes develop between the Company and co-owners, with any litigation or arbitration resulting from any such disputes increasing expenses and distracting the Board and the Investment Manager from their other managerial tasks;
- co-owners do not have enough liquid assets to make cash advances that may be required in order to fund operations, maintenance and other expenses related to the relevant Renewable Energy Asset



which could result in the loss of income and may otherwise adversely affect the operation and maintenance of the Renewable Energy Asset;

- a co-owner breaches agreements related to the Renewable Energy Asset, which may cause a default under such agreements and result in liability for the Company and/or an SPV;
- the Company and/or an SPV may, in certain circumstances, be liable for the actions of co-owners; and
- a default by a co-owner constitutes a default under financing documents relating to the investment, which could result in a foreclosure and the loss of all or a substantial portion of the investment made by the Company.

Any of the foregoing may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

In addition, in circumstances where the Company does not hold a controlling interest in the relevant investment it may (i) have limited influence or (ii) not be able to block certain decisions made collectively by the majority equity holders or senior lenders. This may result in decisions being made about the relevant investment that are not in the interests of the Company. In such circumstances, the Company will secure its shareholder rights through contractual and other arrangements, to, *inter alia*, ensure that the Renewable Energy Asset is operated and managed in a manner that is consistent with the Company's investment policy. However, this lack of control may have a significant impact and may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

#### **UK exit from the European Union and UK general election**

The United Kingdom held a referendum on 23 June 2016 in which a majority of voters voted to exit the European Union ("**Brexit**") and, on 29 March 2017, formally notified the European Council of its intention to leave the EU under Article 50 of the Lisbon Treaty. A withdrawal agreement has not been ratified by the UK parliament and an extension period has been agreed up to 31 January 2020. As a result, the UK will need to continue negotiations with the remaining EU member states regarding the terms of the UK's withdrawal from, and the framework for any future relationship(s) with the EU. There is a risk that the UK will withdraw from the EU without a withdrawal agreement being in place with the EU.

If agreement is not reached on the terms of the UK's withdrawal, Brexit, the continued political uncertainty in the UK (including by reason of, or the results of, the general election to be held on 12 December 2019 in the UK) and/or further delays in leaving the EU could adversely affect UK, European and worldwide economic and market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of Sterling. The Company's ability to raise further capital could be hindered by any heightened market volatility caused by Brexit or the results of the general election to be held on 12 December 2019 in the UK in the shorter term. In the longer term, if any changes to the national private placement regimes on which the Company may seek to rely on to raise capital from certain investors based in the EEA arise as a result of Brexit, this could restrict the Company's ability to market its Ordinary Shares and C Shares in the EEA, which in turn may have a negative effect on marketing and liquidity of the Ordinary Shares and C Shares generally. Brexit and/or the policies introduced by the UK government formed following the general election on 12 December 2019 could also adversely affect the operational, regulatory, insurance and tax regime to which the Company is currently subject. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which European Union laws to replace or replicate. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice, whether as a result of a United Kingdom departure from the European Union, the general election to be held on 12 December 2019 in the UK or otherwise, after the date of this Registration Document.

Any of these effects of Brexit, and others that the Directors cannot anticipate at this stage given the political and economic uncertainty surrounding the nature of the United Kingdom's future relationship with the European Union and the result of the general election to be held on 12 December 2019, could adversely affect the Company's business, financial condition and cash flows. They could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risks associated with the Eurozone***

As the Company's investment policy targets Renewable Energy Assets located in Europe, it is likely that certain of the Company's portfolio of Renewable Energy Assets will be located in jurisdictions within both the EU and the Eurozone. Concerns about credit risk of certain member states of the Eurozone have intensified in recent years. The default, or a significant decline in the credit rating, of one or more member states of the Eurozone could cause severe stress in the Eurozone financial system generally and could, in the worst case scenario, lead to the reintroduction of national currencies in one or more member states of the Eurozone and the abandonment of the Euro as a currency. An escalation of the Eurozone crisis could adversely affect the NAV of the Company and the value and returns of the Company's portfolio of Renewable Energy Assets as well as the economic condition of the Company's and SPV's counterparties or creditors directly or indirectly located in the Eurozone in ways which it is difficult to predict. If any of these risks materialise, this could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Unsuccessful transaction costs***

There is a risk that the Company may incur substantial legal, financial and other advisory expenses arising from unsuccessful transactions which may include expenses incurred in dealing with transaction documentation and legal, accounting and other due diligence.

## **3. RISKS RELATING TO MAKING INVESTMENTS**

### ***Construction risk for certain Renewable Energy Assets***

The Company may invest in Renewable Energy Assets which are in construction or construction ready. Assets which are in construction or construction ready may be exposed to certain risks, such as cost overruns, construction delay and construction defects which may be outside the Company's control. If the construction of Renewable Energy Assets is undertaken by third parties, these matters are outside the direct control of the Company. During the construction of the relevant Renewable Energy Asset, there is the possibility that the Investment Manager is unable to continuously supervise the responsible third party. Any error or deviation from planning during the construction phase may lead to additional costs or expenses being incurred by the Company and SPVs and could thus result in a lower profit of the Company. If no compensation from the relevant third party (or its guarantor) can be obtained by the Company or the relevant SPV, the anticipated returns of the Company may be adversely affected. Further, if a third party is liable to repair or remedy any construction defect, there is a risk that such third party will not carry out such repair or remedy by the agreed deadline or at all and/or the relevant defects may not be sufficiently covered by warranty. Even if such defects are covered by warranty, there is also a possibility that such defects may only occur after the warranty period expires, or that the relevant damages exceed the scope of the warranty and therefore cannot be fully recovered.

Additional costs and expenses, delays in construction or carrying out repairs, lack of warranty cover and/or operational failures or malfunction of a Renewable Energy Asset and delays in the production or supply of energy may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Due diligence risks***

Prior to the acquisition of a Renewable Energy Asset, commercial, financial, technical and legal due diligence on the relevant Renewable Energy Asset will be undertaken. Notwithstanding that such due diligence is undertaken, it may not uncover all of the material risks affecting the Renewable Energy Asset, and/or such risks may not be adequately protected against in the acquisition documentation. The Company may acquire Renewable Energy Assets with unknown liabilities and without any recourse, or with limited recourse, with respect to unknown liabilities. If an unknown liability was later asserted in respect of the relevant Renewable Energy Asset, the Company or relevant SPV might be required to pay substantial sums to settle it or enter into litigation proceedings, which could adversely affect cash flow and the result of its operations. Accordingly, in the event that material risks are not uncovered and/or such risks are not adequately protected against, this may have a material adverse effect on the Renewable Energy Asset and on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

The Company will have reliance on due diligence reports prepared by professionals appointed by the Investment Manager in relation to a Renewable Energy Asset. There is a risk that, notwithstanding this

reliance relationship, the relevant professional adviser has limited its liability or is otherwise able to avoid liability to the Company. Should that be the case, the Company may be unable to recover losses suffered as a result of its reliance on such professional adviser.

***The Company's investments in Renewable Energy Assets will be illiquid and may be difficult to realise at a particular time and/or at the prevailing valuation***

The Company will invest in Renewable Energy Assets. Such investments are illiquid; they may be difficult for the Company to sell and the price achieved on any realisation may be at a discount to the prevailing valuation of the relevant Renewable Energy Asset. This may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

***The Company may invest in Renewable Energy Assets through one or more SPVs***

The Company expects to invest in Renewable Energy Assets via SPVs and intermediate entities. The Company will be exposed to certain risks associated with these structures which may affect its return profile. For example, changes to laws and regulations including any tax laws and regulations applicable to the SPV, intermediate entities, or to the Company in relation to the receipts from any such SPV may adversely affect the Company's ability to realise all or any part of its interest or investment return in Renewable Energy Assets held through such structures. Alternatively, any failure of the SPV or its management to meet their respective obligations may have an adverse effect on Renewable Energy Assets held through such structures (for example, triggering breach of contractual obligations) and the Company's exposure to the investments held through such structures and/or the returns generated from such Renewable Energy Assets for the Company. This could, in turn, have an adverse effect on the performance of the Company and its ability to achieve its investment objective.

Further, where investments are acquired indirectly as described above, the value of the underlying asset may not be the same as the SPV due, for example, to tax, contractual, contingent and other liabilities, or structural considerations. To the extent that valuations of the Company's investments in SPVs or other investment structures prove to be inaccurate or do not fully reflect the value of the Renewable Energy Assets, whether due to the above factors or otherwise, this may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

***Acquisition risk***

A vendor will typically provide various warranties for the benefit of the acquirer and its funders in relation to the acquisition of a Renewable Energy Asset. Such warranties will be limited in extent and are typically subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or caps are exceeded, it will be borne by the acquirer, which may adversely affect the income received by the Renewable Energy Asset which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

***The Company may be subject to liability following the disposal of investments***

The Company may be exposed to future liabilities and/or obligations with respect to Renewable Energy Assets that it sells. The Company may be required or may consider it prudent to set aside provisions for warranty claims or contingent liabilities in respect of the disposal of Renewable Energy Assets. The Company may be required to pay damages (including but not limited to litigation costs) to a purchaser to the extent that any representations or warranties given to a purchaser prove to be inaccurate or to the extent that the Company breaches any of its covenants or obligations contained in the disposal documentation. In certain circumstances, it is possible that representations and warranties incorrectly given could give rise to a right by the purchaser to unwind the contract in addition to the payment of damages. Further, the Company may become involved in disputes or litigation in connection with such disposed investments. Certain obligations and liabilities associated with the ownership of investments can also continue to exist notwithstanding any disposal, such as certain environmental liabilities. Any claims, litigation or continuing obligations in connection with the disposal of any Renewable Energy Assets may subject the Company to unanticipated costs and may require the AIFM and the Investment Manager to devote considerable time to dealing with them. As a result, any such claims, litigation or obligations may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risk of equity and debt financing***

The claims of equity holders are subordinated to any creditors and are only entitled to receive dividends and other distributions if there are distributable reserves. Therefore, the success of an equity participation depends on the performance and income of the Renewable Energy Asset.

Issuers of debt instruments may be unable to make timely payments or at all due to financial difficulties or insolvency. In such circumstances, extensive additional costs may be incurred, for example as a result of initiating litigation, seizure or foreclosure or other actions to recover the outstanding amounts. Should these risks materialise, this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

## **4. RISKS RELATING TO RENEWABLE ENERGY ASSETS**

### ***Risk of contracting with government authorities***

The Company intends to invest in Renewable Energy Assets that are remunerated by both government support schemes and corporate PPAs. Any agreement with governmental authorities may contain clauses more favourable to the governmental counterparty than a typical commercial contract and may restrict the Company's ability to operate the Renewable Energy Asset in a way that maximises cash flows and profitability.

For instance, such agreements may include termination clauses permitting a governmental authority to terminate the agreement under certain circumstances without payment of adequate compensation. Furthermore, governmental authorities have considerable discretion in implementing regulations that could impact the renewable energy market, and because Renewable Energy Assets provide basic, everyday services and face limited competition, governments may be influenced by political considerations and may make decisions that adversely affect the Company's investments.

There is a risk that if contracts or other arrangements with governmental authorities are amended, legally deficient or unenforceable, the returns of the Renewable Energy Assets may be affected. As a result, this may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risks relating to maintaining the connections of Renewable Energy Assets to the electricity transmission and distribution network***

In order to export electricity, Renewable Energy Assets must be, and remain, connected to the electricity network. This may involve a connection to the transmission and distribution networks or either of them, depending on the circumstances of a particular project and any other specific requirements relevant to the countries in which the Company invests. As a minimum, a Renewable Energy Asset 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 relevant connection point is disconnected or de-energised, then the Renewable Energy Asset in question will not be able to import or export electricity to the grid. Additionally, non-compliance with, or disconnection or de-energisation under the relevant connection agreements in some instances can also lead to a breach of any PPA that relates to that Renewable Energy Asset, giving the PPA offtaker the right to terminate. This may also result in a breach of the terms of another revenue agreement such as any agreement to provide ancillary services, capacity services or balancing services.

The SPVs may incur increased costs or losses as a result of changes in law or regulation including changes in grid (distribution or transmission) codes or rules. Such costs or losses could adversely affect the financial performance and prospects of the Company and in particular new laws or regulation may require new equipment to be purchased at the relevant Renewable Energy Asset or result in changes to or a cessation of the operations of the Renewable Energy Asset.

The Company's portfolio of Renewable Energy Assets will also be subject to the risk that, due to interruption in the grid connection or irregularities in the overall power supply, power may not be generated or supplied. In such case, affected Renewable Energy Assets may not receive any compensation or only limited compensation in accordance with the relevant contractual or statutory provisions.

Should these risks in relation to grid connection materialise, this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Exposure to power prices and risk to hedging power prices***

The Company intends to make investments in projects and concessions with revenue exposure to power prices. The market price of electricity is volatile and is affected by a variety of factors, including market demand for electricity, the generation mix of power plants, government support for various forms of power generation, as well as fluctuations in the market prices of commodities and foreign exchange. Whilst some of the Company's portfolio of Renewable Energy Assets may benefit from fixed price arrangements for a period of time, others may have revenue which is based on prevailing power prices.

Many factors could lead to changes in market demand for electricity, including changes in consumer demand patterns. Increased usage of smart grids, a rise in demand for electric vehicle charging capacity and residential participation in renewable energy generation could all impact demand levels and patterns for electricity. There can be no guarantee that the Company's investments will be positively impacted by such changing dynamics which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

Furthermore, to the extent that the Company or an SPV enters into contracts to fix the price that it receives on the electricity generated or enters into derivatives with a view to hedging against fluctuations in power prices (such as corporate CFDs), the Company or SPV, as the case may be, will be exposed to risk related to delivering an amount of electricity over a specific period. If there are periods of non-production the Company or an SPV may need to pay the difference between the price it has sold the power at and the market price at that time. In circumstances where the market price is higher than the fixed or hedged price this could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares. To the extent that the Company or an SPV relies on derivative instruments (such as corporate CFDs) to hedge its exposure to fluctuations in power prices, it will be subject to counterparty risk. A failure by a hedging counterparty to discharge its obligations could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risk relating to grid congestion***

As the focus on renewable energy policy has increased, there has been a notable increase in investment in renewable energy projects, inevitably leading to higher demand for grid capacity. This has led to concerns of "grid congestion", where offers of capacity carry significant cost and delay associated with major grid reinforcement. A lack of access to the grid or increased connection charges as a result of the high demand for access would have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risks relating to grid outage and constraints on the capacity of a Renewable Energy Asset***

It is not unusual to see constraints or conditions imposed on a Renewable Energy Asset's connection to the grid and its export of electricity at certain times. A risk inherent to the connection to any electricity network is the limited recourse a generator has to the network operator if the Renewable Energy Asset is constrained or disconnected due to a system event on the local distribution or wider transmission system. In certain specified circumstances, the system operator can require generators and operators (or the electricity suppliers registered as being responsible for their metering systems, or distribution system operators) to curtail their output or de-energise altogether. Issues like curtailment and local constraints, which currently exist in Europe and/or Australia or which may arise in the future, are outside the control of the Company and the affected SPVs and restrictions on a Renewable Energy Asset's ability to export electricity could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risk of uninsured loss or damage***

The Company is subject to the risk that a Renewable Energy Asset may be destroyed or suffer material damage, and the existing insurances may not be sufficient to cover all the losses and damages. In particular, geological conditions (such as floods) may cause damage to power facilities or even total loss of power plants. This can adversely affect the performance of the relevant Renewable Energy Asset which in turn



may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Reduction in efficiency/degradation***

The Company is exposed to the risk that a deterioration of power plant efficiency may lead to lower electricity output. For many renewable energy generation plants, their efficiency is only partially guaranteed by their manufacturers. This factor plays a significant role in energy generation forecasting. There is a risk that the actual efficiency may deviate from the guaranteed efficiency (due to, for example, pollution, vegetation, snow or wear) thereby impairing the production output. In addition, the loss of power, or the so-called degradation, may be higher than expected and efficiency lower than that guaranteed by the manufacturer, which may result in lower revenue generated by the power plant. If this risk materialises, the performance of the relevant Renewable Energy Asset may already be affected which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Exposure to commodities prices***

Some of the Company's portfolio of Renewable Energy Assets will be subject to commodity price risk, including without limitation, the price of electricity and the price of fuel. The operation and cash flows of certain investments will depend, in substantial part, upon prevailing market prices for electricity and fuel, and particularly natural gas. These market prices may fluctuate naturally depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law or regulatory regimes, price and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, trade wars and actions of the Organisation of Petroleum Exporting Countries (and other oil and natural gas producing nations) and overall economic conditions.

### ***Risks of technical design of power plants***

Renewable energy power generation and transmission plants and facilities are not only technically highly complex and sensitive, their relevant technologies are also relatively new. There is only limited long-term experience with respect to durability of power plants. In some cases, there are few comparable systems worldwide that can be used to forecast the durability of the plants. Therefore, there is a risk that the power plants, for unforeseeable reasons, cannot be used over the entire forecast period for their intended use, or achieve or maintain the predicted efficiency. Additional costs may be incurred for renewal or replacement of the power plants or their system components. In particular, there is a risk of damage or even destruction of the plants due to extreme weather conditions such as storms, hail, snow/ice, earthquakes and other geological risks, which are likely to occur increasingly in the future and may also occur in areas or regions that seem to have been unproblematic so far.

Furthermore, due to the geographical location of the sites of the plants, there may be increased corrosion or wear on system components which may result in additional maintenance costs or expenses. Such circumstances may adversely affect the performance of a Renewable Energy Asset which may in turn have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Technology advancement risks***

This risk arises where a change could occur in the way a service or product is delivered rendering the existing technology obsolete. Given the significant fixed costs involved in constructing assets in the renewable energy sector any technology change that occurs over the medium term could threaten the profitability of a Renewable Energy Asset, in particular due to the financing projections that are dependent on an extended project life. If such a change were to occur, these assets would have very few alternative uses should they become obsolete.

### ***Environmental risks***

Environmental laws and regulations in the jurisdictions in which a Renewable Energy Asset is located may have an impact on the asset's activities. It is not possible to predict accurately the effects of future changes in such laws or regulations on the Renewable Energy Asset's performance. 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 a Renewable Energy Asset's operations that may have a material adverse effect on its financial condition.

To the extent that environmental liabilities arise in the future in relation to any sites owned or used by the Company or SPVs including, but not limited to, clean-up and remediation liabilities, depending on the contractual arrangements the Company or relevant SPV may be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the Renewable Energy Asset. If any such financial contributions are required these may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Risks relating to health and safety***

The physical location, construction, maintenance and operation of a Renewable Energy Asset pose health and safety risks to those involved or in the vicinity of the asset. Construction and maintenance of the Renewable Energy Assets may result in bodily injury, industrial accidents, and even death. If an accident were to occur in relation to one or more of the Company's portfolio of Renewable Energy Assets, the relevant SPV could be liable for damages or compensation to the extent such loss is not covered under existing insurance policies. Health and safety concerns and/or accidents could also result in the suspension (either temporary or long-term) of operations of a Renewable Energy Asset which will reduce the revenue of the Company from that Renewable Energy Asset. Liability for damages or compensation in relation to accidents and/or suspension of operations could have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Operational lifespan of the wind turbines, solar PV panels and other equipment***

In the event that the wind turbines, the solar PV panels and other equipment of a Renewable Energy Asset owned by the Company or an SPV do not operate for the period of time assumed by the Investment Manager or require significantly more maintenance expenditure than assumed, it could have a material adverse effect on the value of the Company's portfolio of Renewable Energy Assets, the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

### ***Counterparties could default on their contractual obligations or suffer an insolvency event***

The Company and SPVs may enter into agreements with certain counterparties for specific project-related activities including but not limited to EPC, EPCM and O&M services, asset management, and interconnections between the Renewable Energy Assets and transmission or distribution networks. There can be no assurance that a counterparty will honour its obligations under the relevant contract. In order to mitigate this, the Company and SPVs will seek extensive warranty protection from counterparties. This may, however, be insufficient in covering risks in relation to the operation of the Renewable Energy Assets, and the potential default of a counterparty, despite the best efforts of the Company or relevant SPV. For example, such warranty protection is typically subject to limitations in relation to the matters, amount and the time periods covered, such that there is no guarantee that such warranty protection will provide complete cover in all scenarios. If a counterparty fails to perform its obligations under an agreement, the Company or relevant SPV may be required to seek remedy from the relevant counterparty. There is a risk that the relevant contract may not provide sufficient remedy, or any remedy at all. For example, remedies may be limited by time or amount, such as by a contractual limit on the amount that may be claimed by way of liquidated damages, which may impact the value of the Company's portfolio of Renewable Energy Assets and may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

Additionally, a contract may be terminated prior to the expiration of the relevant term due to an event of insolvency of the relevant counterparty. The Company and the Investment Manager will seek to mitigate the Company's exposure to such risk through carrying out qualitative and quantitative due diligence on the creditworthiness of counterparties. Despite the steps taken by the Company and the Investment Manager, there is no assurance that any counterparty will make contractual payments or that the counterparty will not suffer an insolvency event during the term of the relevant agreement. The failure by a counterparty to pay the contractual payments or perform other contractual obligations or the early termination of the relevant contract due to the insolvency of a counterparty may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

***The Company and SPVs, where relevant, may not be able to enter into or renew PPAs containing favourable terms with new or existing Offtakers***

The Investment Manager may, where relevant, be unable to negotiate or renegotiate favourable terms for the Company or an SPV while entering into a new PPA with a new Offtaker or upon renegotiating and renewal of the terms of an expired PPA or soon to expire PPA with an existing Offtaker. It may be the case that the Company or an SPV is unable to enter into a PPA at all in relation to its Renewable Energy Asset. This may be caused by numerous factors, including: lower wholesale electricity prices; lack of depth in the market of Offtakers at a given time; increased competition within the energy industry; and the development of more efficient energy technologies. Offtakers may be able to negotiate a lower price for the electricity under a new or extended PPA which would reduce the cash flow of the Company or SPV and consequently the returns of the Company. The term of a new or extended PPA may be significantly shorter than an existing PPA which may reduce the long-term profitability of a Renewable Energy Asset. If the Company or an SPV agrees to enter into PPAs with Offtakers on less favourable terms than is currently intended, this may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

***Payment obligations or early termination of PPAs by Offtakers may not adequately compensate the Company and SPVs***

Some PPAs may contain limited rights of termination, exercisable by the Offtaker, prior to the expiration of their term. Such terminations generally result in the obligation of the Offtaker to pay termination fees. Whilst the Company and the Investment Manager intend to include contractual rights that adequately compensate the Company and SPVs in the event of early termination of a PPA by an Offtaker, there is a risk that a replacement PPA can only be sourced at a short term or long term lower price, reducing the Company's revenues. If no replacement PPA can be sourced, the Renewable Energy Asset may need to explore other routes to market or in extremis cease to be economically viable and the Company may elect or be required to decommission the Renewable Energy Asset. Such decommissioning cost may (taking into account decommissioning obligations entered into with landlords and/or planning authorities) exceed salvage value. In all of these cases, the early termination of a PPA by an Offtaker may have a material adverse effect on the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

***The Company's and SPVs' ability to install and maintain equipment may be dependent on taking a lease or licence of part of the Offtaker's premises***

In certain cases, the Company or an SPV may need to install the Renewable Energy Assets on the Offtaker's premises. As a result, the Company or SPV may need to obtain a lease or licence in order to have a right to access the Offtaker's premises in order to install, and then maintain, the Renewable Energy Assets. Where the Company or relevant SPV is not able to secure a lease or licence on favourable terms, such as the ability to access the premises at the convenience of the Company or relevant SPV or its subcontractors to install or maintain the Renewable Energy Assets, there may be delays in installing or repairing such equipment. In such circumstances, depending on the contractual arrangements governing the Renewable Energy Assets, the Company or relevant SPV may experience delays in receiving contractual payments (or the Offtaker may be entitled to withhold part of the contractual payments). Where the Company or relevant SPV receives reduced (or late) contractual payments, this may adversely affect the Company's profitability, the Net Asset Value, the price of the Ordinary Shares and/or the C Shares.

***Risks relating to the price of equipment***

The price of equipment in relation to a Renewable Energy Asset can increase or decrease. The price of equipment can be influenced by a number of factors, including the price and availability of raw materials, demand for the relevant equipment and any import duties that may be imposed on that equipment. For example, changes have previously been made to the duties imposed on solar PV modules in the EU. Unexpected increases in the cost of equipment could have a material adverse effect on the Company's ability to source projects that meet its investment criteria and on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

***Risk at end of asset life***

After completion of the operational phase, a Renewable Energy Asset may be dismantled and the land restored to its original condition. So far there is limited information and experience with respect to the decommissioning and dismantling of power plants, facilities and/or infrastructures, especially for renewable

energy. In addition, such dismantling, disposal and restoration may result in additional unforeseen costs to be borne by the Renewable Energy Asset.

If a Renewable Energy Asset is to be sold to a third party, it cannot be assured that such Renewable Energy Asset can be sold by the desired deadline or at the desired purchase price due to economic fluctuations or changing market conditions in the energy and/or respective infrastructure sector. If any of these risks materialise, the performance of the relevant Renewable Energy Asset may be adversely affected which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Dependency on meteorology***

Revenue from the Company's portfolio of Renewable Energy Assets will consist predominantly of remuneration for the supply of electricity generated. This depends largely on actual weather conditions affecting the power plants, being in the case of wind farms and solar PV parks the usable wind intensity or solar irradiation at each site. Actual annual wind speed or solar irradiation may fluctuate resulting in lower than expected long-term average rates with a corresponding effect on the amount of electricity generated. Wind speeds that are significantly higher than expected could result in periods where the wind is too strong for the wind turbines to safely produce electricity which could result in reduced generation. There is also risk of weather cycles that are deficient in the type of weather conditions required to produce energy at the relevant Renewable Energy Asset.

In addition, less or more wind intensity or solar irradiation in different European regions or in Australia may occur due to local and global climate changes. Furthermore, increased extreme weather conditions could also lead to a change in the wind intensity and solar irradiation which may negatively affect output of a Renewable Energy Asset. The occurrence of other geological events, such as earthquakes or landslides could cause damage or destruction of a Renewable Energy Asset. Wind conditions and levels of sunlight may also be affected by man-made or natural obstructions in the vicinity of a wind farm or solar PV park, including other wind farms, forestry or nearby buildings.

If such risks materialise, the performance of a Renewable Energy Asset owned by the Company may be adversely affected and as a result this may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Meteorological forecasts***

Energy yield forecasts are to a large extent based on historical climate data and certain IT based simulations/calculations. There is a risk that such forecasts prove inaccurate due to meteorological measurement errors, the reliability of the forecasting model or errors in the assumptions applied to the forecasting model. In particular, extreme weather conditions may lead to greater fluctuation from historically recorded data. Climate changes may result in less or limited sunshine and/or reduced wind, which all may serve to reduce power generated over the entire forecasting period which in turn may lead to less revenue being generated at a Renewable Energy Asset which in turn may have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

## **5. RISKS RELATING TO THE AIFM AND THE INVESTMENT MANAGER**

### ***Reliance on the AIFM and the Investment Manager***

Investor returns will be dependent upon the Company successfully pursuing its investment policy. The success of the Company will depend on the Investment Manager's ability to identify, structure and execute transactions and provide asset management services in accordance with the Company's investment policy. This, in turn, will depend on the ability of the Investment Manager to apply its investment and asset management processes in a way which is capable of identifying suitable investments and asset management opportunities for the Company. There can be no assurance that the Investment Manager will be able to do so or that it will enable the Company to invest on attractive terms or generate any investment returns for Shareholders or avoid investment losses.

The performance of the Company depends on the ability of the AIFM and the Investment Manager to provide competent, attentive and efficient services to the Company. There can be no assurance that, over time, the AIFM and the Investment Manager will be able to provide such services or that the Company will be able to

make investments on attractive terms or generate any investment returns for Shareholders or indeed avoid investment losses.

The Company depends on the diligence, skill, judgement and business contacts of the AIFM and the Investment Manager's investment professionals and the information and deal flow they generate and communicate to the Company during the normal course of their activities. The Company's future success depends on the continued service of these individuals (or their replacements from time to time) who are not obligated to remain employed with or consultants of the AIFM and the Investment Manager, and the AIFM's and Investment Manager's ability to recruit and retain personnel. A failure of the AIFM and the Investment Manager to retain or recruit appropriately qualified personnel may have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or C Shares.

If the Management Agreement is terminated, the Directors would have to find a replacement alternative investment fund manager and manager of its portfolio for the Company and there can be no assurance replacements with the necessary skills and experience could be appointed on terms acceptable to the Company.

### ***Conflicts of interest and the Investment Manager's Allocation Policy***

Each of the AIFM and the Investment Manager manages other accounts, vehicles and funds pursuing similar investment strategies to that of the Company. The appointment of the AIFM (and thereby the Investment Manager) is on a non-exclusive basis and it is anticipated that the AIFM and the Investment Manager will continue to allocate a significant amount of time managing other Octopus Managed Funds. It is expected that the Company will enter into transactions with other Octopus Managed Funds as a counterparty when acquiring, disposing of or co-investing in certain Renewable Energy Assets. The AIFM, the Investment Manager and/or other Octopus Group entities may have rendered certain services such as origination or other services for the benefit of previous and/or existing Octopus Managed Funds which held or hold an interest in an asset targeted by the Company and in return the relevant Octopus Group entities may have received fees for such services. As a result, the AIFM, the Investment Manager or another Octopus Group entity might be subject to a conflict of interest resulting from their previous involvement in relation to such asset.

Additionally, it is probable that other Octopus Managed Funds will invest in assets which may be in competition with those invested in by the Company for customers, power capacity or financing opportunities. Any one of these factors may on occasion give rise to conflicts of interest which the AIFM and the Investment Manager will manage in accordance with their policies and procedures relating to conflicts of interest. The Company may also be in competition with other Octopus Managed Funds for Renewable Energy Assets. In relation to the allocation of investment opportunities, the Investment Manager will follow the Allocation Policy to seek to ensure appropriate allocations between the Company and other Octopus Managed Funds. Notwithstanding such policies, it cannot be assured that such conflicts of interest will always be resolved in a manner that Shareholders perceive to be in their best interest, particularly where the Investment Manager needs to balance divergent interests of the Company, other Octopus Managed Funds and of the Octopus Group generally. In seeking to manage such conflicts and adhering to the Allocation Policy, the Investment Manager will not offer the Company the opportunity to invest in all Renewable Energy Assets that fall within the Company's investment policy, which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

## **6. RISKS RELATING TO REGULATION, STRUCTURE AND TAXATION**

### ***Regulation of renewable energy***

Investments in renewable energy depend largely upon governmental grants and permits or license requirements. The renewable energy sector is the subject of intense and sometimes rapidly changing regulation in many jurisdictions. Therefore, the Company is exposed to the risk that the competent authorities may pass legislation that might hinder or invalidate rights under existing contracts as well as hinder or impair the obtaining of the necessary permits or licenses necessary for Renewable Energy Assets in the construction phase. Furthermore, the relevant licenses and permits may be adversely altered, revoked, or in the case of their expirations not be extended by the relevant authorities. In addition, the competent legislative bodies, authorities or other state or municipal institutions or organisations may in the future amend or repeal existing laws, regulations or guidelines which could have a material adverse effect on the Company's profitability, the Net Asset Value and the price of the Ordinary Shares and/or the C Shares.

### ***Risk of reliance on government subsidies and incentives***

A proportion of the Company's portfolio of Renewable Energy Assets from time to time is likely to be subject to government subsidies and incentives. Many countries have provided incentives in the form of feed-in tariffs and other incentives to power plant owners, distributors and system integrators in order to promote the use of renewable energy. Many of these government incentives expire, phase out over time, terminate upon the exhaustion of the allocated funding, require renewal by the applicable authority or will be amended by governments due to changing market circumstances (such as market price fluctuations or the oversupply of produced electricity) or changes to national, state or local energy policy. There is also possibility that Renewable Energy Assets in which the Company invests may operate in countries where no such incentives are permitted by law. In such case, the economic success of a Renewable Energy Asset depends largely on market conditions and is subject to risks which may result in decreased revenue thereby adversely affecting the performance of the relevant Renewable Energy Asset which may in turn have a material adverse effect on the Company's profitability, Net Asset Value and the price of the Ordinary Shares and/or C Shares.

### ***Investment trust status***

It is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions under sections 1158 to 1159 of the CTA 2010 and ongoing requirements under the Investment Trust (Approved Company) (Tax) Regulations 2011 for it to be approved by HMRC as an investment trust. In respect of each period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on its chargeable gains and capital profits on loan relationships. The Company will also have access to an optional interest "streaming" regime which enables it to deduct from its taxable interest income the amount of dividend distributions to Shareholders that have been notionally designated as interest distributions. There is a risk that the Company, having received approval of its investment trust status from HMRC, fails to maintain its status as an investment trust. In such circumstances, the Company would be subject to the normal rates of corporation tax on chargeable gains and capital profits arising on the transfer or disposal of investments and other assets, and on interest income which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Ordinary Shares and the C Shares are freely transferable. The Company, in the unlikely event that it becomes aware that it is a close company, or otherwise fails to meet the criteria for maintaining investment trust status, will, as soon as reasonably practicable, notify Shareholders of this fact.

### ***A change in the Company's tax status or in taxation legislation could adversely affect the Company's profits and portfolio value and/or returns to Shareholders***

Any change in the Company's tax status or in taxation legislation or practice in the UK or any other tax jurisdiction, including in particular the jurisdictions in or through which the Company's investments are made, and any applicable tax treaties could affect the value of the investments held and post-tax returns received by the Company (or otherwise affect the financial prospects of the Company), affect the Company's ability to achieve its investment objective, alter the post-tax returns for Shareholders and affect the tax treatment for Shareholders of their investments in the Company (including rates of tax and availability of reliefs). In the event that the Company and/or SPVs becomes liable to withholding taxes, the effect will generally be to reduce post-tax returns for Shareholders (except where full credit for the tax withheld is obtained).

Statements in this Registration Document concerning taxation of the Company or prospective investors are based upon current law and practice, each of which is, in principle, subject to change. The tax reliefs referred to in this Registration Document are those currently available and their value depends on the individual circumstances of investors. If you are in any doubt as to your tax position or the tax effects of an investment in the Company, you should consult your own professional adviser without delay.

### ***The Company has not been and will not be registered as an investment company under the U.S. Investment Company Act***

The Company is not, and does not intend to become, registered as an investment company under the U.S. Investment Company Act and related rules and regulations. The U.S. Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered and does not plan to register, none of these protections or restrictions is or will be applicable to the Company. In addition, to avoid being required to



register as an investment company under the U.S. Investment Company Act, the Board may, under the Articles and subject to certain conditions, compulsorily require the transfer of Ordinary Shares and/or C Shares held by a person to whom the sale or transfer of Ordinary Shares and/or C Shares may cause the Company to be classified as an investment company under the U.S. Investment Company Act.

***The assets of the Company could be deemed to be “plan assets” that are subject to the requirements of ERISA or section 4975 of the U.S. Tax Code, which could restrain the Company from making certain investments, and result in excise taxes and liabilities***

Under the current United States Plan Asset Regulations, if interests held by Benefit Plan Investors are deemed to be “significant” within the meaning of the Plan Asset Regulations (broadly, if Benefit Plan Investors hold 25 per cent. or greater of any class of equity interest in the Company) then the assets of the Company may be deemed to be “plan assets” within the meaning of the Plan Asset Regulations. There can be no assurance that Benefit Plan Investors will never acquire Ordinary Shares and/or C Shares or that, if they do, the ownership of all Benefit Plan Investors will be below the 25 per cent. threshold discussed above or that the Company’s assets will not otherwise constitute “plan assets” under the Plan Asset Regulations. If the Company’s assets were deemed to constitute “plan assets” within the meaning of the Plan Asset Regulations, certain transactions that the Company might enter into in the ordinary course of business and operation might constitute non-exempt prohibited transactions under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) or the U.S. Tax Code, resulting in excise taxes or other liabilities under ERISA or the U.S. Tax Code. In addition, any fiduciary of a Benefit Plan Investor or an employee benefit plan subject to Similar Law that is responsible for the benefit plan’s investment in the Ordinary Shares and/or C Shares could be liable for any ERISA violations or violations of such Similar Law relating to the Company.



## **IMPORTANT INFORMATION**

### **GENERAL**

This Registration Document should be read in its entirety, along with the Summary and the Securities Note and any Future Summary and Future Securities Note, before making any application for Ordinary Shares and/or C Shares.

Prospective investors should rely only on the information contained in the Prospectus (which comprises this Registration Document, together with the Securities Note and the Summary). No person has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of Ordinary Shares and/or C Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representation must not be relied upon as having been authorised by the Company, the AIFM, the Investment Manager or Peel Hunt. Without prejudice to the Company's obligations under the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR, neither the delivery of the Prospectus nor any subscription for or purchase of Ordinary Shares and/or C Shares made pursuant to the Share Issuance Programme, under any circumstances, creates any implication that there has been no change in the affairs of the Company since, or that the information contained in the Prospectus is correct at any time subsequent to, the date of the Prospectus.

Apart from the liabilities and responsibilities (if any) which may be imposed on Peel Hunt by FSMA or the regulatory regime established thereunder, or under the regulatory regime of any other jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, Peel Hunt does not make any representation, express or implied, nor accepts any responsibility whatsoever for, the contents of the Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares and/or C Shares, the Share Issuance Programme or any Admission. Peel Hunt (together with its respective affiliates) accordingly, to the fullest extent permitted by law, disclaims all and any liability (save for any statutory liability) whether arising in tort, contract or otherwise which it might otherwise have in respect of the Prospectus or any other statement.

All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Company's memorandum of association and the Articles which investors should review. A summary of the Articles is contained in paragraph 4 of Part 4 of this Registration Document under the section headed "*The Articles*".

### **PRESENTATION OF FINANCIAL INFORMATION**

The Company is newly formed and as at the date of this Registration Document has not commenced operations and, therefore, no financial statements have been prepared as at the date of this Registration Document. All future financial information for the Company will be prepared under IFRS.

Certain financial and statistical information contained in this Registration Document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the actual arithmetic total of the numbers in a column or row in a certain table may not conform exactly to the total figure given for that column or row. In addition, certain percentages presented in the tables in this Registration Document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

### **PRESENTATION OF MARKET AND OTHER DATA**

Market and economic data used throughout this Registration Document is sourced from various 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 Registration Document to “£”, “pence” or “GBP” are to the lawful currency of the UK, all references in this Registration Document to “Euro” or “€” are to the lawful currency of the EU, all references in this Registration Document to “AUS\$” are to the lawful currency of Australia and all references in this Registration Document to “US\$” are to the lawful currency of the United States.

## **REFERENCE TO CREDIT RATINGS (REGULATION (EC) NO 1060/2008)**

The credit rating agencies providing ratings to securities referred to in this document (if any) are each established in the EU and registered under Regulation (EC) No. 1060/2008 (as amended). As such, each such credit rating agency is included in the list of credit rating agencies published by the ESMA on its website in accordance with the CRA Regulations.

## **DEFINITIONS**

A list of defined terms used in this Registration Document is set out in Part 5 (Glossary of Terms) and Part 6 (Definitions).

## **EUROPEAN UNION LEGISLATION**

In this Registration Document there are references to various pieces of European Union legislation, for instance the AIFM Directive. While the UK remains a member of the EU or becomes subject to a transitional and implementation period (“**TIP**”) following the exit day when the UK leaves the EU, during which EU law continues to apply to the UK as if it were still a member of the EU, references to EU legislation should be construed as references to that legislation as enacted by the EU. Should the UK leave the EU without becoming subject to a TIP or on the TIP coming to an end, references to EU legislation in respect of application to the UK should be construed as references to that legislation as transposed into UK law by the European Union (Withdrawal) Act 2018 (“**EUWA**”) and as further amended by secondary legislation made under EUWA.

## **WEBSITES**

Without limitation, neither the contents of the Company’s or the Investment Manager’s website (or any other website) nor the content of any website accessible from hyperlinks on the Company’s or the Investment Manager’s website (or any other website) is incorporated into, or forms part of this Registration Document, or has been approved by the FCA.

## **GOVERNING LAW**

Unless otherwise stated, statements made in this Registration Document are based on the law and practice currently in force in England and Wales.

## **FORWARD LOOKING STATEMENTS**

This Registration Document contains forward looking statements, including, without limitation, statements containing the words “believes”, “estimates”, “anticipates”, “expects”, “intends”, “may”, “might”, “will” or “should” or, in each case, their negative or other variations or similar expressions. Such forward looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements.

Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this Registration Document. Subject to its legal and regulatory obligations (including under the Prospectus Regulation Rules), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any

appropriate regulatory authority, including FSMA, the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation and MAR.

Nothing in the preceding two paragraphs should be taken as limiting the working capital statement in paragraph 5 of Part 6 of the Securities Note.

## DIRECTORS, MANAGEMENT AND ADVISERS

### Directors (all non-executive)

Philip Austin MBE (*Chairperson*)  
James Cameron  
Elaina Elzinga  
Audrey McNair

all of the registered office below:

### Registered Office

Mermaid House  
2 Puddle Dock  
London  
EC4V 3DB

### AIFM

Octopus AIF Management Limited  
6th Floor  
33 Holborn  
London  
EC1N 2HT

### Investment Manager

Octopus Investments Limited  
6th Floor  
33 Holborn  
London  
EC1N 2HT

### Administrator and Company Secretary

PraxisIFM Fund Services (UK) Limited  
Mermaid House  
2 Puddle Dock  
London  
EC4V 3DB

### Sponsor, Broker, Placing Agent and Intermediaries Offer Adviser

Peel Hunt LLP  
Moor House  
120 London Wall  
London  
EC2Y 5ET

### Solicitors to the Company

Gowling WLG (UK) LLP  
4 More London Riverside  
London  
SE1 2AU

### Solicitors to the Sponsor, Broker, Placing Agent and Intermediaries Offer Adviser

Stephenson Harwood LLP  
1 Finsbury Circus  
London  
EC2M 7SH

### Solicitors to the Company (as to U.S. securities law)

Proskauer Rose LLP  
110 Bishopsgate  
London  
EC2N 4AY

### Registrar

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

**Receiving Agent**

Computershare Investor Services PLC  
The Pavilions  
Bridgwater Road  
Bristol  
BS13 8AE

**Depository**

BNP Paribas Securities Services, London Branch  
10 Harewood Avenue  
London  
NW1 6AA

**Reporting Accountants**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Auditor**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH

## PART 1

### INFORMATION ON THE COMPANY

#### 1. INTRODUCTION

Octopus Renewables Infrastructure Trust plc was incorporated on 11 October 2019 as a public company limited by shares. The Company intends to carry on business as an investment trust within the meaning of section 1158 of the CTA 2010. The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in Europe and Australia.

The Company has an independent board of non-executive directors and has appointed Octopus AIF Management Limited as its alternative investment fund manager to provide portfolio and risk management services to the Company. The AIFM has delegated the provision of portfolio management services to Octopus Investments Limited, a fellow member of the Octopus Group.

#### 2. INVESTMENT OBJECTIVE

The Company's investment objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in Europe and Australia.

#### 3. INVESTMENT POLICY

The Company will seek to achieve its investment objective through investment in renewable energy assets in Europe and Australia, comprising (i) predominantly assets which generate electricity from renewable energy sources, with a particular focus on onshore wind farms and photovoltaic solar ("**solar PV**") parks, and (ii) non-generation renewable energy related assets, in each case either already operating, in construction or construction ready (together "**Renewable Energy Assets**").

In construction or construction ready Renewable Energy Assets are assets that have in place the required grid access rights, land consents, planning and regulatory consents.

The Company intends to invest both in a geographically and technologically diversified spread of Renewable Energy Assets and, over the long term, it is expected that: (i) investments located in the UK will represent less than 50 per cent. of Gross Asset Value; (ii) investments in any single country other than the UK will represent no more than 40 per cent. of Gross Asset Value; (iii) investment in onshore wind farms will not exceed 60 per cent. of Gross Asset Value; and (iv) investment in solar PV parks will not exceed 60 per cent. of Gross Asset Value.

The Company may acquire a mix of controlling and non-controlling interests in Renewable Energy Assets and may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity and debt investments. A controlling interest is one where the Company's equity interest in the Renewable Energy Asset is in excess of 50 per cent..

In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will secure its shareholder rights through contractual and other arrangements, to, *inter alia*, ensure that the Renewable Energy Asset is operated and managed in a manner that is consistent with the Company's investment policy.



### *Investment Restrictions*

The Company aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of wind, solar and other technologies. Once fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of Gross Asset Value), the Company will observe the following investment restrictions when making investments:

- the Company may invest up to 32.5 per cent. of Gross Asset Value in one single asset, up to 27.5 per cent. of Gross Asset Value in a second single asset, and the Company's investment in any other single asset shall not exceed 20 per cent. of Gross Asset Value; and
- the Company's portfolio will comprise no fewer than six Renewable Energy Assets.

The Company will also observe the following investment restrictions when making investments:

- no more than 20 per cent. of Gross Asset Value will be invested in Renewable Energy Assets which are not onshore wind farms and solar PV parks;
- no more than 25 per cent. of Gross Asset Value will be invested in assets in relation to which the Company does not have a controlling interest;
- no more than 33 per cent. by number of the Company's investments in Renewable Energy Assets will be invested in assets in relation to which the Company does not have a controlling interest;
- the Company will not invest in other UK listed closed-ended investment companies;
- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole; and
- no investments will be made in fossil fuel assets.

Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment will not be considered as a breach of the investment restrictions.

In addition to the above investment restrictions, following the Company becoming fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of Gross Asset Value) at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Renewable Energy Assets under contract to any single Offtaker will not exceed 40 per cent. of Gross Asset Value.

The Company will hold its investments through one or more SPVs and the investment restrictions will be applied on a look-through basis.

### *Borrowing Policy*

The Company may make use of long-term limited recourse debt to facilitate the acquisition or construction of Renewable Energy Assets to provide leverage for those specific investments. The Company may also take on long-term structural debt provided that at the time of drawing down (or acquiring) any new long-term structural debt (including limited recourse debt), total long-term structural debt will not exceed 40 per cent. of the prevailing Gross Asset Value at the time of drawing down (or acquiring) such debt. For the avoidance of doubt, in calculating gearing, no account will be taken of any investment in Renewable Energy Assets that are made by the Company by way of a debt investment.

In addition, the Company may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition or construction of suitable opportunities as and when they become available. Such short-term debt will be subject to a separate gearing limit so as not to exceed 25 per cent. of the prevailing Gross Asset Value at the time of drawing down (or acquiring) any such short-term debt.

The Company may employ gearing at the level of an SPV, any intermediate subsidiary of the Company or the Company itself, and the limits on total long-term structural debt and short-term debt shall apply on a consolidated basis across the Company, the SPVs and any such intermediate holding entities (but will not count any intra-Group debt).

In circumstances where these aforementioned limits are exceeded as a result of gearing of one or more Renewable Energy Assets in which the Company has a non-controlling interest, the borrowing restrictions will not be deemed to be breached. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.

#### *Currency and Hedging Policy*

The Company has the ability to enter into hedging transactions for the purpose of efficient portfolio management. In particular, the Company may engage in currency, inflation, interest rates, electricity prices and commodity prices (including, but not limited to, steel and gas) hedging. Any such hedging transactions will not be undertaken for speculative purposes.

#### *Cash Management*

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds ("**Cash and Cash Equivalents**").

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in UK listed closed-ended investment companies do not apply to money market type funds.

#### *Changes to and Compliance with the Investment Policy*

Any material change to the Company's investment policy set out above will require the approval of Shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the AIFM shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.

## **4. INVESTMENT OPPORTUNITY**

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

#### *Experienced Investment Management Team With Strong Track Record*

- the Investment Manager was founded in 2000, has 19 years' experience in alternative investment solutions and, as at 30 June 2019, had approximately £8.6 billion of funds under management;
- Octopus Renewables was set up in 2010 as the specialist renewable energy investment business within the Investment Manager. Octopus Renewables invests in and manages Renewable Energy Assets located across the UK, continental Europe and Australia;
- as at 30 June 2019, Octopus Renewables had approximately £1.9 billion of funds under management invested into Renewable Energy Assets, with an underlying enterprise value of approximately £3.0 billion of which approximately £1.7 billion by underlying enterprise value was invested at the construction stage;
- Octopus Renewables manages on behalf of clients the largest portfolio of investor owned solar PV parks in Europe;
- Octopus Renewables has delivered 5.9 per cent. to 8.2 per cent. gross IRRs across different investor groups, based on a strategy of acquiring operational Renewable Energy Assets. Further detail and information in relation to the track record of such investor groups is set out in paragraph 2.4 of Part 3 of this Registration Document;
- Octopus Renewables has delivered 8.6 per cent. to 11.5 per cent. gross exit IRRs across different investor groups, based on a strategy of constructing and selling Renewable Energy Assets. Further detail and information in relation to the track record of such investor groups is set out in paragraph 2.4 of Part 3 of this Registration Document; and
- the scale of Renewable Energy Assets that Octopus Renewables has delivered from the construction ready stage, alongside the returns delivered above, provide track record against the investment objective of the Company.

### *Strength of Investment Management Team*

- Octopus Renewables comprises a team of more than 70 professionals across investment, energy markets, asset management, fund management and business operations that actively pursue, negotiate and execute renewable energy transactions. The Company will utilise the expertise and scale of the Investment Manager to originate transactions and actively manage Renewable Energy Assets to reduce risks and improve returns;
- Octopus Renewables has originated renewable energy opportunities in all the markets in which it operates by having direct access to renewable electricity generation developers and a reputation as a reliable transaction counterparty. The team has delivered on average £350 million of energy transactions every year since 2010;
- the experienced asset management team of 24 professionals consisting of technical, engineering and commercial specialists, oversee projects through the construction and operational phases, taking a proactive approach to managing the assets, dealing with issues as they arise and seeking to optimise asset performance. The team of 9 engineers is responsible for all technical and construction management work and is experienced in implementing strategies to mitigate:
  - capex overruns – by carefully selecting qualified contractors with good track records and ensuring appropriate contractual incentives are in place to align the contractors' and Company's objectives;
  - construction delays – by reviewing designs versus contracts, contracting liquidated damages for delays and ensuring appropriate insurance coverage is in place;
  - quality of build – by verifying performance tests and ensuring rejection rights are secured in contracts; and
  - credit risk of contractors – by undertaking credit analysis on key counterparties, ensuring credit support such as guarantees or bonds are in place, contracting appropriate step in rights and ensuring appropriate payment milestones are set.
- Octopus Renewables' specialist energy markets team monitors and assesses electricity price risks in the various markets and will actively manage the electricity generated by the Company's assets by implementing a range of route-to-market strategies.

### *Differentiated strategy*

- the Company will target higher NAV growth by investing in higher yielding Renewable Energy Assets that are in construction or construction ready but will not invest in assets that are under development (that is assets that do not have in place required grid access rights, land consents, planning and regulatory consents);
- by targeting a diversified portfolio across different jurisdictions and different technologies, the Company will seek to spread, and therefore reduce, some of the key underlying risks relating to Renewable Energy Assets;
- the Company will benefit from the Octopus Renewables team actively managing the Renewable Energy Assets with the aim to further reduce risk and look for opportunities to improve returns for investors; and
- the Investment Manager believes that by investing in construction or construction ready Renewable Energy Assets, additional yield compression of 0.75 per cent. to 1.5 per cent. can be achieved, when compared to investing in similar operational Renewable Energy Assets.

### *Scalability*

As the Company will not be constrained to a single country or a single technology and will consider investment from a construction ready stage, the scale of the deployment opportunity is significant. The Investment Manager has identified a significant pipeline of Renewable Energy Assets with a value of approximately £1.0 billion, of which £624 million relates to projects not owned by Octopus Managed Funds over which the Investment Manager has submitted non-binding offers and £383 million relates to projects held by Octopus Managed Funds. Of such assets held in Octopus Managed Funds, 185MW are under exclusivity to the Company.

In addition to the above assets, the Investment Manager has identified further renewable energy investments with an aggregate value of approximately £1.8 billion which would potentially be suitable for acquisition by the Company.

## **5. DIVIDEND POLICY AND TARGET RETURNS**

The Company intends to pay dividends on a quarterly basis with dividends typically declared in respect of the quarterly periods ending March, June, September and December and paid in May, August, November and February respectively. The first interim dividend is expected to be declared in respect of the period from First Admission to 30 June 2020 and paid in August 2020.

Distributions made by the Company may take either the form of dividend income, or of “qualifying interest income” which may be designated as interest distributions for UK tax purposes. Prospective investors should note that the UK tax treatment of the Company’s distributions may vary for a shareholder in the Company depending on the classification of such distributions. **Prospective investors who are unsure about the tax treatment which will apply to them in respect of any distributions made by the Company should consult their own tax advisers.**

The Company will target an initial annualised dividend yield of 3 per cent. by reference to the Issue Price in respect of the financial period from First Admission to 31 December 2020 rising to a target annualised dividend yield of 5 per cent. by reference to the Issue Price in respect of the financial year to 31 December 2021. Thereafter, the Company intends to adopt a progressive dividend policy.

The Company is targeting a net total Shareholder return of 7 per cent. to 8 per cent. per annum over the medium to long term.

If any C Shares are issued, holders of any class of C Shares following First Admission will be entitled to participate in any dividends and other distributions of the Company as the Directors may resolve to pay to holders of that class of C Shares out of the assets attributable to that class of C Shares. For the avoidance of doubt, the targets set out above shall not apply with respect to any tranche of C Shares prior to Conversion.

**The dividend and return targets stated above are targets only and not profit forecasts. There can be no assurance that these targets will be met, or that the Company will make any distributions at all and they should not be taken as an indication of the Company’s expected future results. The Company’s actual returns will depend upon a number of factors, including but not limited to the size of the Share Issuance Programme, the Company’s net income and the level of ongoing charges. Accordingly, potential investors should not place any reliance on these targets in deciding whether or not to invest in the Company and should decide for themselves whether or not the target dividend and target net total Shareholder return are reasonable or achievable.**

**Investors should note that references in this paragraph 5 to “dividends” and “distributions” are intended to cover both dividend income and income which is designated as an interest distribution for UK tax purposes and therefore subject to the interest streaming regime applicable to investment trusts.**

In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company will not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period.

In order to increase the distributable reserves available to facilitate the payment of future distributions, the Company has resolved that, conditional upon First Admission and the approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the First Issue be cancelled and transferred to a special distributable reserve. The Company may, at the discretion of the Board, pay all or part of any future distributions out of this special distributable reserve, taking into account the Company’s investment objective.

## 6. TREASURY POLICY

The Company is permitted to invest cash held for working capital purposes and awaiting investment in accordance with the following provisions.

The Investment Manager is responsible for managing cash not yet invested by the Company or otherwise applied in respect of the Company's operating expenses, with the aim of preserving capital value. Subject to the Company providing the AIFM and the Investment Manager reasonable notice when it requires the liquidation and/or transfer of a part of the entrusted assets in order to pursue the Company's investment policy, the Company has given the Investment Manager full discretionary authority to invest in various types of financial instruments including cash deposits, term deposits, depositary bonds, fixed rate depositary bonds, treasuries and government securities as well as money market collective investment schemes and other money market instruments.

The safekeeping of the Company's assets will be carried out by the Depositary.

The Company may enter into hedging transactions for the purposes of efficient portfolio management. In particular, the Company may enter into currency, inflation, interest rates, electricity prices and commodity prices (including, but not limited to, steel and gas) hedging transactions or otherwise seek to mitigate the risk of currency movements, fluctuations in inflation, interest rate increases and electricity and commodity price fluctuations through the use of forward contracts, options, swaps or other forms of derivative instruments.

It is intended that all hedging policies of the Company be reviewed by the Board and the AIFM on a regular basis to ensure that the risks associated with the Company's investments are being appropriately managed. Any transactions carried out will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative reasons.

## 7. NET ASSET VALUE

The Company's Net Asset Value is the value of all assets of the Company less its liabilities (including provisions for such liabilities) calculated in accordance with the Company's valuation methodology. The Net Asset Value per Ordinary Share (and per C Share, where applicable) is the Net Asset Value divided by the number of Ordinary Shares (or C Shares, where applicable) in issue at the relevant time (excluding any Ordinary Shares or C Shares, as applicable, held in treasury).

An unaudited Net Asset Value and Net Asset Value per Ordinary Share (and per C Share, where applicable) will be calculated in Sterling on a quarterly basis as at 31 December, 31 March, 30 June and 30 September each year, pursuant to the valuation methodology described below, by the Administrator in conjunction with the AIFM.

The Net Asset Value and the Net Asset Value per Ordinary Share (and the Net Asset Value per C Share, where applicable) will be provided to Shareholders through a Regulatory Information Service and will also be published on the Company's website as soon as practicable thereafter. The first valuation will be conducted as at 30 June 2020.

### **Valuation Methodology**

The AIFM will undertake valuations of the Renewable Energy Assets acquired by the Company as at the end of each calendar quarter. The Board may ask for an external valuation to be carried out from time to time at its discretion. The AIFM will provide the relevant valuations of the Renewable Energy Assets of the Company to the Administrator.

The Administrator will calculate the Net Asset Value and the Net Asset Value per Ordinary Share (and per C Share where applicable) as at the end of each quarter and submit the same to the Board for its approval.

All calculations will be at fair value. The valuation principles used to calculate the fair value of Renewable Energy Assets will follow International Private Equity and Venture Capital Valuation Guidelines. Fair value for operational Renewable Energy Assets will typically be derived from a discounted cash flow ("DCF") methodology and the results will be benchmarked against appropriate multiples and key performance indicators ("KPIs"), where available for the relevant sector/industry. For Renewable Energy Assets that are

not yet operational at the time of valuation, the price of recent investment may be used as an appropriate estimate of fair value initially, but it is likely that a DCF will provide a better estimate of fair value as the asset moves closer to operation.

In a DCF analysis, the fair market value of the Renewable Energy Asset will represent the present value of the Renewable Energy Asset's expected future cash flows, based on appropriate assumptions for revenues and costs and suitable cost of capital assumptions. The AIFM will use its judgement in arriving at appropriate discount rates. This will be based on its knowledge of the market, taking into account market intelligence gained from bidding activities, discussions with financial advisers, consultants, accountants and lawyers and publicly available information.

A range of sources will be reviewed in determining the underlying assumptions used in calculating the fair market valuation of each Renewable Energy Asset, including but not limited to:

- macroeconomic projections adopted by the market as disclosed in publicly available resources;
- macroeconomic forecasts provided by expert third party economic advisers;
- discount rates publicly disclosed by the Company's global peers;
- discount rates applicable to comparable infrastructure asset classes, which may be procured from public sources or independent third party expert advisers;
- discount rates publicly disclosed for comparable market transactions of similar assets; and
- capital asset pricing model outputs and implied risk premia over relevant risk free rates.

Where available, assumptions will be based on observable market and technical data. For other assumptions, the AIFM may engage independent technical experts such as electricity price consultants to provide long-term forecasts for use in its valuations.

Any value expressed other than in Sterling (the functional reporting currency of the Company) (whether of an investment or cash) will be converted into Sterling at the rate (whether official or otherwise) which the Directors deem appropriate in the circumstances.

### ***Suspension of the calculation of the Net Asset Value***

The calculation of the Net Asset Value (and Net Asset Value per Ordinary Share and Net Asset Value per C Share, as applicable) will only be suspended in circumstances where the underlying data necessary to value the investments of the Group cannot readily, or without undue expenditure, be obtained or in other circumstances (such as a systems failure of the Administrator and/or the AIFM) which prevents the Company from making such calculations. Details of any suspension in making such calculations will be announced through an RIS as soon as practicable after any such suspension occurs.

## **8. REPORTS, ACCOUNTS AND MEETINGS**

The audited accounts of the Company will be prepared in Sterling under IFRS. The Company's annual report and accounts will be prepared up to 31 December each year, with the first accounting period of the Company ending on 31 December 2020. It is expected that copies of the report and accounts will be published by the end of April each year and copies sent to Shareholders. The Company will also publish an unaudited half-yearly report covering the six months to 30 June each year, which is expected to be published within the following three months. The first financial report and accounts that the Company will publish will be the half-yearly report for the period ending on 30 June 2020 (covering the period from incorporation of the Company).

The financial report and accounts and unaudited half-yearly report once published will be available for inspection from the Company Secretary at the Company's registered office and on the Company's website ([www.octopusrenewablesinfrastructure.com](http://www.octopusrenewablesinfrastructure.com)).

The Company will hold its first annual general meeting by 11 April 2021 and will hold an annual general meeting each year thereafter. Other general meetings may be convened from time to time by the Directors by sending notices to Shareholders.



## 9. SHARE CAPITAL MANAGEMENT

The Board intends to seek to limit, as far as practicable, the extent to which the market price of the Ordinary Shares diverges from the Net Asset Value per Ordinary Share.

### ***Discount Management***

The Directors will consider repurchasing Ordinary Shares in the market if they believe it to be in Shareholders' interests and as a means of correcting any imbalance between the supply of and demand for the Ordinary Shares.

A special resolution has been passed granting the Directors authority to repurchase up to 14.99 per cent. of the Company's issued Ordinary Share capital immediately following First Admission during the period expiring on the conclusion of the earlier of the Company's first annual general meeting and 30 April 2021. Renewal of this buy-back authority will be sought at each annual general meeting of the Company or more frequently if required. Ordinary Shares purchased by the Company may be held in treasury or cancelled. Ordinary Shares held in treasury may (subject to there being in force a resolution to disapply the rights of pre-emption that would otherwise apply) be resold by the Company.

The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market quotations for the five Business Days before the purchase is made, and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out. In addition, the Company will only make such repurchases through the market at prices (after allowing for costs) below the relevant prevailing published Net Asset Value per Ordinary Share under the guidelines established from time to time by the Board.

Shareholders should note that the purchase of Ordinary Shares by the Company is at the absolute discretion of the Directors, will only be made in accordance with the Articles and is subject to the working capital requirements of the Company and the amount of cash and other resources available to the Company to fund such purchases. Accordingly, no expectation or reliance should be placed on the Directors exercising such discretion on any one or more occasions.

### ***Premium management***

The Directors have authority to issue up to 750 million Ordinary Shares and/or C Shares in aggregate in the period from First Admission until the first annual general meeting of the Company. Shareholders' pre-emption rights over this unissued share capital have been disapplied so that the Directors will not be obliged to offer any new Ordinary Shares or C Shares to Shareholders on a pro rata basis. No Ordinary Shares will be issued at a price less than the Net Asset Value per Ordinary Share at the time of their issue. C Shares (if any) issued pursuant to this authority will be issued at £1.00 per C Share.

Investors should note that the issuance of new Ordinary Shares and/or C Shares is entirely at the discretion of the Board, and no expectation or reliance should be placed on such discretion being exercised on any one or more occasions or as to the proportion of new Ordinary Shares and/or C Shares that may be issued.

### ***Treasury shares***

The Companies Act allows companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This would give the Company the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the Net Asset Value per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders.

### ***Life of the Company***

In accordance with the Articles, the Directors are required to propose an ordinary resolution at the annual general meeting in 2025 that the Company continues its business as presently constituted (the "**Initial Continuation Resolution**"). In addition, the Articles provide that the Directors propose an ordinary resolution that the Company continue its business as presently constituted at each fifth annual general meeting thereafter (a "**Continuation Resolution**").

If the Initial Continuation Resolution or any Continuation Resolution is not passed, the Directors will put forward proposals for the reconstruction or reorganisation of the Company to Shareholders for their approval as soon as reasonably practicable following the date on which the Initial Continuation Resolution or any Continuation Resolution (as the case may be) is not passed. These proposals may or may not involve winding up the Company and, accordingly, failure to pass the Initial Continuation Resolution or any Continuation Resolution will not necessarily result in the winding up of the Company.

## **10. C SHARES**

If there is sufficient demand from potential investors at any time following First Admission, the Company may seek to raise further funds through the issue of C Shares under the Share Issuance Programme, as an alternative to the issue of Ordinary Shares. The issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors that could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the C Shares would not convert into Ordinary Shares until at least 85 per cent. of the net proceeds of the C Share issue have been deployed in accordance with the Company's investment objective (or, if earlier, 18 months after the date of their issue);
- the assets representing the net proceeds of a C Share issue would be accounted for and managed as a distinct pool of assets until their conversion date. By accounting for the net proceeds of a C Share issue separately, Shareholders will not participate in a portfolio containing a substantial amount of uninvested cash before the conversion date;
- the basis on which the C Shares would convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares would become entitled will reflect the relative net asset values per share of the assets attributable to the C Shares and the Ordinary Shares. As a result, the Net Asset Value per Ordinary Share can be expected to be unchanged by the issue and conversion of any C Shares; and
- the Net Asset Value of the Ordinary Shares would not be diluted by the expenses of the C Share issue, which would be borne by the C Share pool.

The Articles contain the C Share rights, full details of which are set out in paragraph 4 of Part 4 of this Registration Document.

## **11. THE TAKEOVER CODE**

The Takeover Code applies to the Company.

Given the existence of the proposed buyback powers described in the paragraphs above, there are certain considerations that Shareholders should be aware of with regard to the Takeover Code.

Under Rule 9 of the Takeover Code, any person who acquires shares which, taken together with shares already held by him or shares held or acquired by persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, is normally required to make a general offer to all the remaining shareholders to acquire their shares. Similarly, when any person or persons acting in concert already hold more than 30 per cent. but not more than 50 per cent. of the voting rights of such company, a general offer will normally be required if any further shares increasing that person's percentage of voting rights are acquired.

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 of the Takeover Code. 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 of the Takeover Code in these circumstances.

However, under note 2 to Rule 37 of the Takeover Code, where a shareholder has acquired shares at a time when he/she had reason to believe that a purchase by the company of its own voting shares would take place, then an obligation to make a mandatory bid under Rule 9 of the Takeover Code may arise.

The proposed buyback powers could have implications under Rule 9 of the Takeover Code for Shareholders with significant shareholdings. Prior to the Board implementing any share buyback the Board will seek to identify any Shareholders who they are aware may be deemed to be acting in concert under note 1 of Rule 37 of the Takeover Code and will seek an appropriate waiver in accordance with note 2 of Rule 37. However, neither the Company, nor any of the Directors, nor the AIFM, nor the Investment Manager will incur any liability to any Shareholder(s) if they fail to identify the possibility of a mandatory offer arising or, if having identified such a possibility, they fail to notify the relevant Shareholder(s) or if the relevant Shareholder(s) fail(s) to take appropriate action.

## **12. PROFILE OF A TYPICAL INVESTOR**

The Ordinary Shares and/or C Shares are designed to be suitable for institutional investors and professionally advised private investors. The Ordinary Shares and/or C Shares may also be suitable for investors who are financially sophisticated, non-advised private investors who are capable of evaluating the risks and merits of such an investment and who have sufficient resources to bear any loss which may result from such an investment. Such investors may wish to consult an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in the Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme.

## **13. TAXATION**

Potential investors are referred to Part 5 of the Securities Note accompanying the Registration Document for details of the taxation of the Company and Shareholders in the UK. Investors who are in any doubt as to their tax position or who are subject to tax in jurisdictions other than the UK are strongly advised to consult their own professional advisers immediately.

## **14. RISK FACTORS**

The Company's business is dependent on many factors and potential investors should read the whole of this Registration Document and in particular the section entitled "Risk Factors" on pages 4 to 20 of this Registration Document.

## PART 2

### MARKET BACKGROUND, PIPELINE AND INVESTMENT PROCESS

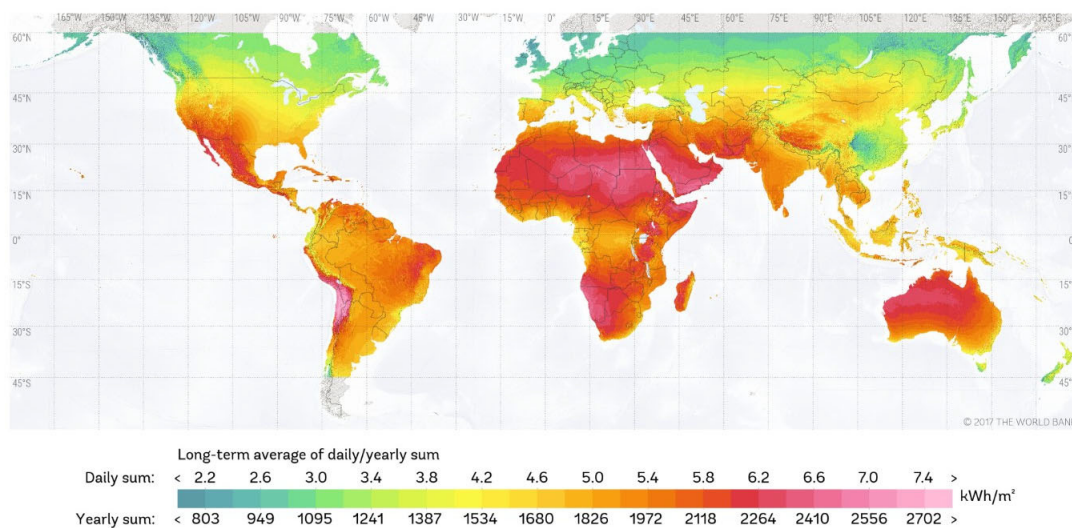
#### 1. MARKET BACKGROUND

##### 1.1 Solar and Wind

Solar power is generated using the energy from the sun (in the form of radiant heat and light). The most common technology used globally is photovoltaic solar (“**solar PV**”) which uses photovoltaic cells to convert the energy from sunlight into electricity. A typical solar panel used in electricity generation is an aggregated set of these photovoltaic cells and a solar farm is an aggregated set of solar panels (a “**solar farm**”).

Other technologies are also available to convert the sun’s energy into electricity including concentrating solar power which uses a series of mirrors to concentrate the energy of the sun to create heat which is then used in a power cycle to generate electricity.

Figure 1: Global horizontal irradiation



Source: Global Solar Atlas 2.0, developed and operated by Solargis s.r.o. on behalf of the World Bank Group, utilizing Solargis data, with funding provided by the Energy Sector Management Assistance Program (“**ESMAP**”)

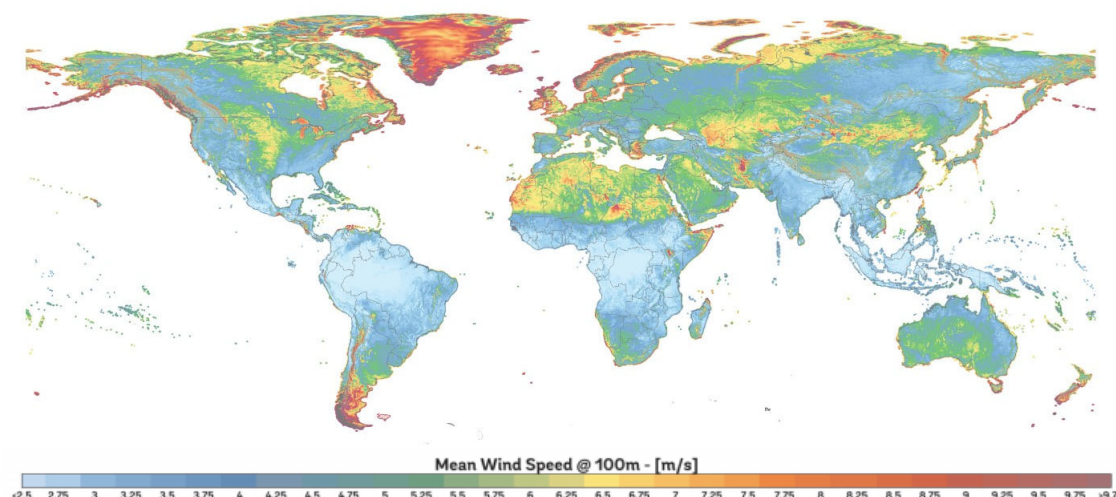
The size of solar PV installations can vary from one or two panels for small scale charging applications, to rooftop installations on a home or workplace, through to utility scale solar which can comprise of millions of panels. Typically, utility scale solar plants have their solar panels mounted at ground level on support structures which allow for improved access, ease of cleaning and maintenance.

The cost of manufacturing solar panels has also reduced significantly since their first use at grid scale in the 1980s to the point where now, in many areas, they are able to compete with traditional forms of electricity generation. Since solar PV relies on incident solar energy as its source, the technology only generates electricity when there is daylight. Similarly, cloud movements and darker days mean less electricity is generated. These changes are what lead to the “intermittency” of solar PV and are leading to the increased deployment of utility scale batteries to help smooth the generation profile.

A solar farm creates revenues by selling the electricity that it exports through a physical connection to the local electrical grid network. For this, it needs to be registered as an electricity generator. Alternatively, a solar farm may be connected via a physical connection directly to an energy user’s facilities which will pay the solar farm for the electricity produced.

Wind power is electricity generated by extracting the kinetic energy from moving air using wind turbines. As the moving air passes over the surface of a wind turbine’s blades it creates aerodynamic lift, the same force that lifts an airplane off the ground and spins the blades of the wind turbine. When a wind turbine’s blades spin, a generator in the hub of the turbine turns this rotational energy into electrical energy.

Figure 2: Global mean wind speeds



Source: Global Wind Atlas 2.0, developed, owned and operated by the Technical University of Denmark in partnership with the World Bank Group, utilizing data provided by Vortex, with funding provided by the ESMAP

Energy has been captured from wind for centuries. Early applications of this were windmills where the energy from the wind was transformed into mechanical energy, driving pumps and other equipment. While the efficiency of energy capture has greatly increased, the physics of extracting energy from moving air remains the same.

The performance of a wind turbine is influenced by several environmental factors, including the speed, turbulence and density of the air. The amount of energy captured by a wind turbine is a function of the area swept by the wind turbine's blades and the size of the generator. Modern wind turbines designed for onshore applications can reach heights of over 200 metres, have blade diameters in excess of 150 metres and generators up to around 5 megawatts ("MW"). Wind turbines designed for offshore applications can be even larger.

### 1.2 Co-location of Electricity Storage Assets with Solar PV and Wind Turbines

The co-location of electricity storage assets such as large-scale lithium ion batteries with solar PV and wind turbines can help electricity generators to capture different prices throughout the day which can enhance returns for owners of Renewable Energy Assets. For example, rather than export and sell all the electricity produced by solar PV panels when it is produced during the day, some of the electricity can be stored until night, when the solar PV panels cannot produce, but electricity prices may be higher. This co-location of storage and generation assets can help reduce potential volatility in power prices throughout any given day.

### 1.3 Global Power Market Overview

The global energy sector will require deep decarbonisation to support efforts to meet climate targets set under the Paris Agreement 2015. In 2020, the UK will host the United Nations climate conference known as Cop 26, in Glasgow. At this conference, countries are expected to submit updated climate plans to bridge the gap between national pledges and the overall goal of the Paris Agreement 2015 to hold global warming "well below" 2°C. The Intergovernmental Panel on Climate Change has highlighted that the decarbonisation of electricity generation is a key component of the most cost-effective mitigation strategies for meeting 2050 targets. Significant investments into renewables are therefore required to support the transition away from fossil-fuel based generation to low carbon energy sources.

Bloomberg New Energy Finance ("BNEF") forecasts that installed renewable energy capacity (including onshore wind, offshore wind, solar PV, hydropower and biomass) will grow by approximately 7,700GW over the period from 2019 to 2040. This is expected to require £5.95 trillion of investment (in 2018 real terms) over this period. Within the markets where Octopus Renewables has and is targeting investments for the Company, a total of approximately 795GW is expected to be built, corresponding to investments of approximately £689 billion (in 2018 real terms). This is equivalent to an expected £31.3 billion (in 2018 real terms) of investment annually until 2040.



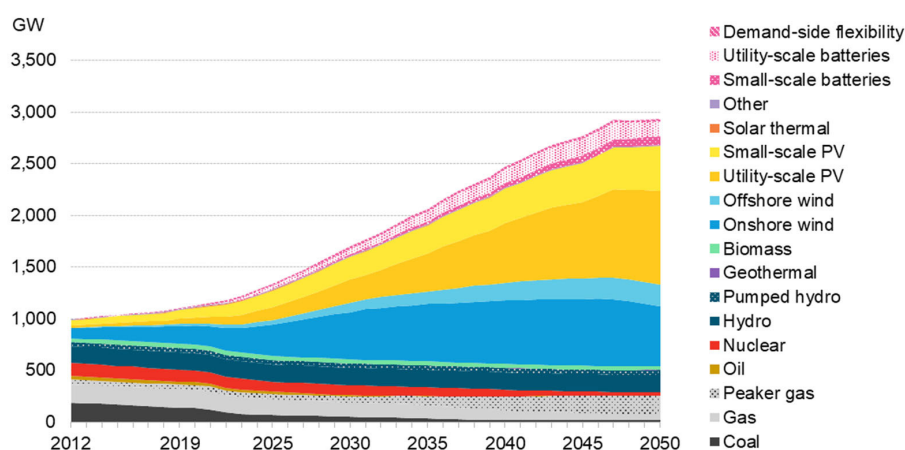
## 1.4 European Renewable Power Market Overview

The EU agreed to the binding greenhouse gas emission reduction targets set at the United Nations Framework Convention on Climate Change and the resulting Kyoto Protocol. To respond to these targets and provide the mechanisms to transition the EU towards a low carbon economy the Renewable Energy Directive was introduced.

Under the first-round directive introduced in 2009, each of the member states of the EU were required to set and meet national targets for renewables that are consistent with reaching the EU Commission's overall EU target. This EU target was to deliver 20 per cent. of gross final energy consumption from renewable sources for all energy (including electricity, heat and transport) by 2020. Despite slower growth in recent years, the EU remains on target to achieve the 2020 target, with some nations having already exceeded the 2020 hurdles.

Further to the first 2009 release, in December 2018, the Renewable Energy Directive was revised and was extended by establishing a new binding renewable energy collective target for the EU for 2030. This directive sets out the delivery of at least 32 per cent. of gross final energy consumption from renewable sources for all energy by 2030. This 2018 revision did not require countries to set specific country-level targets, however each member of the EU has produced a 10-year National Energy & Climate Plan for the decade to 2030 demonstrating how they will contribute to the EU targets. These plans outline how each country will contribute to meeting the 2030 targets for renewable energy and energy efficiency and in some cases, members have set their own renewable energy capacity targets.

Figure 3: Europe – forecasted installed capacity per technology (GW)



Source: BNEF, New Energy Outlook Report 2019

Figure 3 above shows the forecasted installed capacity per technology over the period to 2050 as published by Bloomberg New Energy Finance in the New Energy Outlook Report 2019. Significant build out of solar PV (small-scale and large utility scale) and wind generation (offshore and onshore) should help to meet the renewable energy targets that the EU has set.

To deliver the required renewable energy generation capacity, several EU member states are continuing to offer subsidies (auction, feed-in-tariff and CFD mechanisms). Technology neutral approaches have been popular among EU member states as a mechanism for delivering the least-cost solution to market. However, in some EU member states, there is a greater focus on the delivery of certain technologies (for example offshore wind in the UK and Denmark) and specific subsidies have been used to support these.

The EU emissions trading scheme is another mechanism that supports the low-carbon transition. Carbon allowances are priced via a cap and trade system giving economic preference to power plants with lower carbon intensities. The price paid to renewable generators for their energy is also increased with this carbon tax, providing the necessary price signal for low-carbon generation.

Each EU member state can adopt the necessary mechanisms and national policies that they see fit to ensure their contributions are consistent with the EU goals for 2020, 2030 and beyond.



## 1.5 Country Overviews – Current Overview and Market Drivers

### United Kingdom

As part of national energy and climate planning, the UK has set a target for a net-zero carbon economy by 2050. Similarly, as part of the EU framework, intermediate goals require the UK to meet 15 per cent. of its final energy consumption from renewables by 2020, and to source 50 per cent. of all electricity consumed from renewables by 2030. These targets require deep decarbonisation of all parts of the UK's economy. Specific to the power sector, this target will require supplying significantly higher levels of electricity from renewable sources – BNEF forecasts that this decarbonisation target translates to a demand of approximately 153GW of new renewable energy generation capacity in the next two decades (2019 to 2040). This new renewable generation capacity corresponds to an estimated £148 billion (in 2018 real terms) of new investment over this period and requires a 6.8 per cent. year-on-year increase in renewables capacity.

Figure 4: Outlook for investments in UK capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



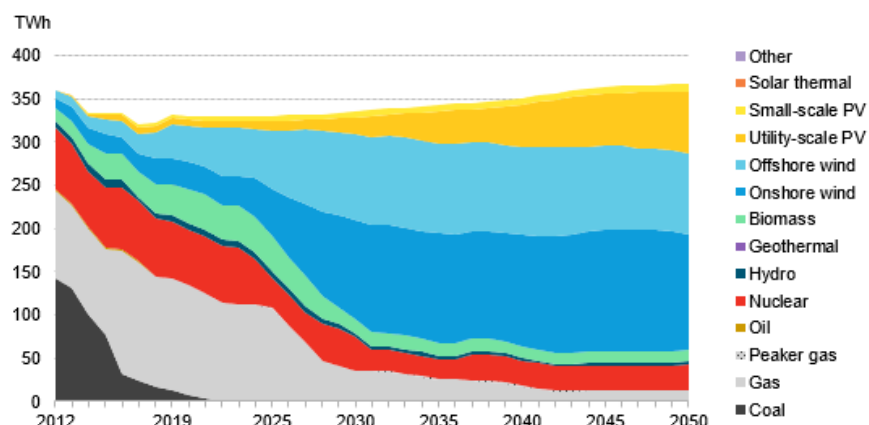
Source: BNEF, New Energy Outlook Report 2019

The falling levelized cost of electricity and the ability to structure long-term offtake agreements with creditworthy counterparties in the UK market means that the economics of solar PV and onshore wind projects without government support is becoming more feasible. CFD auctions also continue to deliver offshore wind contracts for new-build offshore wind projects. Together, these factors are helping to maintain the rate of delivery of renewable energy projects in the UK.

To put a 'fair' price on carbon emissions, the UK government introduced a carbon price floor as part of the Carbon Price Support Scheme. As at October 2019, power generators currently pay £18/TCO<sub>2</sub>eq. for their emissions in addition to their European Union Emissions Trading Scheme allowance price. This additional carbon tax helps to provide a price signal for new renewable energy developments. While the carbon price floor makes the economics for coal plant unattractive relative to other fossil fuel technologies, the UK has also mandated the closure of these coal plants by 2025.

In the 2020s, gas plant is forecast to continue its current dominant role as the price-setting technology with retiring coal plant leaving a capacity gap. In the 2030s, new interconnectors, nuclear and renewables means that gas plant will be less dominant. Despite this, the intermittency in the system resulting from higher levels of renewables will require flexible generation. This flexibility is forecasted by BNEF to be delivered by gas-fired plant and electricity storage. The requirement for gas means that over this period the electricity market price is likely to be linked to the international price of gas and the price of carbon.

Figure 5: Forecasted generation mix in UK power market to 2050

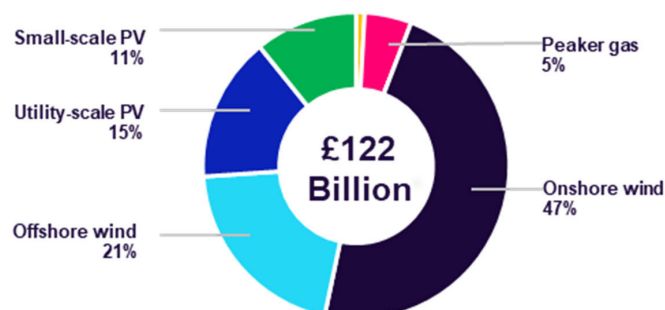


Source: BNEF, New Energy Outlook Report 2019

## Italy

Over the period from 2005 to 2013, the Italian government supported the buildout of renewables with the Conto Energia scheme. This scheme had five rounds to 2013 and contributed approximately 18GW of new solar PV generation capacity in this period. In 2019, the government announced the latest round of support schemes for renewable developments with a set of seven auctions to be run from 2019 to 2021. These technology-neutral auctions are aiming to deliver 6.2GW of new capacity and projects that win an award will receive a 20-year government backed CFD. These auctions are open to all technologies but aim to deliver 5.5GW of new onshore wind and solar PV projects within the 6.2GW total capacity.

Figure 6: Outlook for investments in Italian capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



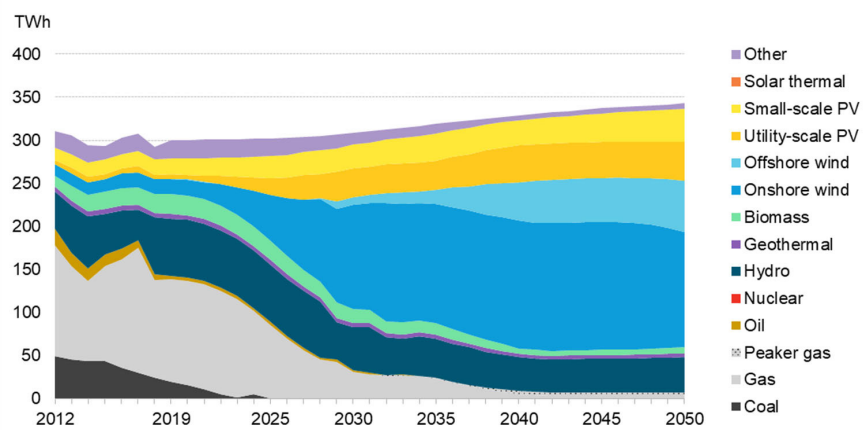
Source: BNEF, New Energy Outlook Report 2019

In addition to the new capacity being auctioned, the Italian government has committed to the phase-out of coal plant in its power system by 2025. This will realise the retirement of approximately 8GW of capacity from the current system, leaving a gap for gas technologies and other generation to fill. To respond to the coal plant closures, the largest generator (Enel) is awaiting authorisation to commission 3.2GW of open cycle gas turbine (“OCGT”) plants. In addition to the OCGT plants, it is expected that new build gas and batteries will be built to maintain the reserve capacity margins required to sustain Italy's plans for significant renewable energy penetration.

Historically, the Italian generation fleet has been dominated by gas. In 2017, the gas fleet supplied 47 per cent. of the national demand and made up 38 per cent. of the installed capacity in the country. Behind the gas fleet, the hydro fleet (11.5 per cent. of generation) and the coal fleet (9.85 per cent. of generation) supplied most of the country's electricity demands. In the 2020s, gas plant and other flexible generation is expected to play a supporting role for new renewable capacity, filling the capacity gap left by the closure of the coal plant.

As part of its EU 2050 climate package, Italy is aiming to supply 17 per cent. of its final energy consumption from renewable energy sources in 2020 and 28 per cent. of final energy consumption by 2030. To achieve the EU 2050 targets, BNEF is forecasting a required compound annual growth rate of new renewable capacity of 5.5 per cent.. This new generation capacity is forecast to require an investment of approximately £114 billion (in 2018 real terms) into renewables between 2019 and 2040.

Figure 7: Forecasted generation mix in Italian power market to 2050



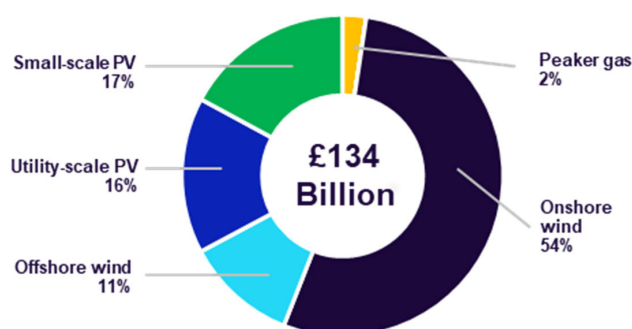
Source: BNEF, New Energy Outlook Report 2019

## Iberia

The Iberian electricity market (“MIBEL”) is an integrated market of the Spanish and Portuguese electricity systems. There is an interconnection system that links both electricity markets, and while typically the prices in the two markets are equal, ‘market-splitting’ can occur as a result of interconnection capacity constraints, and there is a separation in the price in Spain and Portugal. The Iberian electricity market also exchanges electricity with France and Morocco via interconnection. Both countries have historically offered strong support for renewables through tariff schemes and continue subsidy support for renewables by way of auction schemes. Each market aims to achieve significant buildout of renewables.

BNEF estimates that over the period to 2040, approximately £131 billion (in 2018 real terms) will be invested into the renewables industry in Spain and Portugal. This investment is forecast to require approximately 165GW of new capacity at a compound annual growth rate of 5.0 per cent..

Figure 8: Outlook for investments in Iberian capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



Source: BNEF, New Energy Outlook Report 2019

## Spain

Government-support for renewables in the early 2000's led to rapid development of solar PV and onshore wind capacity in Spain. The subsidies offered were very attractive for solar PV and onshore wind developers and this led to significant uptake, resulting in a tariff deficit. This tariff deficit motivated policy reform in 2012-

2013, which resulted in retrospective subsidy changes and the introduction of a generation tax which was used to recover this deficit.

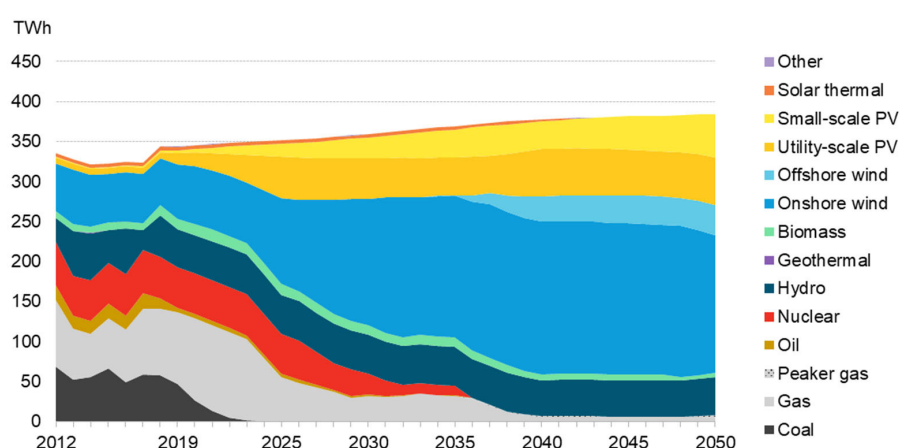
Since the 2012-2013 reform there has been limited government support for renewables – the mechanism introduced is based on an allowed reasonable return for renewables projects and is allocated through competitive tenders. Some renewable capacity has also been brought online over this period without subsidy, a result of the combination of the strong renewables resource in parts of Spain and the falling levelized cost of energy for this technology.

Looking forward, Spain is aiming to supply 20 per cent. of its gross energy demand from renewables by 2020 as part of its EU targets. To ensure that Spain meets its EU 2020 targets, auctions for government support were held over 2016 and 2017 that delivered 7.9GW of new renewables capacity. These auctions were based on the percentage reduction to the allowed reasonable return on their project that a developer was willing to accept. For 2030, the Spanish government aims to grow this figure to 42 per cent., requiring further buildout of renewables.

Currently, the Spanish electricity system has a diverse mix of generation technologies. In 2018, gas fired, nuclear, coal, wind, hydropower, solar, oil, biomass and waste and marine technologies each contributed to the generation stack. Of these technologies, gas (20 per cent.), nuclear (20 per cent.), wind (18 per cent.), hydro (16 per cent.) and coal (13 per cent.) met most of the demand in 2018.

BNEF's New Energy Outlook is forecasting that onshore wind will become the majority contributor of energy in the Iberian market, with the increase of solar PV and hydro also displacing coal and gas from the system.

Figure 9: Forecasted generation mix in Iberian (Spain and Portugal) power market to 2050



Source: BNEF, New Energy Outlook Report 2019

## Portugal

Portugal also provided strong support for renewables in the 2000's by introducing government-backed renewables subsidies. Like Spain, the positive support given to renewables also led to a government deficit. However, instead of a retroactive removal of the subsidies, Portugal has taken several steps to remedy the deficit including the removal of its feed-in tariff for new renewables projects in 2012. This feed-in tariff had contributed significant build out of renewables, including a ten-fold increase in onshore wind capacity over the period from 2004 and 2014.

Following the removal of the tariffs supporting new renewables projects, the rate of investment into renewables decreased in Portugal. To facilitate further investment in renewables, the government set up a task force in 2018 to simplify the approvals process for unsubsidised solar assets; £256 million (US\$330 million) was invested into unsubsidised solar between 2017 and 2018. The government has also opened the country's first utility-scale PV auction in 2019, which awarded 1.15GW of new capacity contracts to solar generators in August 2019.

The Portuguese electricity mix, like Spain, is dominated by renewables. In 2018, renewable sources made up approximately 50 per cent. of electricity generation, with hydro generation (27 per cent.) and onshore wind (19 per cent.) the largest contributors of this subset. With the MIBEL, the Spanish and Portuguese markets are well linked, and these markets together experience prices higher than the European average. This higher price level is a function of the limited interconnection that this market has with the rest of Europe.

Despite having an existing high penetration of renewables, Portugal has ambitious renewable energy targets. As part of its national energy and climate plan, Portugal plans to meet 31 per cent. of its final energy consumption from renewables by 2020, and to increase this to 47 per cent. by 2030.

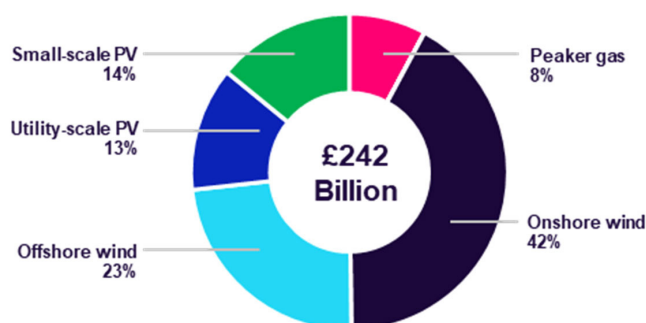
## France

State owned nuclear generation has been a pillar of the French energy mix since the 1970's. 63GW of nuclear capacity was installed over the period from 1978-2002 resulting in France having one of the lowest carbon intensive power sectors of any large economy. However, the energy transition act introduced in 2015 has set clear targets for the shifting away from nuclear, and a stimulus plan for renewable energy capacity in the country.

In addition to reducing the share of nuclear energy to 50 per cent. of electricity production by 2035, the energy transition act sets out targets to cut France's consumption of fossil fuels by 30 per cent. and to increase the share of renewables to 32 per cent. of final energy consumption by 2030.

These targets require significant investment into renewables. BNEF forecasts that compared with 20GW of installed renewables capacity in 2015, the targets set would require reaching approximately 55GW of renewables in 2023 to remain on track (excluding hydro). Looking further out to 2040, BNEF is forecasting that the new renewable capacity developed to replace retiring generation would total 183GW over the period from 2019-2040 at an annual growth rate of 7.3 per cent.. This forecast is equivalent to approximately £223 billion (in 2018 real terms) of new renewable energy investment.

Figure 10: Outlook for investments in French generation capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



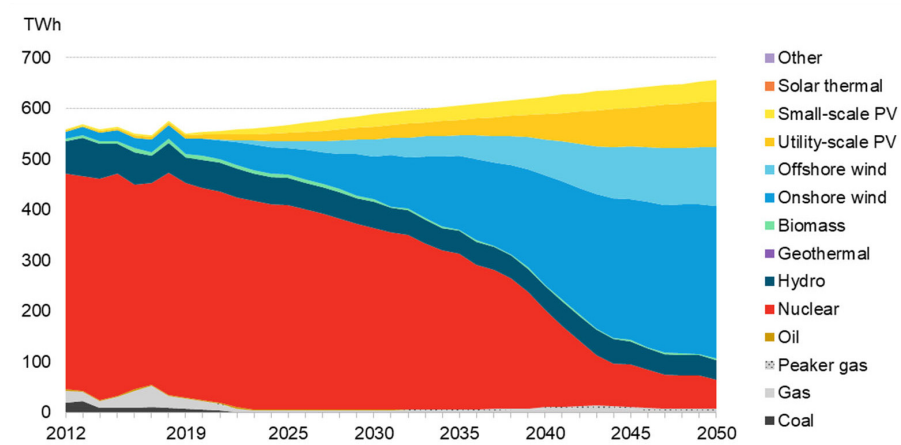
Source: BNEF, New Energy Outlook Report 2019

Since the introduction of the 2015 Energy Transition Law, new renewables have been developed with French subsidies. Smaller scale hydro, wind and solar projects are supported by the feed-in-tariff regime while projects (excluding solar) can receive a premium tariff through an auction process. The second of these tariffs provides new renewable energy projects with a CFD that ensures the renewable generator earns a premium tariff on top of the price that the respective technology captures from the market.

Onshore wind auctions held since 2017 with the CFD mechanism have delivered 1.7GW to date, and auctions are intended to be held multiple times per year until 2024 to deliver a total of 10.2GW of new capacity. The Multiannual Energy Plan launched by the French government for the period 2018 to 2028 also sets out that an additional 12GW of solar will be built by 2023, along with 2.4GW of offshore wind.

These accelerated changes in the French energy system provide significant opportunities for renewables development in the coming decades.

Figure 11: Forecasted generation mix in French power market to 2050



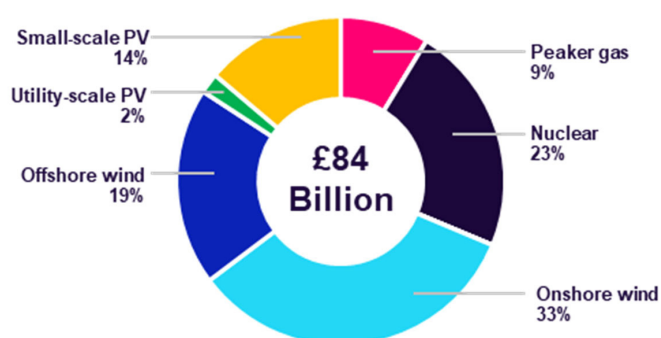
Source: BNEF, New Energy Outlook Report 2019

## Nordics

The Nordic electricity market consists of four integrated power markets: Norway, Sweden, Finland and Denmark. Across these markets, there are existing high levels of renewable generation capacity and low carbon generation, with nuclear technologies also playing a primary role in the generation mix in Finland and Sweden. Despite existing high levels of renewables in these markets, further decarbonisation is forecast.

Investment in new renewable energy generation capacity in northern Europe (Denmark, Estonia, Finland, Latvia, Lithuania, Norway and Sweden) over the period from 2019 to 2040 is forecast to surpass £55 billion (in 2018 real terms) equivalent to 62GW of new capacity at a compound annual growth rate of 2 per cent.. Whilst this figure is low relative to other markets, the region's existing high penetration of renewables means that less new investment is required for the various markets to meet respective decarbonisation targets.

Figure 12: Outlook for investments in Northern European (Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden) generation capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



Source: BNEF, New Energy Outlook Report 2019

## Finland

In 2018, Finland's Energy Authority announced that they would tender new renewable energy capacity through a new pay-as-bid, technology neutral auction over 2018-20. Support for plants awarded the tenders are for 12 years.

The government of Finland also submitted a bill in October 2018 to ban the use of coal for energy, with a draft deadline of May 2029 for most plants. It is expected that new nuclear will replace at least a part of the outgoing coal capacity, and two new reactors are expected to come online by 2024.

Finland's generation mix is made up of wind, thermal, nuclear and hydro power. In 2017, nuclear generation contributed 33 per cent. of demand while other thermal plant contributed 36 per cent. Finland is a net



importer of electricity across its borders and exchanges power with Estonia, Russia, Norway and Sweden. Of these neighbouring markets, Sweden is the greatest source. The higher cost base in Finland (resulting from a higher proportion of thermal generation capacity than its neighbours) means that electricity can often be imported from neighbouring countries at lower cost.

Finland is targeting 50 per cent. of energy consumption from renewable sources by 2030. To meet this 2030 target wind generation (onshore and offshore) is forecast to increase along with some new solar PV generation. Hydro generation in Finland is expected to remain at broadly similar levels to today. Nuclear generation should continue to play a key role in the generation mix. This generation make-up is reflected by the Northern European generation forecast shown in Figure 13 below.

### **Denmark**

In June 2018, Denmark introduced a set of regulations supporting the development of renewables to meet its national targets. Core technologies (solar PV, onshore wind, wave power, hydroelectric power) can participate in technology-neutral auctions that have taken and will take place over the period 2018-2024. If the projects bidding into the scheme are successful in the auction, they receive a fixed premium on top of the electricity price (up to a given ceiling price). While the auctions are technology-neutral, Denmark has put a focus on the development of offshore wind farms to be developed before 2030, committing to develop 2.4GW during the 2020s.

By 2030, Denmark is targeting 55 per cent. of energy consumption from renewables. Denmark's current generation mix is dominated by wind and thermal generation. In 2017, generation from wind and thermal (excluding biomass and waste) sources provided 48 per cent. and 30 per cent. of the electricity mix respectively. Denmark also relies heavily on interconnections to ensure both security of supply and power price stability. New renewable plants will be required to meet this 2030 target and beyond.

Over the period to 2050, Denmark's carbon-neutral target will require significant investment in renewables. The government has indicated that this target will extend upon the goals already set for 2030; to build a low-carbon electricity system with new capacity coming from solar PV and wind predominantly, with biomass also contributing capacity.

### **Sweden**

Sweden supports the buildout of renewables with an electricity certificate scheme ("**Elcert**"). Elcerts provide generators with a revenue stream to supplement their income from electricity generation. The market for Elcerts is supported by mandated purchasing by electricity retail utilities to match their levels of electricity supply to customers. The historical Elcert price supported wind power build out and stimulated the conversion of Swedish generation from fossil fuel to biomass. In recent years the Elcert price has been lower than forecast due to the oversupply of certificates in the market. In 2017, Sweden confirmed that it would be continuing the Elcert scheme to 2045.

As part of its national targets, Sweden is targeting 100 per cent. of electricity from renewable sources by 2040. Sweden, like Finland, currently sources a significant percentage of its generation from nuclear sources. In 2017, nuclear facilities provided 40 per cent. of the generation mix, hydropower sources provided 40 per cent. and the remainder was made up of wind (11 per cent.) and thermal (9 per cent.). Sweden is a net exporter, with local generation exceeding the local demand. In 2017, half of the electricity exported was transmitted to Finland.

Nuclear capacity in Sweden is forecast to decrease in the short term with the decommissioning of nuclear facilities in the 2020s. The government also confirmed in its National Energy and Climate Plan that the role that nuclear energy will play over the period to 2040 will decrease, while wind generation is forecast to increase.

These trends mirror the generation stack illustrated in Figure 13.

### **Norway**

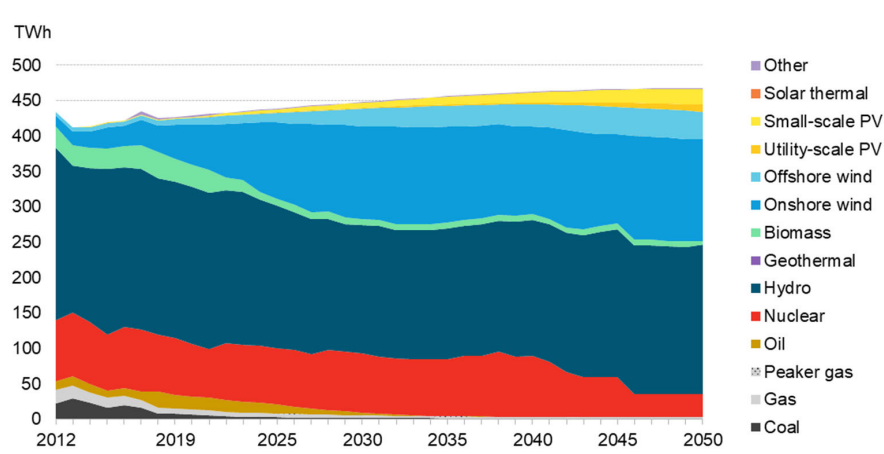
Since 2012, Norway has supported the buildout of renewables by participating in the Elcert scheme (consistent with the scheme operated in Sweden). However, in 2016 Norway announced its exit from the framework after 2020. No replacement plans have been made for renewables support schemes. Despite

this, as part of its national targets, Norway is seeking an overall 40 per cent. reduction in emissions levels for 2030 (relative to 1990 levels).

Currently, Norway's electricity supply mix is dominated by hydro power, with between 95 per cent. and 97 per cent. of locally generated electricity coming from hydro over the period from 2010-2017. Norway is a net exporter of electricity, and this power is transmitted predominantly to Denmark and Sweden. This ability to export is influenced significantly by hydro inflows, and during periods of low rainfall or ice-melt, Norway can reverse and be a net importer of electricity from neighbouring markets.

In Norway, hydro power is expected to continue to be the majority share of generation in coming years. BNEF's New Energy Outlook expects that hydropower's dominance in the Norwegian market is unlikely to change, however low-carbon targets will require a focus on new renewables capacity.

Figure 13: Forecasted generation mix in Northern European (Denmark, Estonia, Finland, Latvia, Lithuania, Norway, Sweden) power market to 2050



Source: BNEF, New Energy Outlook Report 2019

## Australia

In 2015, the Large-Scale Renewable Energy Target ("**LRET**") was introduced to incentivise investment in large scale renewable energy technologies via a traded certificate system. In 2017, Australia also introduced the small-scale renewable energy scheme ("**SRES**") as part of a wider set of reforms and regulatory changes. The SRES creates a financial incentive for owners to install eligible small-scale installations such as solar water heaters, air sourced heat pumps and small generation units (small-scale solar PV, wind and hydro systems).

Together with the SRES, the LRET makes up the "Renewable Energy Target" which envisages around 20 per cent. of Australia's electricity supply coming from renewable sources in 2020. In addition to this goal, the country also established the Clean Energy Finance Corporation, which is targeting the provision of AUS\$10 billion of loans and equity for emerging renewable and low-carbon technologies. The country has agreed to the 2030 Paris Climate Agreement targets requiring national 2030 emissions to be 28 per cent. lower than 2005. Currently, the power sector contributes approximately 35 per cent. of the national emissions.

Figure 14: Outlook for investments in Australian generation capacity, 2019-2040 (currency real GBP 2018) – storage and demand-side flexibility technologies not included



Source: BNEF, New Energy Outlook Report 2019

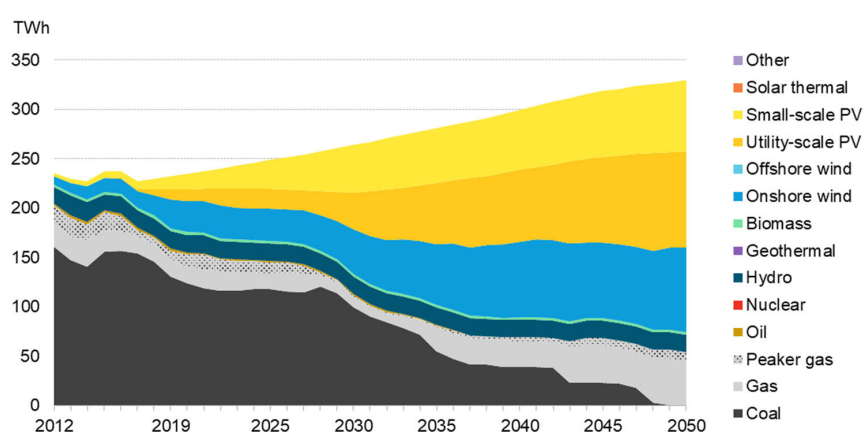
In 2018, Australia generated 22 per cent. of its electricity from renewable energy generation, while 13 per cent. came from gas fired technologies and 65 per cent. from coal fired technologies. Under the LRET large-scale generation is officially mandated to increase to at least 48 terawatt-hours and is on track to be met by 2020.

The dominant role that coal plant plays in the Australian energy system is also expected to change over time. In the 2030s and 2040s, much of this coal plant will retire having reached the end of its economic life. While coal plant extensions could be possible, the forecasted economics of coal plant relative to low-cost low-carbon wind and solar generation during this period means that retirement is likely. This trend is evident in Figure 15 below.

As ageing coal plant retires, there will be a significant capacity gap to meet. It is forecasted that low-carbon flexible technologies such as battery storage and gas-peaking plant will fulfil this need. Further build out of onshore wind, utility scale solar PV and small-scale solar PV is also expected to fill the capacity gap as plant with high carbon intensity retires from the system.

BNEF is forecasting that over the period from 2019 to 2040, approximately 101GW (equivalent to £64 billion (in 2018 real terms)) of new renewable generation capacity will be added at a compound annual growth rate of 6.6 per cent..

Figure 15: Forecasted generation mix in Australian power market to 2050



Source: BNEF, New Energy Outlook Report 2019

## 1.6 Common Revenue Streams for Renewable Energy Generators

PPAs are contracts between an electricity generator and a buyer to sell electricity produced by the electricity generator at certain prices, usually fixed for a period of time. In the UK a PPA also often incorporates the sale of environmental certificates such as ROCs.

Government backed contracts for difference (“**CFDs**”) incentivise investment in renewable energy by providing electricity generators who have high upfront costs and long asset lifetimes with direct protection from wholesale price movements. Typically, eligible electricity generators bid a ‘strike price’ for contracts which are awarded to the lowest strike prices. In contrast to a PPA, which relates to the sale of physical power from the electricity generators, a CFD is a financial instrument. Successful electricity generators are paid the difference between the strike price and a ‘reference price’ (a measure of the average market price for electricity in the given market) for the electricity they produce over a fixed term, often 15 years. If the reference price is below the strike price, the generator receives a top-up payment. Conversely, if the reference price is above the strike price, the generator pays the difference. The net result is that the generator receives a fixed price over the term of the CFD.

A corporate backed CFD is similar to a government backed CFD. Instead of the government being the counterparty, the contract counterparty is a corporate.

Feed in tariffs (“**FITs**”) are government subsidies paid to renewable generators for the amount of electricity generated, regardless of whether the generator sells the electricity or what price the generator sells the electricity for. FITs are being phased out in many countries.

Some jurisdictions require electricity retailers to source a certain amount of their electricity from eligible renewable generators. The retailers are required to evidence this by presenting to regulators certificates (such as ROCs in the UK) from renewable generators showing how much renewable energy was produced. The sale of these certificates can be another important revenue stream for renewable energy generators.

### 1.7 Repowering of Renewable Energy Assets

As older Renewable Energy Assets reach the end of their useful lives and are decommissioned, they can often be replaced by newer Renewable Energy Assets which are more efficient and cheaper. This repowering of Renewable Energy Assets is subject to planning and regulatory approvals, as well as renegotiating leases with landlords. Repowering can often enhance returns and help offset the risk of power prices declining, as the more efficient Renewable Energy Assets may be more profitable at lower power price levels than the original assets.

## 2. PIPELINE

The Investment Manager has identified a number of Renewable Energy Assets with an aggregate value of approximately £1.0 billion which the Investment Manager considers would meet the Company’s investment policy and therefore would potentially be suitable for acquisition by the Company (“**Pipeline Assets**”).

Pipeline Assets with a value of approximately £383 million are held in Octopus Managed Funds. Of the Pipeline Assets held in Octopus Managed Funds, 185MW are under exclusivity to the Company. The Investment Manager has undertaken preliminary due diligence in relation to the Pipeline Assets and has made non-binding offers in relation to the Pipeline Assets which are not held in Octopus Managed Funds. However, investors should note (i) that no contractually binding obligations for the sale and purchase of the Pipeline Assets have been entered into by the Investment Manager or the Company; and (ii) the Investment Manager is under no obligation to make the Pipeline Assets available to the Company and, save in respect of those Pipeline Assets under exclusivity, will apply its Allocation Policy in respect of the allocation of assets among Octopus Managed Funds. Further details in relation to the Investment Manager’s Allocation Policy are set out in paragraph 4 of this Part 2 and further details of how the Investment Manager deals with potential conflicts of interest in circumstances where the Octopus Group is providing investment management services to both the Company and other Octopus Managed Funds who are counterparties to the Company are set out in paragraphs 3 and 5 of this Part 2.

There can be no assurance that any of the Pipeline Assets will remain available for purchase after First Admission or, if available, at what price (if a price can be agreed at all) the investments can be acquired by the Company. Following First Admission, the Investment Manager may or may not pursue any such opportunities. To the extent that the Pipeline Assets remain available for investment by the Company following First Admission, the Investment Manager may determine that the Company acquire one or more of the Pipeline Assets subject to the veto right of the Board if it deems the proposed transaction not to be in the best interests of the Company. Investments not comprised in the Pipeline Assets may also become

available. The individual holdings within the Company's portfolio, may therefore be substantially different to the Pipeline Assets shown below.

The following table provides an overview only of some of the characteristics of the Pipeline Assets the Investment Manager is targeting on behalf of the Company, which may or may not form part of the Company's portfolio of Renewable Energy Assets:

*Pipeline Assets held in Octopus Managed Funds include:*

<i>Country</i>	<i>Technology</i>	<i>Status</i>	<i>Investment Size (£ millions)</i>	<i>Size (MW)</i>	<i>Assets</i>	<i>Support Scheme/PPA</i>
UK <sup>o</sup>	Solar PV	Operational	157	122	8	ROCs
Italy <sup>o</sup>	Solar PV	Operational <sup>^</sup>	143	173	17	Fixed Price PPA
Finland <sup>*</sup>	Wind	Operational <sup>^</sup>	83	64	2	None
<b>TOTAL</b>			<u>383</u>	<u>360</u>	<u>27</u>	

*Other Pipeline Assets include:*

<i>Country</i>	<i>Technology</i>	<i>Status</i>	<i>Investment Size (£)</i>	<i>Size (MW)</i>	<i>Assets</i>	<i>Support Scheme/PPA</i>
France	Wind	Construction	149	85	3	CFDs <sup>▲</sup>
Australia	Solar	Construction	363	517	4	Fixed Price PPA <sup>▲</sup>
UK	Wind	Construction	60	50	1	Fixed Price PPA <sup>▲</sup>
UK	Solar	Construction	22	16	9	ROC/FIT
Finland	Wind	Construction	30	30	1	TBD <sup>◇</sup>
<b>TOTAL</b>			<u>624</u>	<u>698</u>	<u>18</u>	

<sup>^</sup> Pipeline Assets will be operational on acquisition.

<sup>o</sup> 122 MW of the UK solar PV Pipeline Assets are under exclusivity until 31 March 2020 and 63 MW of the Italy solar PV Pipeline Assets are under exclusivity until 31 March 2020.

<sup>▲</sup> No agreement currently in place. This is the anticipated strategy in relation to this opportunity.

<sup>◇</sup> TBD means that the Investment Manager is developing a strategy in relation to the opportunity.

<sup>\*</sup> 90 per cent. interest owned by an Octopus Managed Fund.

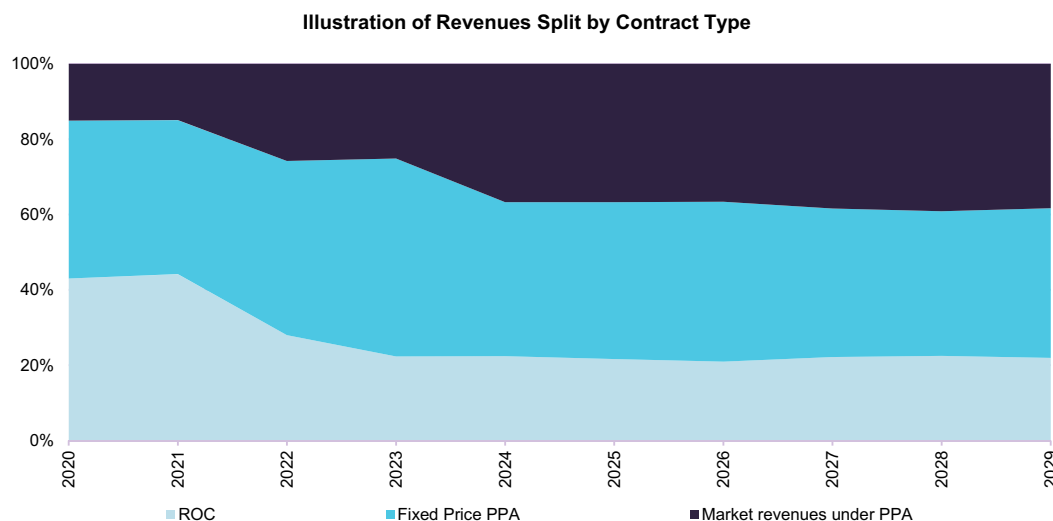
In addition to the above Pipeline Assets, the Investment Manager has identified further renewable energy investments in Sweden, Finland, Italy, the UK, France, Spain and Australia with an aggregate value of approximately £1.8 billion which would potentially be suitable for acquisition by the Company. The Investment Manager has not yet completed preliminary due diligence nor have offers (binding or non-binding) been made in relation to such potential investments. The Investment Manager will source additional renewable energy investments as described in paragraph 3 of this Part 2.

The Investment Manager and the Board believe that, with the Investment Manager's experience and the preparatory work undertaken by it to date, suitable assets will be identified, assessed and acquired such that the Initial Net Proceeds will be substantially committed within 6 months of First Admission. It is expected that any operational assets acquired by the Company will be revenue generating on acquisition. Construction ready solar and wind assets are expected to be completed and operational within 6-12 months and 9-24 months respectively. In construction solar and wind assets are expected to be completed and operational in shorter timeframes depending on the stage of construction of the relevant asset on acquisition.

Indicative data relating to selected Pipeline Assets<sup>1</sup> by contract type, by technology and by country based on a hypothetical selection of certain Pipeline Assets

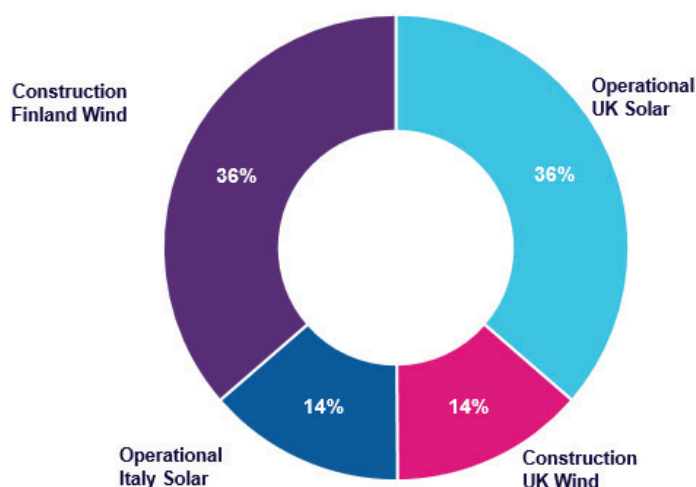
The charts below illustrate revenue break down by contract type, technology and country from selected Pipeline Assets.

Figure 16: Indicative split of revenues by contract type



Source: Investment Manager

Figure 17: Indicative split of invested capital by technology and country



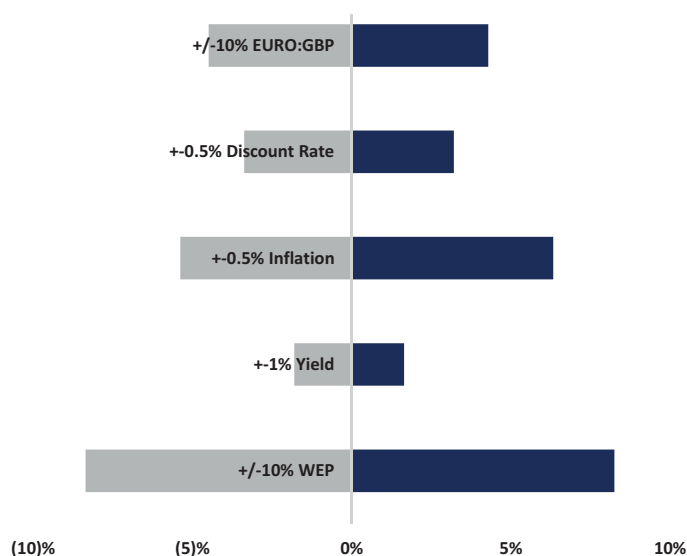
Source: Investment Manager

<sup>1</sup> The indicative information in the charts at Figures 16, 17 and 18 has been provided by the Investment Manager and has been calculated on the basis of various assumptions and inputs, including a hypothetical selection of certain Pipeline Assets, not all of which are under exclusivity. There can be no assurance that the Company will ultimately invest in this hypothetical selection of assets or that the potential revenues, including the split thereof, associated with these assets will be achieved. The information assumes that once Initial Net Proceeds of £245 million are geared (meaning long-term structural debt of 40 per cent. of Gross Asset Value) and fully invested, no changes are made to the Company's portfolio. The hypothetical selection of assets from the Initial Net Proceeds of £245 million being geared and fully invested consists of 17 assets, with an average asset invested capital amount of £24.7 million, and an average installed capacity of 19.0MW. The information provided should not be seen as an indication of the Company's expected or actual portfolio composition, revenue diversification or hedging strategies, results or returns. Accordingly, investors should not place any reliance on this information when deciding whether to invest in Ordinary Shares and/or C Shares.



The chart below illustrates the sensitivities of the Net Asset Value of the Company to certain factors. The sensitivity analysis is based on a number of assumptions as set out in footnote 2 and should not therefore be taken as a forecast, guarantee or indication of the Company's future returns. Investors should not place any reliance on the data in deciding whether to invest in Ordinary Shares and/or C Shares.

Figure 18: Illustrative NAV sensitivities<sup>2</sup>



Source: Investment Manager

### 3. INVESTMENT PROCESS

#### Introduction

The Investment Manager will source investment opportunities from an established global network in the renewable energy market. In addition, the Investment Manager will source prospective investments from other Octopus Managed Funds.

The Investment Manager has established procedures to deal with any potential conflicts of interest in circumstances where the Octopus Group is providing investment management services to both the Company and other Octopus Managed Funds who are counterparties to the Company to ensure that the interests of clients are protected to the maximum extent reasonably possible. Typical procedures would include (but not be limited to):

- initial conflicts discussion with the Investment Manager's conflicts committee;
- a fairness opinion on the value of the Renewable Energy Asset to be acquired from an independent expert;
- separate buy and sell side external legal advisers;
- separate buy and sell side teams at the level of the Investment Manager; and
- formal approval of the proposed transaction by the Investment Manager's conflicts committee.

Investment opportunities which fall within the investment parameters of the Company and one or more Octopus Managed Funds will be allocated in accordance with the Investment Manager's Allocation Policy. Further details on the Allocation Policy are set out under the heading "Allocation Policy" in this Part 2 of this Registration Document.

<sup>2</sup> 1. Discount rate sensitivity assumes a revision in discount rates immediately after the acquisition of a Renewable Energy Asset. 2. The FX, EUR:GBP sensitivity is on equity distributions where the distributions are in EUR. 3. Inflation sensitivity is on operating revenues and costs. 4. Power price sensitivity is on merchant, uncontracted and unregulated power prices only.

The Company will predominantly make its investments via a series of wholly owned SPVs which will own the Company's portfolio of Renewable Energy Assets. The jurisdictions in which the SPVs will be incorporated will be determined by the location of the Renewable Energy Assets.

The investment process will in general proceed in the stages described below. The Investment Manager's reporting and decision-making process will be conducted whether the potential transaction is an investment, a disposal or a refinancing of an existing asset.

#### *Deal Screening*

Each prospective investment will first be assessed against the Company's investment objective and policy. An assessment will also be made in relation to the Company's environmental, social and governance ("**ESG**") policy, the purpose of which is to ensure consideration is given to the wider stakeholder impacts and risks inherent in the Company's investments and decision making. If a prospective investment is considered potentially suitable and in line with the ESG policy, a high level financial and economic analysis and review of the investment will be undertaken. Limited due diligence may also be undertaken at this stage.

If a prospective investment is in a jurisdiction or technology in which an Octopus Managed Fund has not previously invested, a high level "green light" paper will be prepared and presented to the Octopus Renewables investment committee ("**OR IC**") that sets out the key parameters of the opportunity and its consistency with the Company's investment objective and policy. Subject to the OR IC giving a green light approval, the Investment Manager's transaction team will be mandated to continue discussions with the potential vendor.

#### *Preliminary Review and Approval In Principle*

The transaction team will perform an initial review of an investment opportunity. In considering a prospective investment, the Investment Manager will consider certain key characteristics and value drivers including (but not limited to), potential expected returns, expected life of asset, track record of the construction contractors (if applicable), offtake agreements, stability of the regulatory framework and resilience within the economic environment. The Investment Manager will also assess the investment opportunities against the Company's ESG policy. Following completion of the preliminary review, an investment director of the Investment Manager ("**ID**"), or an investment manager of the Investment Manager ("**IM**") under the supervision of an ID, will present to the OR IC a detailed investment paper seeking to obtain "Approval in Principle" (an "**AIP**") for the transaction (the "**AIP Paper**"). Each AIP Paper will contain *inter alia*, an overview of: the potential opportunity; its consistency with the Company's investment policy and fit of the proposed transaction with the Company's existing portfolio of Renewable Energy Assets; financial data; returns and sensitivities; and the risks and mitigations (including any risks associated with leverage, liquidity and currency). Each AIP Paper will also include an ESG risks and opportunities matrix in relation to the prospective investment, the purpose of which is to facilitate the OR IC's consideration of wider stakeholder impacts and risks inherent in the prospective investment. Any debt or hedging requirements will also be considered at this stage. The Investment Manager will use its extensive relationships with experienced lenders to Renewable Energy Assets to seek and select the best debt and/or hedging structures and terms for each investment opportunity. The AIP Paper will also outline the proposed due diligence and overall transaction costs. Where the OR IC issues an AIP in respect of a potential investment, the transaction team will be authorised to carry out detailed due diligence and negotiate commercial terms. All AIP approvals and due diligence costs will be reported to the Board by the Investment Manager.

Where any potential transactions involve unusual tax implications, low tax jurisdictions, unusual structuring or have significant complexity, potential financial exposure or risk, new technologies or geographical jurisdictions or deviation from approved policies, the transaction team will consult the Board before the Investment Manager starts detailed due diligence and negotiation of the commercial terms of the proposed investment.

External advisers in relation to a proposed investment will be appointed through the Investment Manager's adviser appointment process. Generally, the Investment Manager's approach to adviser selection will be to undertake a tender process amongst the Investment Manager's panel of preferred advisers for which the Investment Manager has secured preferential rates, to ensure the Company can get the best price and quality for the work required.

### *Due Diligence and Negotiation*

Following the issue of an AIP, the transaction team and the Investment Manager's technical, energy markets and asset management teams will conduct detailed due diligence, utilising external professional advisers (including technical, legal, financial and tax advisers) where needed.

Technical due diligence will typically include a physical site visit and a review of the designs, the construction and maintenance contracts, the planning permissions, the grid connection agreements, health and safety assessments, yield assessments and, where applicable, wind resource studies. In addition, where a site is already partially or fully operational, the technical due diligence will include a review of operational performance to date. Legal due diligence will typically involve external legal advisers reviewing and advising on the contractual structure, the property documents (such as leases), the planning permissions, the grid connection agreements and the construction and maintenance contracts. Financial and tax due diligence will typically include a review of the project budgets, the project financial models, historic financial statements and tax returns.

Where the Company intends to invest in assets held through corporate structures or assets held in shared ownership or co-investment arrangements, the Investment Manager will also conduct appropriate due diligence on such structure and counterparties to ensure that they are competent, stable and appropriate. The Investment Manager will also conduct a detailed review of any existing shareholder agreement and constitutional documents to ensure the interests of the Company are appropriately protected.

The Investment Manager's teams review and assess the due diligence findings in order to arrive at an informed view on the risks involved and corresponding risk-adjusted value of a prospective investment and to mitigate project-related risks, including by negotiating and structuring contractual and/or commercial solutions.

The external professional advisers will also work with the Investment Manager's teams to establish the optimum financial and tax structures for the prospective investment.

At the same time as carrying out due diligence, the transaction team will enter into negotiations for the commercial terms with the vendor crystallising whether the deal represents an investable proposition. The team will also engage with ESG related risks and opportunities via additional due diligence as needed and via engagement with the seller and related counterparties.

If key aspects of the prospective deal change during this stage, such as key changes in returns, or material risks are encountered during due diligence, then the ID/IM may revert back to the OR IC to obtain an updated AIP. Any updates to AIPs will be reported to the Board.

### *Deliberation and Decision*

Once due diligence and negotiations have substantially completed, a comprehensive investment paper (in the same format as the AIP Paper) will be prepared for the OR IC and shared with the Board. The Board will have the opportunity to make such observations and comments as it thinks fit on the investment paper, communicating such observations and comments to the OR IC as soon as reasonably practicable. The OR IC will consider and take account of the observations and comments received from the Board and evaluate the proposal again to ensure that it is in line with the Company's investment objective and policy which may result in additional due diligence and analysis requests. The OR IC will then consider the prospective investment, determine whether the potential Renewable Energy Asset is suitable for the Company, by *inter alia*, considering the long-term value potential compared to other opportunities in the market that the Investment Manager is aware of and its compliance with the Company's ESG policy before making the final investment decision, subject to a veto right of the Board if it deems the proposed transaction not to be in the best interests of the Company.

### *Completion*

The transaction team will facilitate completion of the transaction through provision of the following services:

- negotiating the final forms of all transaction documents;
- ensuring appropriate insurance is put in place; and
- establishing the relevant company structure and necessary bank accounts.

Prior to completion, a pre-completion note (“**PCN**”) will be issued by the transaction team to the Board outlining any material changes since the OR IC’s approval of the transaction. The transaction team will consult the Board in relation to any such changes and completion of the transaction will be subject to a veto right of the Board if it deems the revised transaction not to be in the best interests of the Company.

### *Construction*

The Investment Manager has an experienced team of professionals who have overseen the construction of various Renewable Energy Assets across the UK, the rest of Europe and Australia.

Construction services will be provided by third parties to the SPVs which own the rights to build the relevant Renewable Energy Asset. The Investment Manager will initiate, monitor and supervise these third parties and the progress of the build of the relevant project and for this purpose will provide technical, financial and other support to the relevant SPV.

The key services that the Investment Manager will provide in relation to the construction of Renewable Energy Assets will include:

- utilising the extensive network of the Octopus Group to perform appropriate due diligence on various construction services contractors;
- reviewing and refining the contracts of construction service providers to ensure appropriate alignment of incentives;
- ongoing monitoring of the work of the construction service providers and the project itself, which will include site visits made by experienced personnel of the Investment Manager; and
- ongoing financial monitoring of the overall cost incurred during the construction phase of the project.

### *Asset Management and On-Going Monitoring*

Once acquired, a Renewable Energy Asset will be on boarded into the Investment Manager’s dedicated in-house asset management team which will be accountable for operational decision making.

The Investment Manager’s approach to asset management is to retain control of key decision making, risk management and performance optimisation. This is most effectively achieved by outsourcing the administrative, data gathering and day-to-day activities on-site to specialist third parties while ensuring that the Investment Manager remains accountable for overall asset performance and focuses on escalated issues. Consequently, the asset management team is responsible for directing the activity of the third-party contractors and outsourcers, managing key commercial contracts (construction, maintenance, leases) and reporting to the Board. In doing so, the key areas of focus are:

- portfolio performance against key metrics;
- asset level performance including operational and financial performance;
- contractor performance including compliance with contractual obligations and identifying opportunities for optimisation;
- ESG compliance, governance, health, safety and environmental and regulatory requirements; and
- stakeholder and counterparty management, including offtakers, communities, finance providers and investment partners.

Each Renewable Energy Asset owned by the Company will have a dedicated commercial asset manager who will be responsible for SPV level finances, operating models, governance, controls and asset performance. Technical specialists will be responsible for the technical performance and quality of the Company’s portfolio of Renewable Energy Assets and construction management. The Investment Manager’s health, safety and environment (“**HSE**”) director will provide HSE oversight, issue management and KPI reporting.

The Investment Manager has established the Octopus Renewables Asset Board (“**ORAB**”) to oversee the activities of the asset management team including compliance with all statutory, regulatory, fiduciary and contractual obligations.

The Investment Manager considers exceptional asset management as a fundamental pillar to ensuring proper performance and governance and thereby creating value for Shareholders.

#### *Electricity offtake arrangements*

The Investment Manager has an energy markets team of electricity markets professionals who will manage the sale of the power generated by the Company's portfolio of Renewable Energy Assets, implementing route-to-market strategies based on underlying investment needs. By utilising the scale of electricity generating assets under management by the Investment Manager, the team will seek to achieve attractive risk adjusted pricing for the electricity generated by the Company's portfolio of assets. During this contracting process, the energy markets team will seek to structure deals that drive competitive tension whilst allowing flexibility to facilitate further price hedging during the contract term. The team will do this using a variety of contracts including PPAs and corporate CFDs.

#### *Financial risk management*

The Investment Manager will adopt a structured risk management approach in seeking to deliver stable cash flows and dividend yield. This may include entering into hedging transactions for the purpose of efficient portfolio management, which may include:

- foreign currency hedging on a portion of equity distributions;
- foreign currency hedging on construction budgets during the construction period;
- debt hedging via interest rate swaps, floors, caps and/or collars; and
- power price hedging by contracting approximately 85 per cent. of expected electricity revenues in the first two years from Initial Admission via ROCs and PPAs with investment grade counterparties where and when available.

#### *Reporting*

The Investment Manager will provide updates to the Board on the progress of the Company's portfolio of Renewable Energy Assets on a quarterly basis with additional updates being made where significant events have occurred which may impact the Company's income, expenditure or NAV.

The AIFM will undertake valuations of the Renewable Energy Assets acquired by the Company as at the end of each calendar quarter. The Investment Manager will provide inputs to the AIFM as part of the valuation process. The AIFM will provide the relevant valuations of the Renewable Energy Assets of the Company to the Administrator. The Administrator will calculate the Net Asset Value and the Net Asset Value per Ordinary Share (and per C Shares where applicable) as at the end of each quarter and submit the same to the Board for its approval.

#### *Holding period and exit*

It is intended that all assets will be held for the long term. However, if an external offer is made to the Company and the returns are sufficiently attractive for Shareholders, consideration will be given to the sale of the asset and reinvestment of the proceeds into new assets.

## **4. ALLOCATION POLICY**

Subject always to the terms of the Company's investment policy, as amended from time to time, allocations of investments among the Company and other Octopus Managed Funds will be made in accordance with the Investment Manager's renewables Allocation Policy.

Investment allocation is ultimately the responsibility of the Investment Manager's Oversight and Standards Committee ("**OSC**") save that investment allocation decisions in relation to Renewable Energy Assets have been delegated to the Octopus Renewables Allocations Committee. As at the date of this Registration Document the committee is chaired by Jonathan Digges, Chief Investment Officer for the Investment Manager, and its other members comprise Matt Setchell, Co-Head of Octopus Renewables, Sam Goss, Investment Director in Octopus Renewables, and a representative from each of the teams managing Octopus Managed Funds that invest into Renewable Energy Assets.

The overriding role of the Octopus Renewables Allocations Committee is to strive to allocate investment opportunities amongst Octopus Managed Funds on a fair and equitable basis over time in line with the Investment Manager's renewable Allocation Policy, ensuring that decisions are made in the best interests of Octopus Managed Funds, acting within the investment policy of those clients and that allocations comply with all statutory, regulatory, fiduciary and contractual obligations. The Investment Manager will give no preferential treatment to any single Octopus Managed Fund such that all Octopus Managed Funds with a substantially similar investment strategy should receive equivalent treatment.

When determining whether an investment opportunity falls within the parameters of an Octopus Managed Fund's investment policy, the Investment Manager will consider, amongst other things, the following:

- each Octopus Managed Fund's investment strategy, operating guidelines, diversification limitations, portfolio concentration and investment time horizon and stage; and
- the type, size and geographic location of the Renewable Energy Asset the subject of the opportunity and whether the assets are operating, in construction or construction ready.

Where an investment opportunity falls within the investment parameters of two or more Octopus Managed Funds, the Investment Manager will strive to allocate such opportunity amongst the Octopus Managed Funds on a fair and equitable basis over time, taking into account such considerations as it deems appropriate, which include, but are not limited to, the considerations set out below:

- funding availability and how long that capital and leverage has been available;
- alignment of investment term and flexibility to accommodate the structural, timing and other aspects of the Investment Manager's investment process;
- diversification and whether an investment opportunity is sufficiently diversified from the existing portfolio of investments of the Octopus Managed Fund or alternatively whether the client has the ability to accommodate a connected or follow-on investment;
- deal flow including how many active investment opportunities are already allocated to that Octopus Managed Fund;
- whether it is in the best interests of two or more Octopus Managed Funds to co-invest in an investment opportunity, although the Octopus Renewables Allocations Committee will typically allocate investment opportunities wholly to a single client;
- legal, tax and regulatory; and
- current obligations and portfolio liquidity and future contingent liabilities.

If the Octopus Renewables Allocation Committee cannot reach a unanimous view or any member of the Octopus Renewables Allocation Committee considers there to be an allocation conflict of a material or unusual nature, allocation of the investment will be referred to the OSC.

The Investment Manager maintains a record of all determinations made with respect to allocations under its Allocation Policy and, subject to any confidentiality obligations, will provide details of decisions relating to the Company to the Board.

## **5. CONFLICTS OF INTEREST**

The Directors will be responsible for establishing and regularly reviewing procedures to identify, manage, monitor and disclose conflicts of interests relating to the activities of the Company.

It is expected that the AIFM, the Investment Manager, the Administrator, Peel Hunt, the Registrar, the Receiving Agent, any of their respective directors, officers, employees, service providers, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **"Interested Party"**) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company and their renewable energy investments. Interested Parties may provide services similar to those provided to the Company and its portfolio of Renewable Energy Assets to other entities and will not be liable to account to the Company for any profit earned from any such services. Interested Parties may also receive and retain fees for providing



management (such as legal or accounting) services to any Renewable Energy Assets and will not be liable to account to the Company for any profit earned from any such services.

The AIFM and the Investment Manager and their respective directors, officers, service providers, employees and agents are committed to taking measures to identify and prevent or appropriately manage actual or potential conflicts of interest, including perceived conflicts of interest. The AIFM and the Investment Manager have a conflict of interest policy in place and arrangements have been established by the AIFM and Investment Manager which are designed to achieve these objectives, including:

- conflicts management processes designed to identify and then prevent or manage actual, potential or perceived conflicts of interest;
- maintenance of insider lists and a register of outside business interests and personal account dealing rules;
- controls over the handling and flow of confidential and inside information;
- general disclosure of the possibility of material interests to clients at an early stage of the relationship; and
- where appropriate and proportionate, organisationally and hierarchically keeping certain functions, such as compliance, separate from client facing teams.

The AIFM and the Investment Manager address specific actual or potential conflicts through one or more of the following options:

- application of the above-mentioned measures and precautions;
- declining to act;
- all decisions as to the appropriate management of any conflict of interest are based on two principles, namely:
  - o to secure fair treatment of all parties involved; and
  - o to mitigate any legal, regulatory or reputational risk to the AIFM and/or Investment Manager;
- disclosing the conflict or material interests to the client(s) or other affected parties at the beginning of the relationship and obtaining its/their consent to the AIFM and/or Investment Manager acting for it/them.

The AIFM and the Investment Manager have in place a conflicts committee to consider proposals or situations which could generate conflicts of interest. The conflicts committee assesses the potential day to day conflicts which may arise and determines whether the conflict is being or will be appropriately managed and if not what action is required. The conflicts committee may also periodically monitor conflicts it has previously reviewed to determine if controls are still adequate. All relevant identified conflicts of interest will also be disclosed to the Board.

The Investment Manager manages other Octopus Managed Funds pursuing similar investment strategies to that of the Company and which may be in competition with the Company. The appointment of the Investment Manager by the AIFM is on a non-exclusive basis. It is expected that the Company will enter into transactions with other Octopus Managed Funds as a counterparty when acquiring, co-investing, or, if the opportunity arises, disposing of certain Renewable Energy Assets. The procedures designed to deal with any potential conflicts of interest at the level of investment decision making are set out under the heading "Allocation Policy" in this Part 2 of this Registration Document. The Investment Manager may have rendered certain services such as origination, management or other services for the benefit of previous and/or existing Octopus Managed Funds which held or hold an interest in an asset targeted by the Company and in return the Investment Manager may have received fees for such services. As a result, the Investment Manager might be subject to a conflict of interest resulting from their previous involvement in relation to such asset. This may on occasion give rise to conflicts of interest which the Investment Manager will manage in accordance with its policies and procedures relating to conflicts of interest above.

Save as set above, as at the date of this Registration Document, there are: (i) no actual or potential conflicts of interest between any duties owed to the Company, the Directors, the AIFM or the Investment Manager or any of the Directors and their private interest or duties; and (ii) no material potential conflicts of interest which any of the services providers to the Company may have as between their duty to the Company and duties owed by them to third parties and their other interests.

## PART 3

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### 1. DIRECTORS

The Board comprises four directors all of whom are non-executive and are independent of the AIFM and the Investment Manager. The Board will meet at least four times a year, with additional meetings arranged as necessary.

The Directors are as follows:

***Philip Joseph Austin MBE (aged 70) (Chair)***

Philip spent most of his career in banking with HSBC in London and, ultimately, in Jersey where, from 1997 to 2001, he was deputy chief executive of the bank's business in the Offshore Islands. In 2001, he became the founding CEO of Jersey Finance, the body set up as a joint venture between the Government of Jersey and its finance industry, to represent and promote the industry at home and abroad. In 2009, he took on a portfolio of non-executive directorships, consisting of both public and privately-owned businesses, and served on the board of 3i Infrastructure plc for 10 years, mostly as the senior independent director.

Philip is a Fellow of the Chartered Institute of Bankers and a Fellow of the Chartered Management Institute. In October 2015 he was awarded an honorary doctorate in business from the University of Plymouth and in January 2016 an MBE in the Queen's New Year's honours list. Philip is currently also chairman of Jersey Electricity plc and a non-executive director of City Merchants High Yield Trust Ltd, both UK publicly quoted companies.

***Jonathan James O'Grady Cameron (James) (aged 58) (Non-executive Director)***

Originally qualifying as a barrister, James has held a number of executive positions and has over 32 years of experience in the legal, academic and advisory professions with a strong focus on environmental and sustainable development. As counsel to Baker & Mackenzie he founded and headed their Global Climate Change and Clean Energy Practice and was also the co-founder of the Foundation for International Environmental Law and Development. Until 2015, James was chairman of Climate Change Capital ("**CCC**") which he co-founded in 2003 and developed into an investment bank employing 150 people with US\$1.6 billion under management. During his tenure at CCC, James was named Leader of the Year 2013 at the BusinessGreen Leaders Awards. James was also formerly a Founder Director of Solarcentury, the UK's largest distributor of solar power, and he helped to found REEEP (The Renewable Energy and Energy Efficiency Partnership), winner of the Ashden Award in Innovative Finance in 2019. In academia, James is currently an Executive Fellow at Yale University where he is associated with the Yale Centre of Environmental Law and Policy. James is also a member of the development board of the University of Oxford's Smith School of Enterprise and the Environment and he is a member of the international advisory board at Oxford's Environmental Change Institute. James is also the Chairman of the Overseas Development Institute, the UK's leading think tank on development.

***Elaina Tatem Elzinga (aged 35) (Non-executive Director)***

Elaina is a principal in investments at the Wellcome Trust, a global charity committed to improving human health and funded from a diverse, unconstrained portfolio of over US\$30 billion. Elaina leads the Absolute Return and Agriculture team, focusing on non-directional hedge funds and credit. She also covers the natural resources sector, with a strong interest in energy transition. Elaina is a director of Farmcare, Wellcome's wholly owned UK agriculture company. Prior to joining Wellcome in 2010, Elaina worked in both investment banking and investment management at Goldman Sachs. Elaina is a CFA Charterholder and read History at the University of Cambridge. She currently sits on the investment committee for Newnham College, Cambridge and is a Trustee of the Wellcome Trust Pension Plan.

***Audrey Janette McNair (aged 59) (Non-executive Director and Chair of the Audit and Risk Committee)***

Audrey has been a non-executive director of Jupiter Emerging and Frontier Income Trust plc since April 2017 (currently chair of the audit committee) and a non-executive director of British Friendly Society since

April 2016 (currently chair of its risk and investment committee). From February 2015 to July 2019 Audrey was a non-executive director of Earl Shilton Building Society (chair of its audit, risk and compliance committee). In her executive career, across the buy and sell side in the City of London, she has gained extensive knowledge of regulatory governance and investment management processes and products, including having worked at Aberdeen Asset Management plc from May 2008 to March 2016, starting as Head of Internal Audit (EMEA) and becoming Global Head of Business Risk (including operational, IT and strategic risk) and responsible for the group's risk management framework and internal capital adequacy assessment.

## **2. MANAGEMENT OF THE COMPANY**

### **2.1 Responsibility for management**

The Board is responsible for the determination of the Company's investment policy and strategy and has overall responsibility for the Company's activities including the review of investment activity and performance and the control and supervision of the Company's service providers.

The Company has appointed the AIFM to be the alternative investment fund manager of the Company for the purposes of the AIFM Directive. Accordingly, the AIFM is responsible for the portfolio management of the Company and for exercising the risk management function in respect of the Company. The AIFM has delegated portfolio management services to the Investment Manager including responsibility for managing cash not yet invested by the Company or otherwise applied in respect of the Company's operating expenses with the aim of preserving capital value. The final investment decision in relation to investing in or disposing of Renewable Energy Assets will be made by the Investment Manager, subject to a right of veto by the Board if it deems the proposed transaction not to be in the best interests of the Company.

### **2.2 The Octopus Group**

Both the AIFM and the Investment Manager are wholly owned subsidiaries of Octopus Capital Limited. Octopus Capital Limited is a privately-owned business founded in 2000, and together with its subsidiaries is known as the Octopus Group.

Octopus Group is a collection of businesses invested in people, ideas and industries, operating in two sectors: financial services and energy supply. The focus is on markets that are outdated and in need of change, where there is lack of supply, a shift in demand, or a change in attitudes which provides an opportunity to shape better outcomes for customers and their communities.

This focus led the Octopus Group to invest in clean energy and social infrastructure (healthcare), sectors which have strong ESG aligned to the Octopus Group's investment themes and beliefs. The Octopus Group is also a signatory to the UN Principles for Responsible Investment demonstrating public commitment to responsible investment.

The Investment Manager is a leading manager of alternative strategies, managing over £8.6 billion of assets for over 64,000 retail and institutional investors and has over 625 employees<sup>3</sup>. As at 30 June 2019, the Investment Manager had invested £5.9 billion in alternative assets and £2.7 billion in listed companies.

Octopus Renewables was set up in 2010 as the specialist renewable energy investment business within the Investment Manager based on the belief that investors can play a vital role in helping to avert climate change. Octopus Renewables' mission is simple: accelerate the transition to a clean energy future through unblocking investment into climate saving assets.

Octopus Renewables is now one of the largest renewable energy investors in the UK with assets under management valued at c.£3 billion. Of those investments c.£1.7 billion has been invested in solar and wind assets at construction stage (of which c.£1.2 billion is now operational with another c.£480 million currently in construction). Octopus Renewables manages on behalf of its clients the largest portfolio of investor owned solar PV parks in Europe<sup>4</sup>.

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<sup>3</sup> All data as at 30 June 2019.

<sup>4</sup> All data as at 30 June 2019.

Octopus Renewables is co-led by Matt Setchell and Alex Brierley and has over 70 employees in the UK and Australia across five teams: transactions, energy markets, asset management, fund management and business operations.

#### *Transactions team*

The transactions team is responsible for originating investments into renewable assets via its global network, as well as debt financing.

#### *Energy markets team*

The energy markets team undertakes fundamental analysis of energy price forecasts and their underlying drivers. The energy markets team also secures favourable pricing and reduces exposure to changes in electricity prices for the power generated by the Company's portfolio of Renewable Energy Assets.

#### *Asset management team*

The asset management team is responsible for day-to-day renewable energy asset management. This includes managing outsourced services from third party providers who provide services alongside the Octopus Renewables' experienced in-house commercial asset management team. The asset management team includes 9 engineers responsible for all technical and construction management work related to the portfolio of renewable assets managed by the Investment Manager. A health and safety director provides specialist health and safety advice across the assets managed by the Investment Manager.

#### *Fund management team*

The fund management team is responsible for overall portfolio and fund management, internal and external reporting, ESG monitoring and reporting sits within the fund management team.

#### *Business operations team*

The business operations team is responsible for controls, governance, processes, admin support, systems and leading business improvement initiatives to set the Octopus Renewables business up for scale.

The Octopus Renewables team is supported by centralised centres of expertise within the Octopus Group including risk & compliance, human resources, information technology, legal, internal audit, central finance, funds finance and treasury.

### **2.3 The Management Agreement**

The AIFM and the Company have entered into the Management Agreement, a summary of which is set out at paragraph 6.2 of Part 4 of this Registration Document.

Under the Management Agreement, the AIFM receives from the Company a management fee of 0.95 per cent. per annum of Net Asset Value up to £500 million and 0.85 per cent. per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee or asset level fees are payable to the AIFM under the Management Agreement.

The AIFM is responsible for the payment of the Investment Manager's fees.

The Management Agreement is for an initial term of five years from the date of First Admission and thereafter subject to termination on not less than 12 months' written notice by either party. The Management Agreement can be terminated at any time in the event of the insolvency of the Company or the AIFM, in the event that the AIFM ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Management Agreement) or if certain key members of the Octopus Renewables team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

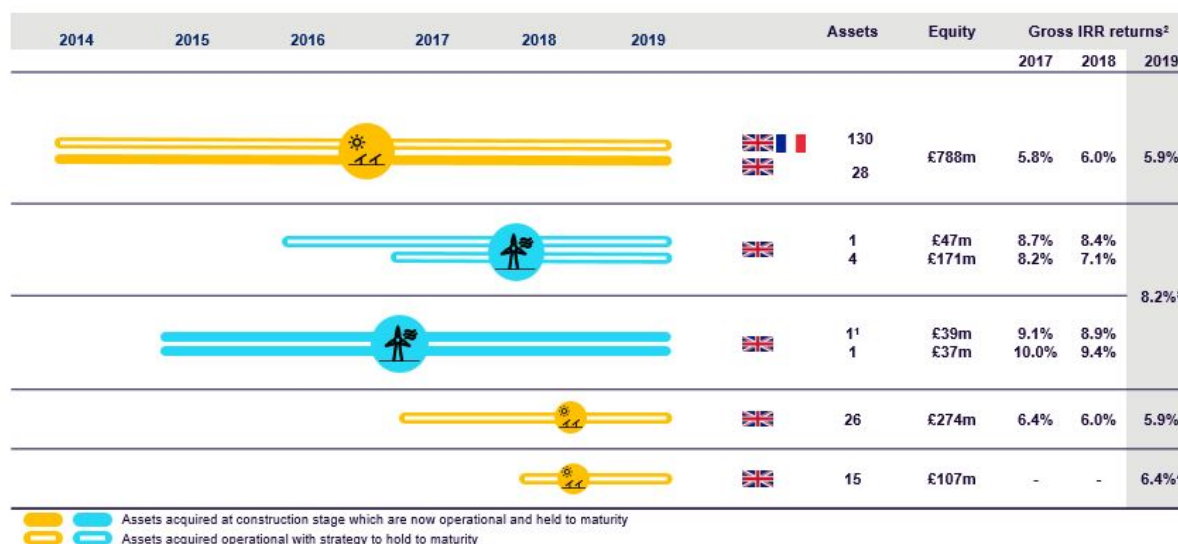
## 2.4 Octopus Track Record

The track record of the Octopus Renewables team in relation to providing investment management services to investor groups with (i) construct and sell strategies; and (ii) operational buy and hold strategies is set out in the two graphs below.

Track record of investor groups with construct and sell strategies<sup>5</sup>



Track record of investor groups with operational buy and hold strategies<sup>6</sup>



<sup>5</sup> The data above show gross exit IRR returns, which do not include any set-up or management fees on the historic portfolios. The gross exit IRR in the construct & sell strategy is for three different investor types and does not show fund level returns. The return reflects the initial investment, any equity inflows and outflows, and the value achieved at exit, gross of any set-up or management fees. The exits have been to either Octopus Managed Funds or external buyers. The gross exit IRR of 10.5% reflects the average IRRs realised by EIS (enterprise investment scheme) equity investors at different exit dates. Certain EIS investments in Italy that are following a construct and sell strategy are now operational (the Italian assets whose Asset Status is Constructed in the above table) but have not been included in the above gross exit IRR as they have not been exited yet. Based on a forecast exit valuation for these assets, the gross exit IRR for this investor group, inclusive of these operational but not exited assets, would be 8.2%. The gross exit IRR of 11.5% reflects the average IRRs realised by IHT (inheritance tax) equity investors at different exit dates. The gross exit IRR of 8.6% reflects the average IRRs realised by VCT (venture capital trusts) equity investors at different exit dates. The historic portfolios and the Italian assets referred to above included/include assets that would at points in time have been both levered and unlevered, with the level of leverage varying between levered assets. This data refers to specific past performance and should not be considered a reliable indicator of future results.

<sup>6</sup> 1. A third wind construction asset in which an Octopus Managed Fund acquired a 50% stake is held in a portfolio which is not presented in this table. 2. Gross IRR returns have been shown, which do not include any set-up or management fees. Annual valuations occur at June to calculate the gross IRRs, for the asset life and at a particular point in time. The IRRs take into account all cash in and out prior to the valuation date. 3. The portfolios include both levered and unlevered assets with the level of leverage varying between levered assets. In 2018, 7 wind assets were refinanced and their operational IRRs are now reported together. 4. Portfolio was acquired in 2018, hence first available annual valuation is as of June 2019. The data refers to specific past performance and should not be considered a reliable indicator of future results.



## 2.5 The Octopus Team

The key individuals responsible for executing the Company's investment strategy are:

### *Matt Setchell – Co-head of Octopus Renewables*

Matt is Co-head of Octopus Renewables, a team that he started nine years ago and has built to over 70 people with over £3 billion of energy assets under management. During this time, Matt led Octopus' investment into Lightsource Renewable Energy (now Lightsource BP) and oversaw the growth of that business from start up to exit. He also led the team's expansion strategy from an initial focus on UK solar PV into onshore wind and other renewable energy assets across Europe and Australia. Matt is chairman of the Octopus Renewables investment committee and a member of the Investment Manager's executive committee. Prior to joining the Octopus Group, Matt was an investment manager at Shore Capital and a manager at PwC. He has an MBA from Cambridge University and an Economics degree from Bristol University.

### *Alex Brierley – Co-head of Octopus Renewables*

Alex joined Octopus Renewables as Co-head in 2015 to help develop the energy strategy, originate and structure investments in new areas and to widen Octopus Renewables' investor relationships. Alex manages Octopus Renewables' private institutional funds which serve several large pension and insurance company investors. Alex is a member of the Investment Manager's executive committee. Prior to joining Octopus Renewables, Alex was Director in the Energy and Environmental Infrastructure team at Ernst & Young LLP where he provided a wide range of corporate and project finance services to leading investors in the renewable energy industry. Alex is a member of the Institute of Chartered Accountants of Scotland, qualifying in 2003.

### *Chris Gaydon – Investment Director*

Chris joined Octopus Renewables as an investment director in 2015, is a long-standing member of the Octopus Renewables investment committee and a director of several of Octopus Renewables' wind and solar special purpose vehicles. Chris originated and led one of the largest wind farm portfolio acquisitions in the UK valued at c.£320 million and led the transaction team that delivered over £1 billion of debt and equity transactions. Chris now focuses on the origination of acquisition opportunities and fundraising, as well as strategic investments in related sectors. Prior to joining Octopus, Chris was a business development director at Falck Renewables where he had a range of roles, including in M&A and leading greenfield development in France and Poland. Chris holds a Bachelor of Commerce (Finance) degree and a Bachelor of Engineering (Chemical) degree from the University of Sydney.

### *Sam Reynolds – Managing Director, Octopus Australia*

Sam joined Octopus Group in 2012. Sam has overall responsibility for the strategic direction and day-to-day running of the Octopus Australia team. Before relocating back to Australia, Sam was head of the transaction team within Octopus Renewables in London and has led over £2.1 billion of investment into UK and European renewable energy assets, structuring both primary and secondary transactions. Previously, Sam worked at Elders Group and in the corporate lending team at ANZ Banking Group in Australia. After moving from Australia to the UK, he spent eight years working in corporate finance, specialising in the energy and technology sectors with Execution Noble Group. Sam holds a Bachelor of Commerce degree from the University of New England.

### *Katrina Shenton – Fund Management Director*

Katrina leads the fund management team within Octopus Renewables. Katrina joined in 2011 and delivered hundreds of solar deals as manager of the transaction team before moving into portfolio management in 2015. She is a board member of numerous investment vehicles including OVCT3, OVCT4, REIP I, REIP II and REIP III. Prior to joining Octopus, Katrina spent 11 years as part of the senior management team at Solarcentury, a leading solar power company, having previously worked at IBM and an environmental charity. Katrina was awarded an MBA with distinction from the London Business School in 2008 and has a degree in Mathematical Statistics and Operational Research from Exeter University. She recently completed the INSEAD Women Leadership Programme.

#### *Sam Goss – Transaction Team Director*

Sam co-heads the transaction team within Octopus Renewables and is a long-standing member of the Octopus Renewables investment committee. Since joining in 2014, he has driven various new business areas, including the entry strategy and first transaction in the Nordics. Since then, Sam has carved out and headed the project finance team and has driven investment platform initiatives in energy efficiency, metering, battery storage and PPAs. Prior to joining Octopus, he was an investment director at Platina Partners, responsible for investing in pan-European wind power and corporate turnaround transactions. Before that he worked making investments in high growth SMEs in Latin America and China and then joined European Capital where he was responsible for investing in mid-market buyouts and mezzanine debt. Sam holds a BSc in Geography with Economics from the London School of Economics, an MSc in Economics for Development from Oxford University and an MBA from INSEAD.

#### *Peter Dias – Investment Director*

Peter is co-head of the transaction team within Octopus Renewables and is responsible for new investments, asset sales and project finance. Peter joined Octopus in 2014 and since then has led £1 billion of renewable investments and project financings including Octopus Renewables' first investment in onshore wind in 2015. He is a director for all wind projects managed by Octopus Renewables in the UK and France and sits on the investment committee for Octopus Australia. Prior to Octopus, Peter worked in M&A and project finance for International Power/GDF Suez. He is a chartered management accountant and has an economics degree from Manchester University.

#### *Chris Carlson – Investment Director*

Chris is an investment director in the Octopus Renewables transaction team. Chris focusses on investments in energy infrastructure assets spanning renewable generation, storage and flexible generation. Prior to joining Octopus Renewables, Chris was a Senior Manager at Macquarie Bank where he worked in the corporate and asset finance group developing investments in smart metering and other energy infrastructure assets. Chris has 20 years of financial and professional services experience, mainly in the real estate and energy industries. Chris graduated with a Bachelor of Commerce from the University of British Columbia, is a Chartered Accountant (Canada) and holds the Chartered Financial Analyst designation.

#### *David Hastings – Asset Management Director*

David is an asset management director in the Octopus Renewables transaction team. David leads on the technical due diligence of new opportunities, negotiation of construction, asset management and service agreements in addition to construction oversight, contractor warranty/service performance and facilitating insurance solutions for new and existing assets. David is also a member of the investment committee for Octopus Australia. Prior to joining Octopus Renewables, David was global project director for an equity fund manager focussed on renewables in emerging markets in Africa and Asia. David has over 30 years of construction and asset management experience, including over 20 years in the renewable energy industry across 6 continents. David graduated with a BEng (Distinction) from Abertay University in the UK.

#### *Mike Bullard – Asset Management Director*

Mike is an asset management director in the Octopus Renewables team. Mike is focused on managing the construction of wind, solar and thermal assets and overseeing the technical and engineering team during the operational phase. Prior to joining Octopus, Mike was managing director of a waste and energy design and construction company, Anaergia. Prior to this, Mike worked for Waste Recycling Group in the development team leading private finance initiative waste tenders and developing in-house, balance sheet renewable energy projects. Mike's early career was in agricultural and bioenergy research and development, with a total of 25 years post-doctoral research and industry experience. Mike has a doctorate from University of York and a BSc (biology) from Liverpool JMU.

#### *James Murray – Health and Safety Director*

James is the health and safety director for Octopus Renewables. James works across all projects from investment to fully functional operating assets. Prior to joining Octopus, James was the safety director for Falck Renewables and for Nordex UK. James has over 20 years' experience in the wind and renewable sector across Europe and North America and prior to that, extensive experience in large UK construction

projects. James graduated with a BSc in Construction Management from Liverpool University and has a variety of specialist health and safety qualifications.

*Thomas Rosser – Head of Asset Management*

Tom heads the asset management team within Octopus Renewables. Tom has spent the last 5 years managing the portfolio of assets managed by Octopus Renewables working across all aspects of asset management including contract management, strategic decision making, operational issue management, directorship services, construction management and optimisation projects. Prior to Octopus, Tom worked as a manager at Deloitte LLP in their financial services team, primarily specialising in the investment management and private equity industries. Tom has an undergraduate master's degree in physics from Warwick University and is a qualified chartered accountant.

*Shalon Spencer – Head of Legal*

Shalon is the head of the Octopus Renewables legal team, advising on legal matters across asset management, energy investment, governance and risk as well as structuring and interfacing with external legal support. Prior to joining Octopus, Shalon spent twelve years at magic circle firm, Linklaters LLP, sitting within the energy and infrastructure practice. She has extensive experience advising a broad range of clients in the renewables sector, including sponsors, financial institutions, export credit agencies and governments on a range of project and acquisition financings, M&A and commercial transactions as well as regulatory matters. Shalon has a degree in law from Cambridge University.

*Laura Halstead – Business Operations Director*

Laura leads the business operations team. In this role she is responsible for internal processes, technology and governance within Octopus Renewables and drives a portfolio of business improvement initiatives. Prior to this, Laura held positions at MSCAdvisory, Serpentine Galleries and Deloitte LLP where she spent 11 years in consulting for clients, specialising in business transformation, programme management, change management and business planning. Laura holds a first class degree in economics (BSc) from Nottingham University.

### **3. OTHER ARRANGEMENTS**

#### **3.1 Administrator**

The Administrator is responsible for the maintenance of the books and financial accounts of the Company and the calculation of the Net Asset Value of the Ordinary Shares and/or C Shares as applicable based on asset valuations provided by the AIFM.

The secretarial services to be provided by the Administrator will include overseeing production of the Company's annual and half-yearly reports, assisting with regulatory compliance and providing support to the Board's corporate governance process and its continuing compliance under the Listing Rules and the Disclosure Guidance and Transparency Rules. In addition, the Administrator will be responsible for liaising with the Company, the AIFM, the Investment Manager and the Registrar in relation to the payment of dividends, as well as general secretarial functions required by the Companies Act (including but not limited to the maintenance of the Company's statutory books).

The Administrator is entitled to an annual fund administration and company secretarial fee for services provided to the Company of £120,000 (exclusive of VAT) per annum for the Net Asset Value up to £250 million plus an incremental fee calculated at the rate of 0.025 per cent. per annum of Net Asset Value in excess of £250 million. The Administrator will also receive a fee for services provided in connection with the Share Issuance Programme, other meetings held outside the scheduled quarterly board meetings on a time spent basis and other services rendered outside the scope of services in the Administration Agreement.

Details of the Administration Agreement are set out in paragraph 6.4 of Part 4 of this Registration Document.

### **3.2 Depositary**

The Depositary provides the Company with depositary services which include safekeeping of the assets of the Company, oversight (for example monitoring continuing compliance with the Company's investment policy and ensuring that the Company's cashflows are properly monitored, and that all payments made by or on behalf of investors upon the subscription for shares are received) and reporting any breaches, anomalies and discrepancies. The Depositary is permitted to delegate (and authorise its delegates to sub-delegate) the safekeeping of the assets of the Company.

The Depositary is entitled to a fee depending on the gross assets of the Company subject to a minimum fee of £30,000 (exclusive of VAT) per annum. The Depositary is also entitled to a fee per transaction taken on behalf of the Company.

Details of the Depositary Agreement are set out in paragraph 6.3 of Part 4 of this Registration Document.

### **3.3 Registrar**

The Company utilises the services of Computershare Investor Services PLC as registrar in relation to the transfer and settlement of Ordinary Shares and/or C Shares as applicable. Under the terms of the Registrar Agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders, the number of transfers processed and any Common Reporting Standard on-boarding, filings or changes. The annual minimum fee is £4,800 (exclusive of VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time.

Details of the Registrar Agreement are set out in paragraph 6.5 of Part 4 of this Registration Document.

### **3.4 Auditor**

PricewaterhouseCoopers LLP provides audit services to the Company. The annual report and accounts will be prepared according to the accounting standards laid out under IFRS. The fees charged by the Auditor depend on the services provided and on the time spent by the Auditor on the affairs of the Company; there is therefore no maximum amount payable under the Auditor's engagement letter.

## **4. FEES AND EXPENSES**

### **4.1 Formation and initial expenses**

The formation and initial expenses of the Company are those that arise from, or are incidental to, the establishment of the Company, the First Issue and First Admission. These expenses include the fees and commissions payable under the Share Issuance Agreement, Receiving Agent's fees, listing and admission fees, printing, legal and accounting fees and any other applicable expenses which will be met by the Company and paid on or around First Admission out of the Initial Gross Proceeds.

The costs and expenses of, and incidental to, the formation of the Company and the First Issue are not expected to exceed 2 per cent. of the Initial Gross Proceeds, equivalent to approximately £5 million assuming Initial Gross Proceeds of £250 million. The costs will be deducted from the Initial Gross Proceeds. The Company will not charge investors any separate costs or expenses in connection with the First Issue. It is expected that the starting Net Asset Value per Ordinary Share will be £0.98, assuming Initial Gross Proceeds of £250 million.

### **4.2 Ongoing annual expenses**

The Company will also incur ongoing annual expenses which will include fees paid to the AIFM and other service providers as described above in addition to other expenses which are currently expected to amount to 1.30 per cent. of Net Asset Value per annum (excluding all costs associated with making and realising investments) assuming a Net Asset Value on First Admission of £245 million.

## **5. CORPORATE GOVERNANCE**

The Disclosure Guidance and Transparency Rules require the Company to: (i) make a corporate governance statement in its annual report and accounts based on the code to which it is subject, or with which it

voluntarily complies; and (ii) describe its internal control and risk management arrangements. The Board has considered the principles and recommendations of the AIC Code. The AIC Code, addresses all the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to listed investment companies. The Board considers that reporting against the principles and recommendations of the AIC Code, will provide better information to Shareholders. As a recently incorporated company, the Company does not yet comply with the UK Corporate Governance Code or the principles of good governance contained in the AIC Code. However, the Company intends to join the AIC as soon as practicable following First Admission, and arrangements have been put in place so that, with effect from First Admission, the Company will comply with the AIC Code which complements the UK Corporate Governance Code and provides a framework of best practice for listed investment companies.

The UK Corporate Governance Code includes provisions relating to:

- the appointment of a senior independent director;
- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

It is acknowledged in the UK Corporate Governance Code that some of its provisions may not be relevant to externally managed investment companies (such as the Company). The Board does not consider that the above provisions are relevant to the Company. The Company will therefore not comply with these provisions.

The Company's Audit and Risk Committee consists of all of the Directors and is chaired by Audrey McNair. The Audit and Risk Committee will meet at least three times a year. The Board considers that the members of the Audit and Risk Committee have the requisite skills and experience to fulfil the responsibilities of the Audit and Risk Committee. The Audit and Risk Committee will examine the effectiveness of the Company's control systems. It will review the half-yearly and annual reports and also receive information from the AIFM and the Investment Manager. It will also review the scope, results, cost effectiveness, independence and objectivity of the external auditor.

In accordance with the AIC Code, the Company has established a Management Engagement Committee which is chaired by James Cameron and consists of all of the Directors. The Management Engagement Committee will meet at least once a year or more often if required. Its principal duties will be to consider the terms of appointment of the AIFM and other service providers and it will annually review those appointments and the terms of engagement.

The Company's Remuneration Committee consists of all of the Directors and is chaired by Elaina Elzinga. The Remuneration Committee will meet at least once a year or more often if required. The Remuneration Committee's main functions include: (i) agreeing the policy for the remuneration of the Directors and reviewing any proposed changes to the policy; (ii) reviewing and considering ad hoc payment to the Directors in relation to duties undertaken over and above normal business; and (iii) appointing independent professional remuneration advice.

The Company's Nomination Committee consists of all of the Directors and is chaired by Philip Austin. The Nomination Committee will meet at least once a year or more often if required. Its principal duties will be to advise the Board on succession planning bearing in mind the balance of skills, knowledge and experience existing on the Board and will make recommendations to the Board in this regard. The Nomination Committee advises the Board on its balance of relevant skills, experience, gender, race, ages and length of service of the Directors serving on the Board. All appointments to the Board will be made in a formal and transparent matter.

## **6. DIRECTORS' SHARE DEALINGS**

The Directors will comply with the share dealing code adopted by the Company in accordance with MAR in relation to their dealings in Ordinary Shares and/or C Shares as applicable. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors.

## **PART 4**

### **GENERAL INFORMATION**

#### **1. THE COMPANY**

- 1.1 The Company was incorporated with the name Octopus Renewables Infrastructure Trust Plc in England and Wales on 11 October 2019 with registered number 12257608 as a public company limited by shares under the Companies Act. The Company's legal entity identifier number is 213800B81BFJKWM2JV13.
- 1.2 The registered office and principal place of business of the Company is Mermaid House, 2 Puddle Dock, London EC4V 3DB with telephone number +44 (0) 207 653 9690.
- 1.3 The principal legislation under which the Company operates is the Companies Act. As an investment trust, the Company will not be regulated as a collective investment scheme by the FCA. However, from First Admission, the Company and the Shareholders will be subject to the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, the Prospectus Regulation, MAR and the rules of the London Stock Exchange.
- 1.4 The principal activity of the Company is to invest in a diversified portfolio of Renewable Energy Assets in Europe and Australia.
- 1.5 Save for entry into of the material contracts summarised in paragraph 6 of this Part 4, the Company has not commenced operations since incorporation and, as at the date of this Registration Document, no financial statements have been made up and no dividends have been declared by the Company.
- 1.6 The Company's accounting period will end on 31 December of each year. The first accounting period will end on 31 December 2020. The annual report and accounts will be prepared in Sterling according to accounting standards laid out under IFRS.
- 1.7 On 6 November 2019, the Company was granted a certificate under section 761 of the Companies Act entitling it to commence business and to exercise its borrowing powers.
- 1.8 The Company is domiciled in England and Wales, does not have any employees and does not own any premises and, as at the date of this Registration Document, has no subsidiaries.
- 1.9 The Company has given notice to the Registrar of Companies of its intention to carry on business as an investment company pursuant to section 833 of the Companies Act.
- 1.10 The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of sections 1158 and 1159 (and regulations made thereunder) of the CTA 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the conditions and requirements that must be met for approval by HMRC as an investment trust, and which must continue to be met for each accounting period in respect of which the Company is approved as an investment trust, are that:
  - all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;
  - the Company is not a close company at any time during the accounting period;
  - the Company's ordinary share capital is admitted to trading on a regulated market throughout the accounting period;
  - the Company must not retain in respect of the accounting period an amount greater than the higher of: (a) 15 per cent. of its income for the period; and (b) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (a) and (b) above, it may retain an amount equal to the amount of such losses; and



- the Company notifies HMRC if it revises its published investment policy.

## 2. SHARE CAPITAL

2.1 On incorporation, the issued share capital of the Company was £0.01 represented by one Ordinary Share, which was subscribed for by Octopus Investments Nominees Limited.

2.2 Set out below is the issued share capital of the Company as at the date of this Registration Document:

	<i>Aggregate nominal value</i>	<i>Number</i>
Ordinary Share	£0.01	1
Management Shares	£50,000	50,000

The Ordinary Share in issue is fully paid up and will be transferred to a placee under the First Placing. To enable the Company to obtain a certificate of entitlement to conduct business and to borrow under section 761 of the Companies Act, on 1 November 2019, 50,000 Management Shares were allotted to Octopus Investments Nominees Limited. The Management Shares are paid up as to one quarter of their nominal value and will be redeemed immediately following First Admission out of the proceeds of the First Issue.

2.3 Set out below is the issued share capital of the Company as it will be immediately following the First Issue (assuming 250 million Ordinary Shares are allotted):

	<i>Aggregate Nominal value (£)</i>	<i>Number</i>
Ordinary Shares	2,500,000	250,000,000

All Ordinary Shares will be fully paid.

2.4 By ordinary and special resolutions passed on 1 November 2019:

2.4.1 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 350 million Ordinary Shares pursuant to the First Issue, such authority to expire immediately following First Admission, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted in pursuance of such an offer or agreement as if such authority had not expired;

2.4.2 the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.1 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire immediately following First Admission, save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which would or might require Ordinary Shares to be allotted or sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;

2.4.3 the Directors were generally and unconditionally authorised in accordance with section 551 of the Companies Act to exercise all the powers of the Company to allot up to 750 million Ordinary Shares and/or C Shares in aggregate following First Admission, such authority to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require Ordinary Shares and/or C Shares to be allotted in pursuance of such an offer or agreement as if such authority had not expired;

2.4.4 the Directors were generally empowered (pursuant to sections 570 and 573 of the Companies Act) to allot Ordinary Shares and/or C Shares and to sell Ordinary Shares from treasury for cash pursuant to the authority referred to in paragraph 2.4.3 above as if section 561 of the Companies Act did not apply to any such allotment or sale, such power to expire at the conclusion of the first annual general meeting of the Company, save that the Company may, at any time prior to the expiry of such power make an offer or enter into an agreement which

- would or might require Ordinary Shares and/or C Shares to be allotted or Ordinary Shares sold from treasury after the expiry of such power, and the Directors may allot or sell from treasury equity securities in pursuance of such an offer or agreement as if such power had not expired;
- 2.4.5 the Company was authorised in accordance with section 701 of the Companies Act to make market purchases (within the meaning of section 693(4) of the Companies Act) of Ordinary Shares provided that the maximum number of Ordinary Shares authorised to be purchased is 14.99 per cent. of the Ordinary Shares in issue immediately following First Admission. The minimum price which may be paid for an Ordinary Share is £0.01. The maximum price (exclusive of expenses) which may be paid for an Ordinary Share must not be more than the higher of (i) 5 per cent. above the average of the mid-market quotations of the Ordinary Shares for the five Business Days (where “Business Day” is any day on which the London Stock Exchange is open for business and banks are open for business in London (excluding Saturdays and Sundays)) before the purchase is made, and (ii) the higher of (a) the price of the last independent trade and (b) the highest current independent bid for Ordinary Shares on the London Stock Exchange at the time the purchase is carried out. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and 30 April 2021, save that the Company may contract to purchase Ordinary Shares under the authority thereby conferred prior to the expiry of such authority, which contract will or may be executed wholly or partly after the expiry of such authority and may purchase Ordinary Shares in pursuance of such contract;
- 2.4.6 the Company resolved that, conditional upon First Admission and subject to the confirmation and approval of the Court, the amount standing to the credit of the share premium account of the Company immediately following completion of the First Issue be cancelled, and the amount of the share premium account so cancelled be credited to a reserve;
- 2.4.7 the Directors were authorised to declare and pay all dividends of the Company as interim dividends and for the last dividend referable to a financial year not to be categorised as a final dividend that is subject to shareholder approval; and
- 2.4.8 the Company was authorised to call a general meeting of the Company other than an annual general meeting on not less than 14 clear days’ notice.
- 2.5 The provisions of section 561(1) of the Companies Act (which, to the extent not disapplied pursuant to sections 570 and 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) apply to issues by the Company of equity securities save to the extent disapplied as mentioned in paragraphs 2.4.2 and 2.4.4 above.
- 2.6 In accordance with the authorities referred to in paragraphs 2.4.1 and 2.4.2 above, it is expected that the Ordinary Shares to be issued pursuant to the First Issue will be allotted (conditionally upon First Admission) pursuant to a resolution of the Board to be passed shortly before First Admission in accordance with the Companies Act.
- 2.7 Save as disclosed in this paragraph 2, no share or loan capital of the Company has since the date of incorporation of the Company been issued or been agreed to be issued, fully or partly paid, either for cash or for a consideration other than cash, and, other than pursuant to the Share Issuance Programme, no such issue is now proposed.
- 2.8 As at the date of this Registration Document, the Company has not granted any options over its share or loan capital which remain outstanding and has not agreed, conditionally or unconditionally to grant any such options and no convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.9 All of the Ordinary Shares expected to be issued pursuant to the First Issue and the Ordinary Shares and/or C Shares expected to be issued under the Shares Issuance Programme will be in registered form and will be eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.10 There are no restrictions on the free transferability of the Ordinary Shares or C Shares, subject to compliance with applicable securities law.

- 2.11 Applicants who have signed and returned Application Forms in respect of the Offer for Subscription may not withdraw their applications for Ordinary Shares subject to their statutory rights of withdrawal in the event of the publication of a supplementary prospectus.

### **3. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS**

- 3.1 Immediately following First Admission, no Director will have any interest, whether beneficial or non-beneficial, in the share or loan capital of the Company.
- 3.2 No Director has a service contract with the Company, nor are any such contracts proposed, each Director having been appointed pursuant to a letter of appointment entered into with the Company. Each Director will retire from office at each annual general meeting except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held. The Directors' appointments can be terminated in accordance with the Articles and on three months' written notice, in both cases without compensation. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for six consecutive months or more; or (iii) written request of all of the other Directors.
- 3.3 Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. Save for the Chairperson, the initial fees will be £30,000 for each Director per annum. The Chairperson's initial fee will be £45,000 per annum. The Chairperson of the Audit and Risk Committee will receive an additional £6,000 per annum. The Directors are also entitled to out-of-pocket expenses incurred in the proper performance of their duties. Each of the Directors, save for Elaina Elzinga (who is a U.S. Person), has agreed that any fees payable to them shall, save where the Company and the Directors agree otherwise, be satisfied in Ordinary Shares transferred at market value, such Ordinary Shares to be acquired on behalf of the Directors and for their account by the Company's broker. Any Ordinary Shares transferred to the Directors pursuant to these arrangements shall be subject to the terms of the Lock-in Deed.
- 3.4 No amount has been set aside or accrued by the Company to provide pensions, retirement or other similar benefits.
- 3.5 None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or that has been affected by the Company since its incorporation.
- 3.6 The Company has not made any loans to the Directors which are outstanding, nor has it ever provided any guarantees for the benefit of any Director or the Directors collectively.
- 3.7 Over the five years preceding the date of this Registration Document, the Directors hold or have held the following directorships (apart from their directorships of the Company) or memberships of administrative, management or supervisory bodies and/or partnerships:

<i>Name</i>	<i>Current</i>	<i>Previous</i>
Philip Austin	Blackstone/GSO Debt Funds Europe Ltd City Merchants High Yield Trust Ltd Jersey Electricity plc Ravenscroft Cash Management Ltd	3i Infrastructure plc Blackstone/GSO Loan Financing Ltd Citizens Advice Bureau, Jersey Future Finance Group Invesco Property Income Trust Ltd Jordans (CI) Ltd Organising Committee, 2015 NatWest Island Games

<i>Name</i>	<i>Current</i>	<i>Previous</i>
James Cameron	Enterprise and Environment Ltd Green Running Limited Ignite Power Overseas Development Institute	Agrica Limited Climate Change Capital Group Limited Climate Change Holdings Limited CDP Worldwide China Dialogue Services Limited China Dialogue Trust Engaged Tracking (ET) Index Ltd
Elaina Elzinga	Farmcare Trading Limited Gower Place Investments Limited Wellcome Trust Investments 1 Unlimited Wellcome Trust Investments 2 Unlimited Wellcome Trust Pensions Trustee Limited	Wellcome Trust Investments 3 Unlimited Wellcome Trust Residential 1 Limited Wellcome Trust Residential 2 Limited
Audrey McNair	British Friendly Society Jupiter Emerging and Frontier Income Trust plc	Earl Shilton Building Society

3.8 The Directors in the five years before the date of this Registration Document:

3.8.1 do not have any convictions in relation to fraudulent offences;

3.8.2 have not been associated with any bankruptcies, receiverships, liquidations or administration of any partnership or company through acting in the capacity as a member of the administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

3.8.3 do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administration, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

3.9 As at the date of this Registration Document insofar as known to the Company, there are no parties known to have a notifiable interest under English law in the Company's capital or voting rights.

3.10 All Shareholders have the same voting rights in respect of shares of the same class in the share capital of the Company.

3.11 Pending the allotment of Ordinary Shares pursuant to the First Issue, the Company is controlled by Octopus Investments Nominees Limited, as described in paragraph 2 of this Part 4. The Company and the Directors are not aware of any other person who, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

3.12 The Company and the Directors are not aware of any arrangements, the operation of which may at a subsequent date result in a change in control of the Company.

3.13 Save for the entry into of the Directors' appointment letters and the Management Agreement, the Company has not entered into any related party transaction at any time during the period from incorporation to 18 November 2019 (the latest practicable date prior to the publication of this Registration Document).

- 3.14 The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### **4. THE ARTICLES**

The Articles contain provisions, *inter alia*, to the following effect:

##### **4.1 Objects/Purposes**

The Articles do not provide for any objects of the Company and accordingly the Company's objects are unrestricted.

##### **4.2 Voting rights**

- 4.2.1 Subject to the provisions of the Companies Act, to any special terms as to voting on which any shares may have been issued or may from time-to-time be held and any suspension or abrogation of voting rights pursuant to the Articles, at a general meeting of the Company every shareholder who is present in person shall, on a show of hands, have one vote, every proxy who has been appointed by a shareholder entitled to vote on the resolution shall, on a show of hands, have one vote and every shareholder present in person or by proxy shall, on a poll, have one vote for each share of which he/she is a holder. A shareholder entitled to more than one vote need not, if he/she votes, use all his/her votes or vest all the votes he/she uses the same way. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- 4.2.2 Unless the Board otherwise determines, no shareholder is entitled to vote at a general meeting or at a separate meeting of shareholders of any class of shares, either in person or by proxy, or to exercise any other right or privilege as a shareholder in respect of any share held by him, unless all calls presently payable by him in respect of that share, whether alone or jointly with any other person, together with interest and expenses (if any) payable by such shareholder to the Company have been paid.
- 4.2.3 Notwithstanding any other provision of the Articles, where required by the Listing Rules, a vote must be decided by a resolution of the holders of the Company's shares that have been admitted to premium listing. In addition, where the Listing Rules require that a particular resolution must in addition be approved by the independent shareholders (as such term is defined in the Listing Rules), only independent shareholders who hold the Company's shares that have been admitted to premium listing can vote on such separate resolution.

##### **4.3 Dividends**

- 4.3.1 Subject to the provisions of the Companies Act and of the Articles, the Company may by ordinary resolution declare dividends to be paid to shareholders according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board.
- 4.3.2 Subject to the provisions of the Companies Act, the Board may declare and pay such interim dividends (including any dividend payable at a fixed rate) as appears to the Board to be justified by the profits of the Company available for distribution. If at any time the share capital of the Company is divided into different classes, the Board may pay such interim dividends on shares which rank after shares conferring preferential rights with regard to dividends as well as on shares conferring preferential rights, unless at the time of payment any preferential dividend is in arrears. Provided that the Board acts in good faith, it shall not incur any liability to the holders of shares conferring preferential rights for any loss that they may suffer by the lawful payment of any interim dividend on any shares ranking after those preferential rights.
- 4.3.3 All dividends, interest or other sums payable and unclaimed for a period of 12 months after having become payable may be invested or otherwise used by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of 12 years after having become payable shall, if the Board so resolves, be forfeited and shall cease to remain owing by, and shall become the property of, the Company.

- 4.3.4 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.
- 4.3.5 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 shares the right to elect to receive 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.
- 4.3.6 Unless the Board otherwise determines, the payment of any dividend or other money that would otherwise be payable in respect of shares will be withheld if such shares represent at least 0.25 per cent. in nominal value of their class and the holder, or any other person whom the Company reasonably believes to be interested in those shares, has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his/her interests in the Company's shares and has failed to supply the required information within 14 calendar days. Furthermore, such a holder shall not be entitled to elect to receive shares instead of a dividend.

#### 4.4 *Distribution of assets on a winding-up*

- 4.4.1 If the Company is wound up, with the sanction of a special resolution and any other sanction required by law and subject to the Companies Act, the liquidator may divide among the Shareholders in specie the whole or any part of the assets of the Company and for that purpose may value any assets and determine how the division shall be carried out as between the Shareholders or different classes of Shareholders. With the like sanction, the liquidator may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the Shareholders as he/she may with the like sanction determine, but no Shareholder shall be compelled to accept any shares or other securities upon which there is a liability.

#### 4.5 *Transfer of shares*

- 4.5.1 Subject to any applicable restrictions in the Articles, each shareholder may transfer all or any of his/her shares which are in certificated form by instrument of transfer in writing in any usual form or in any form approved by the Board. Such instrument must be executed by or on behalf of the transferor and (in the case of a transfer of a share which is not fully paid up) by or on behalf of the transferee. The transferor is deemed to remain the holder of the share until the transferee's name is entered in the register of shareholders.
- 4.5.2 The Board may, in its absolute discretion, refuse to register any transfer of a share in certificated form (or renunciation of a renounceable letter of allotment) unless:
  - 4.5.2.1 it is in respect of a share which is fully paid up;
  - 4.5.2.2 it is in respect of only one class of shares;
  - 4.5.2.3 it is in favour of a single transferee or not more than four joint transferees;
  - 4.5.2.4 it is duly stamped (if so required); and
  - 4.5.2.5 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 (a) a transfer by a recognised person where a certificate has not been issued (b) a transfer of an uncertificated share or (c) 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 transferor 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/her 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 in certificated form 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 provided that such refusal does not prevent dealings in shares from taking place on an open and proper basis.

- 4.5.3 Unless the Board otherwise determines, a transfer of shares will not be registered if the transferor or any other person whom the Company reasonably believes to be interested in the transferor's shares has been duly served with a notice pursuant to the Companies Act requiring such person to provide information about his/her interests in the Company's shares, has failed to supply the required information within the prescribed period from the service of the notice and the shares in respect of which such notice has been served represent at least 0.25 per cent. in nominal value of their class, unless the shareholder is not himself/herself in default as regards supplying the information required and proves to the satisfaction of the Board that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer, or unless such transfer is by way of acceptance of a takeover offer, in consequence of a sale on a recognised investment exchange or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded or is in consequence of a *bona fide* sale to an unconnected party.
- 4.5.4 If the Board refuses to register a transfer of a share, it shall send the transferee notice of its refusal, together with its reasons for refusal, as soon as practicable and in any event within two months after the date on which the transfer was lodged with the Company or, in the case of an uncertificated share, the date on which appropriate instructions were received by or on behalf of the Company in accordance with the regulations of the relevant electronic system.
- 4.5.5 No fee shall be charged for the registration of any instrument of transfer or any other document relating to or affecting the title to any shares.
- 4.5.6 If at any time the holding or beneficial ownership of any shares in the Company by any person (whether on its own or taken with other shares), in the opinion of the Directors: (i) would cause the assets of the Company to be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA or the U.S. Tax Code; or (ii) would or might result in the Company and/or its shares and/or any of its appointed investment managers or investment advisers being required to register or qualify under the U.S. Investment Company Act, and/or U.S. Investment Advisers Act of 1940 and/or the U.S. Securities Act and/or the U.S. Securities Exchange Act 1934, as amended and/or any laws of any state of the U.S. or other jurisdiction that regulate the offering and sale of securities; or (iii) may cause the Company not to be considered a "Foreign Private Issuer" under the U.S. Securities Exchange Act 1934, as amended; or (iv) may cause the Company to be a "controlled foreign corporation" for the purpose of the U.S. Tax Code; or (v) creates a significant legal or regulatory issue for the Company under the U.S. Bank Holding Company Act 1956, as amended or regulations or interpretations thereunder, or (vi) would cause the Company adverse consequences under the foreign account tax compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 or any similar legislation in any territory or jurisdiction (including the International Tax Compliance Regulation 2015), including the Company becoming subject to any withholding tax or reporting obligation or to be unable to avoid or reduce any such tax or to be unable to comply with any such reporting obligation (including by reason of the failure of the Shareholder concerned to provide promptly to the Company such information and documentation as the Company may have requested to enable the Company to avoid or minimise such withholding tax or to comply with such reporting obligations) then any shares which the Directors decide are shares which are so held or beneficially owned ("**Prohibited Shares**") must be dealt with in accordance with paragraph 4.5.7 below. The Directors may at any time give notice in writing to the holder of a share requiring him to make a declaration as to whether or not the share is a Prohibited Share.
- 4.5.7 The Directors shall give written notice to the holder of any share which appears to them to be a Prohibited Share requiring him within 21 calendar days (or such extended time as the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) such share to another person so that it will cease to be a Prohibited Share. From the date of such notice until registration for such a transfer or a transfer arranged by the Directors as referred

to below, the share will not confer any right on the holder to receive notice of or to attend and vote at a general meeting of the Company and of any class of shareholder and those rights will vest in the Chairperson of any such meeting, who may exercise or refrain from exercising them entirely at his/her discretion. If the notice is not complied with within 21 calendar days to the satisfaction of the Directors, the Directors shall arrange for the Company to sell the share at the best price reasonably obtainable to any other person so that the share will cease to be a Prohibited Share. The net proceeds of sale (after payment of the Company's costs of sale and together with interest at such rate as the Directors consider appropriate) shall be paid over by the Company to the former holder upon surrender by him of the relevant share certificate (if applicable).

- 4.5.8 Upon transfer of a share the transferee of such share shall be deemed to have represented and warranted to the Company that such transferee is acquiring shares in an offshore transaction meeting the requirements of Regulation S and is not, nor is acting on behalf of: (i) a benefit plan investor and no portion of the assets used by such transferee to acquire or hold an interest in such share constitutes or will be treated as "plan assets" of any benefit plan investor under section 3(42) of ERISA; and/or (ii) a U.S. Person.

#### 4.6 *Variation of rights*

- 4.6.1 Subject to the provisions of the Companies Act, if at any time the share capital of the Company is divided into shares of different classes, any of the rights for the time being attached to any shares (whether or not the Company may be or is about to be wound up) may from time-to-time be varied or abrogated in such manner (if any) as may be provided in the Articles by such rights or, in the absence of any such provision, either with the consent in writing of the holders of not less than three-quarters in nominal value of the issued shares of the relevant 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 class.
- 4.6.2 The quorum at every such meeting shall be not less than two persons present (in person or by proxy) holding at least one-third of the nominal amount paid up on the issued shares of the relevant class (excluding any shares of that class held as treasury shares) and at an adjourned meeting not less than one person holding shares of the relevant class or his/her proxy.

#### 4.7 *Alteration of share capital*

The Company may by ordinary resolution:

- 4.7.1 consolidate and divide all or any of its share capital into shares of larger nominal value than its existing shares;
- 4.7.2 subject to the provisions of the Companies Act, sub-divide its shares, or any of them, into shares of smaller nominal value than its existing shares;
- 4.7.3 determine that, as between the shares resulting from such a sub-division, one or more shares may, as compared with the others, have any such preferred, deferred or other rights or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; and
- 4.7.4 redenominate its share capital by converting shares from having a fixed nominal value in one currency to having a fixed nominal value in another currency.

#### 4.8 *General meetings*

- 4.8.1 The Board may convene a general meeting (which is not an annual general meeting) whenever it thinks fit.
- 4.8.2 A general meeting shall be convened by such notice as may be required by law from time-to-time.

- 4.8.3 The notice of any general meeting shall include such statements as are required by the Companies Act and shall in any event specify:
- 4.8.3.1 whether the meeting is convened as an annual general meeting or any other general meeting;
  - 4.8.3.2 the place, the day, and the time of the meeting;
  - 4.8.3.3 the general nature of the business to be transacted at the meeting;
  - 4.8.3.4 if the meeting is convened to consider a special resolution, the text of the resolution and the intention to propose the resolution as such; and
  - 4.8.3.5 with reasonable prominence, that a shareholder entitled to attend and vote is entitled to appoint one or (provided each proxy is appointed to exercise the rights attached to a different share held by the shareholder) more proxies to attend and to speak and vote instead of the shareholder and that a proxy need not also be a shareholder.
- 4.8.4 The notice must be given to the shareholders (other than any who, under the provisions of the Articles or of any restrictions imposed on any shares, are not entitled to receive notice from the Company), to the Directors and the auditors and to any other person who may be entitled to receive it. The accidental omission to give or send notice of any general meeting, or, in cases where it is intended that it be given or sent out with the notice, any other document relating to the meeting including an appointment of proxy to, or the non-receipt of notice by, any person entitled to receive the same, shall not invalidate the proceedings at the meeting.
- 4.8.5 The right of a shareholder to participate in the business of any general meeting shall include without limitation the right to speak, vote, be represented by a proxy or proxies and have access to all documents which are required by the Companies Act or the Articles to be made available at the meeting.
- 4.8.6 A Director shall, notwithstanding that he/she is not a shareholder, be entitled to attend and speak at any general meeting and at any separate meeting of the holders of any class of shares of the Company. The Chairperson of any general meeting may also invite any person to attend and speak at that meeting if he/she considers that this will assist in the deliberations of the meeting.
- 4.8.7 No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business. Subject to the Articles, two persons entitled to attend and to vote on the business to be transacted, each being a shareholder so entitled or a proxy for a shareholder so entitled or a duly authorised representative of a corporation which is a shareholder so entitled, shall be a quorum. If, at any time, there is only one person entitled to attend and to vote on the business to be transacted, such person being the sole shareholder so entitled or a proxy for such sole shareholder so entitled or a duly authorised representative of a corporation which is such sole shareholder so entitled, shall be a quorum. The Chairperson of the meeting may, with the consent of the meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time-to-time (or indefinitely) and from place to place as the meeting shall determine. Where a meeting is adjourned indefinitely, the Board shall fix a time and place for the adjourned meeting. Whenever a meeting is adjourned for 30 calendar days or more or indefinitely, seven clear days' notice at the least, specifying the place, the day and time of the adjourned meeting and the general nature of the business to be transacted, must be given in the same manner as in the case of the original meeting.
- 4.8.8 A resolution put to a vote of the meeting shall be decided on a show of hands unless a poll is duly demanded. Subject to the provisions of the Companies Act, a poll may be demanded by:
- 4.8.8.1 the Chairperson;
  - 4.8.8.2 at least five shareholders having the right to vote on the resolution;
  - 4.8.8.3 a shareholder or shareholders representing not less than 10 per cent. of the total voting rights of all the shareholders having the right to vote on the resolution (excluding any voting rights attached to shares held as treasury shares); or

- 4.8.8.4 a shareholder or shareholders holding shares conferring the right to vote on the resolution, being shares on which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the shares conferring that right (excluding any voting rights attached to shares in the Company conferring a right to vote on the resolution held as treasury shares).

#### 4.9 *Borrowing powers*

The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and, subject to the provisions of the Companies Act, to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

#### 4.10 *Issue of shares*

Subject to the provisions of the Companies Act and to any rights for the time being attached to any shares, any shares may be allotted or issued with or have attached to them such preferred, deferred or other rights or restrictions, whether in regard to dividend, voting, transfer, return of capital or otherwise, as the Company may from time-to-time by ordinary resolution determine or, if no such resolution has been passed or so far as the resolution does not make specific provision, as the Board may determine, and any share may be issued which is, or at the option of the Company or the holder of such share is liable to be, redeemed in accordance with the Articles or as the Directors may determine.

#### 4.11 *Powers of the Board*

The business of the Company shall be managed by the Directors who, subject to the provisions of the Articles and to any directions given by special resolution to take, or refrain from taking, specified action, may exercise all the powers of the Company, whether relating to the management of the business or not. Any Director may appoint any other Director, or any other person approved by resolution of the Directors and willing to act and permitted by law to do so, to be an alternate Director.

#### 4.12 *Directors' fees*

The Directors (other than alternate Directors) shall be entitled to receive by way of fees for their services as Directors such sum as the Board may from time-to-time determine (not exceeding in aggregate £300,000 per annum or such other sum as the Company in general meeting shall from time-to-time determine). Any such fees payable shall be distinct from any salary, remuneration or other amounts payable to a Director pursuant to any other provision of the Articles or otherwise and shall accrue from day to day.

The Directors are entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by them in or about the performance of their duties as Directors.

#### 4.13 *Directors' interests*

- 4.13.1 The Board may authorise any matter proposed to it in accordance with the Articles which would otherwise involve a breach by a Director of his/her duty to avoid conflicts of interest under the Companies Act, including any matter which relates to a situation in which a Director has or can have an interest which conflicts, or possibly may conflict, with the interest of the Company or the exploitation of any property, information or opportunity, whether or not the Company could take advantage of it (excluding any situation which cannot reasonably be regarded as likely to give rise to a conflict of interest). This does not apply to a conflict of interest arising in relation to a transaction or arrangement with the Company. Any authorisation will only be effective if any quorum requirement at any meeting at which the matter was considered is met without counting the Director in question or any other interested Director and the matter was agreed to without their voting or would have been agreed to if their votes had not been counted. The Board may impose limits or conditions on any such authorisation or may vary or terminate it at any time.

- 4.13.2 Subject to having, where required, obtained authorisation of the conflict from the Board, a Director shall be under no duty to the Company with respect to any information which he/she obtains or has obtained otherwise than as a Director and in respect of which he/she has a duty of confidentiality to another person and will not be in breach of the general duties he/she owes to the Company under the Companies Act because he/she fails to disclose any such information to the Board or to use or apply any such information in performing his/her duties as a Director, or because he/she absents himself/herself from meetings of the Board at which any matter relating to a conflict of interest, or possible conflict, of interest is discussed and/or makes arrangements not to receive documents or information relating to any matter which gives rise to a conflict of interest or possible conflict of interest and/or makes arrangements for such documents and information to be received and read by a professional adviser.
- 4.13.3 Provided that his/her interest is disclosed at a meeting of the Board, or in the case of a transaction or arrangement with the Company, in the manner set out in the Companies Act, a Director, notwithstanding his/her office:
- 4.13.3.1 may be a party to or otherwise be interested in any transaction arrangement or proposal with the Company or in which the Company is otherwise interested;
  - 4.13.3.2 may hold any other office or place of profit at the Company (except that of auditor of the Company or any of its subsidiaries) and may act by himself/herself or through his/her firm in a professional capacity for the Company, and in any such case on such terms as to remuneration and otherwise as the Board may arrange;
  - 4.13.3.3 may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any company promoted by the Company or in which the Company is otherwise interested or as regards which the Company has powers of appointment; and
  - 4.13.3.4 shall not be liable to account to the Company for any profit, remuneration or other benefit realised by any office or employment or from any transaction, arrangement or proposal or from any interest in any body corporate. No such transaction, arrangement or proposal shall be liable to be avoided on the grounds of any such interest or benefit nor shall the receipt of any such profit, remuneration or any other benefit constitute a breach of his/her duty not to accept benefits from third parties.
- 4.13.4 A Director need not declare an interest in the case of a transaction or arrangement with the Company if the other Directors are already aware, or ought reasonably to be aware, of the interest or it concerns the terms of his/her service contract that have been or are to be considered at a meeting of the Directors or if the interest consists of him being a director, officer or employee of a company in which the Company is interested.
- 4.13.5 The Board may cause the voting rights conferred by the shares in any other company held or owned by the Company or any power of appointment to be exercised in such manner in all respects as it thinks fit and a Director may vote on and be counted in the quorum in relation to any of these matters.

#### 4.14 *Restrictions on Directors voting*

- 4.14.1 A Director shall not vote on, or be counted in the quorum in relation to, any resolution of the Board or of a committee of the Board concerning any transaction or arrangement in which he/she has an interest which is to his/her knowledge a material interest and, if he/she purports to do so, his/her vote will not be counted, but this prohibition shall not apply in respect of any resolution concerning any one or more of the following matters:
- 4.14.1.1 any transaction or arrangement in which he/she is interested by means of an interest in shares, debentures or other securities or otherwise in or through the Company;
  - 4.14.1.2 the giving of any guarantee, security or indemnity in respect of money lent to, or obligations incurred by him or any other person at the request of or for the benefit of, the Company or any of its subsidiary undertakings;
  - 4.14.1.3 the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he/she

himself/herself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

- 4.14.1.4 the giving of any other indemnity where all other Directors are also being offered indemnities on substantially the same terms;
- 4.14.1.5 any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiary undertakings in which offer he/she is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he/she is to participate;
- 4.14.1.6 any proposal concerning any other body corporate in which he/she does not to his/her knowledge have an interest (as the term is used in Part 22 of the Companies Act) in 1 per cent. or more of the issued equity share capital of any class of such body corporate nor to his/her knowledge holds 1 per cent. or more of the voting rights which he/she holds as shareholder or through his/her direct or indirect holding of financial instruments (within the meaning of the Disclosure Guidance and Transparency Rules) in such body corporate;
- 4.14.1.7 any proposal relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates;
- 4.14.1.8 any proposal concerning insurance which the Company proposes to maintain or purchase for the benefit of Directors or for the benefit of persons who include Directors;
- 4.14.1.9 any proposal concerning the funding of expenditure by one or more Directors on defending proceedings against him or them, or doing anything to enable such Director or Directors to avoid incurring such expenditure; or
- 4.14.1.10 any transaction or arrangement in respect of which his/her interest, or the interest of Directors generally has been authorised by ordinary resolution.

4.14.2 A Director shall not vote or be counted in the quorum on any resolution of the Board or committee of the Board concerning his/her own appointment (including fixing or varying the terms of his/her appointment or its termination) as the holder of any office or place of profit with the Company or any company in which the Company is interested.

#### *4.15 Number of Directors*

Unless and until otherwise determined by an ordinary resolution of the Company, the number of Directors shall be not less than two and the number is not subject to a maximum.

#### *4.16 Directors' appointment and retirement*

- 4.16.1 Directors may be appointed by the Company by ordinary resolution or by the Board. If appointed by the Board, a Director shall hold office only until the next annual general meeting.
- 4.16.2 At each annual general meeting all of the Directors will retire from office except any Director appointed by the Board after the notice of that annual general meeting has been given and before that annual general meeting has been held.

#### *4.17 Notice requiring disclosure of interest in shares*

- 4.17.1 The Company may, by notice in writing, require a person whom the Company knows to be, or has reasonable cause to believe is, interested in any shares or at any time during the three years immediately preceding the date on which the notice is issued to have been interested in any shares, to confirm that fact or (as the case may be) to indicate whether or not this is the case and to give such further information as may be required by the Directors. Such information may include, without limitation, particulars of the person's identity, particulars of the person's own past or present interest in any shares and to disclose the identity of any other person who has a present interest in the shares held by him, where the interest is a present interest and



any other interest, in any shares, which subsisted during that three year period at any time when his/her own interest subsisted to give (so far as is within his/her knowledge) such particulars with respect to that other interest as may be required and where a person's interest is a past interest to give (so far as is within his/her knowledge) like particulars for the person who held that interest immediately upon his/her ceasing to hold it.

4.17.2 If any shareholder is in default in supplying to the Company the information required by the Company within the prescribed period (which is 14 calendar days after service of the notice), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the shareholder. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the “**default shares**”) the shareholder shall not be entitled to vote in general meetings or class meetings. Where the default shares represent at least 0.25 per cent. in nominal value of the class of shares concerned (excluding treasury shares), the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest) and that no transfer of the default shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

#### 4.18 *Untraced shareholders*

Subject to the Articles, the Company may sell any shares registered in the name of a shareholder remaining untraced for 12 years who fails to communicate with the Company following advertisement of an intention to make such a disposal. Until the Company can account to the shareholder, the net proceeds of sale will be available for use in the business of the Company or for investment, in either case at the discretion of the Board. The proceeds will not carry interest.

#### 4.19 *Indemnity of officers*

Subject to the provisions of the Companies Act, but without prejudice to any indemnity to which he/she might otherwise be entitled, every past or present Director (including an alternate Director) or officer of the Company or a director or officer of an associated company (except the auditors or the auditors of an associated company) may at the discretion of the Board be indemnified out of the assets of the Company against all costs, charges, losses, damages and liabilities incurred by him for negligence, default, breach of duty, breach of trust or otherwise in relation to the affairs of the Company or of an associated company, or in connection with the activities of the Company, or of an associated company, or as a trustee of an occupational pension scheme (as defined in section 235(6) Companies Act). In addition, the Board may purchase and maintain insurance at the expense of the Company for the benefit of any such person indemnifying him against any liability or expenditure incurred by him for acts or omissions as a Director or officer of the Company (or of an associated company).

#### 4.20 *Management Shares*

The Management Shares can be redeemed at any time (subject to the provisions of the Companies Act) by the Company and carry the right to receive a fixed annual dividend equal to 0.01 per cent. of the nominal amount of each of the Management Shares payable on demand. For so long as there are shares of any other class in issue, the holders of the Management Shares will not have any right to receive notice of or vote at any general meeting of the Company. If there are no shares of any other class in issue, the holders of the Management Shares will have the right to receive notice of, and to vote at, general meetings of the Company. In such circumstances, each holder of a Management Share who is present in person (or, being a corporation, by representative) or by proxy at a general meeting will have on a show of hands one vote and on a poll every such holder who is present in person (or being a corporation, by representative) or by proxy will have one vote in respect of each Management Share held by him.

#### 4.21 *C Shares and Deferred Shares*

4.21.1 The following definitions apply for the purposes of this paragraph 4.21 only:

“**Calculation Date**” means, in relation to any tranche of C Shares, the earliest of the:

- (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Manager that at least 85 per cent. of the net issue proceeds attributable

to that class of C Share shall have been deployed in accordance with the Company's investment objective and policy;

- (ii) the close of business on the date falling 18 calendar months after the allotment of that tranche of C Shares or is such date is not a Business Day, the next following Business Day;
- (iii) the close of business on such date as the Directors may decide is necessary to enable the Company to comply with its obligations in respect of Conversion of that tranche of C Shares; or
- (iv) close of business on the day on which the Directors resolve that Force Majeure Circumstances have arisen or are in contemplation in relation to any tranche of C Shares;

**"Conversion"** means conversion of any tranche of C Shares into Ordinary Shares and Deferred Shares in accordance with paragraph 4.21.8 below;

**"Conversion Date"** means, in relation to any tranche of C Shares, the close of business on such Business Day as may be selected by the Directors falling not more than 40 Business Days after the Calculation Date of such tranche of C Shares;

**"Conversion Ratio"** is the ratio of the Net Asset Value per C Share of the relevant tranche to the Net Asset Value per Ordinary Share, which is calculated as:

$$\text{Conversion Ratio} = \frac{A}{B}$$

$$A = \frac{(C-D)}{E}$$

$$B = \frac{F-G}{E}$$

where:

**"C"** is the aggregate of:

- (i) the value of the investments of the Company attributable to the C Shares of the relevant tranche (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid-market quotations at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded, as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available;
- (ii) the value of all other investments of the Company attributable to the C Shares of the relevant tranche (other than investments included in (i) above) calculated by reference to the Directors' belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the C Shares of the relevant tranche (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature calculated in accordance with the valuation policy adopted by the Company from time to time);

**"D"** is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant tranche) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant tranche on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such C Shares);

“E” is the number of C Shares of the relevant tranche in issue on the relevant Calculation Date;

“F” is the aggregate of:

- (i) the value of all the investments of the Company attributable to the Ordinary Shares (other than investments which are subject to restrictions on transfer or a suspension of dealings, which are in each case to be valued in accordance with (ii) below) which are listed, quoted, dealt in or traded on a stock exchange calculated by reference to the bid price at close of business of, or, if appropriate, the daily average of the prices marked for, those investments on the relevant Calculation Date on the principal stock exchange or market where the relevant investment is listed, quoted, dealt in or traded as derived from the relevant exchange's or market's recognised method of publication of prices for such investments where such published prices are available; and
- (ii) the value of all other investments of the Company attributable to the Ordinary Shares (other than investments included in (i) above) calculated by reference to the Directors' belief as to an appropriate current value for those investments on the relevant Calculation Date calculated in accordance with the valuation policy adopted by the Company from time to time after taking into account any other price publication services reasonably available to the Directors; and
- (iii) the amount which, in the Directors' opinion, fairly reflects, on the relevant Calculation Date, the value of the current assets of the Company attributable to the Ordinary Shares (excluding the investments valued under (i) and (ii) above but including cash and deposits with or balances at a bank and including any accrued income less accrued expenses and other items of a revenue nature calculated in accordance with the valuation policy adopted by the Company from time to time);

“G” is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors' opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the relevant Calculation Date (including the amount of any declared but unpaid dividends in respect of such Ordinary Shares); and

“H” is the number of Ordinary Shares in issue on the relevant Calculation Date (excluding any Ordinary Shares held in treasury),

provided that the Directors shall make such adjustments to the value or amount of A and B as the Directors believe to be appropriate having regard among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds of an issue of C Shares of the relevant tranche and/or to the reasons for the issue of the C Shares of the relevant tranche;

“**Deferred Shares**” means deferred shares of £0.01 each in the capital of the Company arising on Conversion;

“**Existing Shares**” means the Ordinary Shares in issue immediately prior to Conversion;

“**Force Majeure Circumstances**” means, in relation to any tranche of C Shares (i) any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable; (ii) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of the relevant tranche with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are proposed to be issued; or (iii) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest.

References to Shareholders, C Shareholders and deferred shareholders should be construed as references to holders for the time being of Ordinary Shares, C Shares of the relevant tranche and Deferred Shares respectively.

- 4.21.2 The holders of the Ordinary Shares, the Management Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights to be paid dividends:
- 4.21.2.1 the Deferred Shares (to the extent that any are in issue and extant) shall entitle the holders thereof to a cumulative annual dividend at a fixed rate of 1 per cent. of the nominal amount thereof, the first such dividend (adjusted *pro rata temporis*) (the “**Deferred Dividend**”) being payable on the date six months after the Conversion Date on which such Deferred Shares were created in accordance with paragraph 4.21.8 (the “**Relevant Conversion Date**”) and thereafter on each anniversary of such date payable to the holders thereof on the register of shareholders on that date as holders of Deferred Shares but shall confer no other right, save as provided herein, on the holders thereof to share in the profits of the Company. The Deferred Dividend shall not accrue or become payable in any way until the date six months after the Relevant Conversion Date and shall then only be payable to those holders of Deferred Shares registered in the register of shareholders of the Company as holders of Deferred Shares on that date. It should be noted that given the proposed redemption of the Deferred Shares as described below, it is not expected that any dividends will accrue or be paid on such shares;
  - 4.21.2.2 the holders of any tranche of C Shares shall be entitled to receive in that capacity such dividends as the Directors may resolve to pay out of the assets attributable to the C Shares of that tranche and from profits available for distribution which is attributable to the C Shares of that tranche;
  - 4.21.2.3 a holder of Management Shares shall be entitled (in priority to any payment of dividend on any other class of share) to a fixed cumulative preferential dividend 0.01 per cent. per annum on the nominal amount of the Management Shares held by him, such dividend to accrue annually and to be payable in respect of each accounting reference period of the Company within 21 calendar days of the end of such period;
  - 4.21.2.4 the Existing Shares shall confer the right to dividends declared in accordance with the Articles; and
  - 4.21.2.5 the Ordinary Shares into which any tranche of C Shares shall convert shall rank *pari passu* with the Existing Shares for dividends and other distributions made or declared by reference to a record date falling after the relevant Calculation Date.
- 4.21.3 The holders of the Ordinary Shares, the Management Shares, any tranche of C Shares and the Deferred Shares shall, subject to the provisions of the Articles, have the following rights as to capital:
- 4.21.3.1 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when no C Shares of any tranche are for the time being in issue be applied as follows:
    - 4.21.3.1.1 first, if there are Deferred Shares in issue, in paying to the deferred shareholders one pence (£0.01) in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders;
    - 4.21.3.1.2 secondly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon; and
    - 4.21.3.1.3 thirdly, the surplus shall be divided amongst the Shareholders pro rata according to the nominal capital paid up on their holdings of Ordinary Shares.
  - 4.21.3.2 the surplus capital and assets of the Company shall on a winding-up or on a return of capital (otherwise than on a purchase or redemption by the Company of any of its shares) at a time when one or more tranches of C Shares are for the time being in issue and prior to the Conversion Date be applied amongst the holders of the

Existing Shares pro rata according to the nominal capital paid up on their holdings of Existing Shares, after having deducted therefrom:

4.21.3.2.1 first, an amount equivalent to (C-D) for each tranche of C Shares in issue using the methods of calculation of C and D given in the definition of Conversion Ratio, which amount(s) shall be applied amongst the C Shareholders of the relevant tranche(s) pro rata according to the nominal capital paid up on their holdings of C Shares of the relevant tranche;

4.21.3.2.2 secondly, if there are Deferred Shares in issue, in paying to the holders of Deferred Shares one pence (£0.01) in aggregate in respect of every one million Deferred Shares (or part thereof) of which they are respectively the holders; and

4.21.3.2.3 thirdly, in paying to the holders of the Management Shares in respect of each such share the amount paid up or treated as paid up thereon,

for the purposes of paragraph 4.21.3.1.2 the Calculation Date shall be such date as the liquidator may determine.

4.21.4 As regards voting:

4.21.4.1 the C Shares shall carry the right to receive notice of and to attend and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Existing Shares as set out in the Articles as if the C Shares and Existing Shares were a single class; and

4.21.4.2 the Deferred Shares and, save as provided in paragraph 4.20 of this Part 4, the Management Shares shall not carry any right to receive notice of nor to attend or vote at any general meeting of the Company.

4.21.5 The following shall apply to the Deferred Shares:

4.21.5.1 the C Shares shall be issued on such terms that the Deferred Shares arising upon Conversion (but not the Ordinary Shares arising on Conversion) may be redeemed by the Company in accordance with the terms set out herein;

4.21.5.2 immediately upon Conversion of any tranche of C Shares, the Company shall redeem all of the Deferred Shares which arise as a result of Conversion of that tranche for an aggregate consideration of one pence (£0.01) for all of the Deferred Shares so redeemed and the notice referred to in paragraph 4.21.8.2 below shall be deemed to constitute notice to each C Shareholder of the relevant tranche (and any person or persons having rights to acquire or acquiring C Shares of the relevant tranche on or after the Calculation Date) that the Deferred Shares shall be so redeemed; and

4.21.5.3 the Company shall not be obliged to: (i) issue share certificates to the deferred shareholders in respect of the Deferred Shares; or (ii) account to any deferred shareholder for the redemption moneys in respect of such Deferred Shares.

4.21.6 Without prejudice to the generality of the Articles, for so long as any C Shares are for the time being in issue it shall be a special right attaching to the Existing Shares as a class and to the C Shares as a separate class that without the sanction or consent of such holders given in accordance with the Articles:

4.21.6.1 no alteration shall be made to the Articles;

4.21.6.2 no allotment or issue will be made of any security convertible into or carrying a right to subscribe for any share capital of the Company other than the allotment or issue of further C Shares; and

4.21.6.3 no resolution of the Company shall be passed to wind up the Company.

For the avoidance of doubt, but subject to the rights or privileges attached to any other class of shares, the previous sanction of a special resolution of the holders of Existing Shares and C Shares, as described above, shall not be required in respect of:

- 4.21.6.4 the issue of further Ordinary Shares ranking *pari passu* in all respects with the Existing Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Existing Shares by the issue of such further Ordinary Shares); or
- 4.21.6.5 the sale of any shares held as treasury shares (as such term is defined in section 724 of the Companies Act) in accordance with sections 727 and 731 of the Companies Act or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).
- 4.21.7 For so long as any tranche of C Shares are for the time being in issue, until Conversion of such tranche of C Shares and without prejudice to its obligations under applicable laws the Company shall:
  - 4.21.7.1 procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of that tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of that tranche;
  - 4.21.7.2 allocate to the assets attributable to the C Shares of that tranche such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the net proceeds of an issue of C Shares and the Calculation Date relating to such tranche of C Shares (both dates inclusive) as the Directors fairly consider to be attributable to that tranche of C Shares; and
  - 4.21.7.3 give appropriate instructions to the Investment Manager to manage the Company's assets so that such undertakings can be complied with by the Company.
- 4.21.8 In relation to any tranche of C Shares, the C Shares for the time being in issue of that tranche shall be sub-divided and converted into Ordinary Shares and Deferred Shares on the relevant Conversion Date in accordance with the following provisions of this paragraph 4.21.8:
  - 4.21.8.1 the Directors shall procure that within 20 Business Days of the relevant Calculation Date:
    - 4.21.8.1.1 the Conversion Ratio as at the relevant Calculation Date and the numbers of Ordinary Shares and Deferred Shares to which each C Shareholder of that tranche shall be entitled on Conversion of that tranche shall be calculated; and
    - 4.21.8.1.2 the Auditors shall confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso immediately after the definition of H in paragraph 4.21.1 above.
  - 4.21.8.2 the Directors shall procure that, as soon as practicable following such confirmation and in any event within 30 Business Days of the relevant Calculation Date, a notice is sent to each C Shareholder of the relevant tranche advising such shareholder of the Conversion Date, the Conversion Ratio and the numbers of Ordinary Shares and Deferred Shares to which such C Shareholder of the relevant tranche will be entitled on Conversion.
  - 4.21.8.3 on conversion each C Share of the relevant tranche shall automatically subdivide into 10 conversion shares of £0.01 each and such conversion shares of £0.01 each shall automatically convert into such number of Ordinary Shares and Deferred Shares as shall be necessary to ensure that, upon such Conversion being completed:



- 4.21.8.3.1 the aggregate number of Ordinary Shares into which the same number of conversion shares of one pence (£0.01) each are converted equals the number of C Shares of the relevant tranche in issue on the relevant Calculation Date multiplied by the relevant Conversion Ratio (rounded down to the nearest whole new Ordinary Share); and
- 4.21.8.3.2 each conversion share of one pence (£0.01) which does not so convert into an Ordinary Share shall convert into one Deferred Share.
- 4.21.8.4 the Ordinary Shares and Deferred Shares arising upon Conversion shall be divided amongst the former C Shareholders of the relevant tranche pro rata according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Ordinary Shares and Deferred Shares arising upon Conversion including, without prejudice to the generality of the foregoing, selling any Ordinary Shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company).
- 4.21.8.5 forthwith upon Conversion, the share certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each former C Shareholder of the relevant tranche new certificates in respect of the Ordinary Shares which have arisen upon Conversion to which he or she is entitled. Share certificates in respect of the Deferred Shares will not be issued.
- 4.21.8.6 the Directors may make such adjustments to the terms and timing of Conversion as they in their discretion consider are fair and reasonable having regard to the interests of all Shareholders.

## **5. TAKEOVER CODE**

### **5.1 Mandatory bid**

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- a person acquires an interest in shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights in the Company; or
- a person who, together with persons acting in concert with him, is interested in not less than 30 per cent. and not more than 50 per cent. of the voting rights in the Company acquires additional interests in shares which increase the percentage of shares carrying voting rights in which that person is interested,

the acquirer and, depending on the circumstances, its concert parties, would be required (except with the consent of the Panel on Takeovers and Mergers) to make a cash offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by the acquirer or its concert parties during the previous 12 months.

### **5.2 Compulsory acquisition**

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of the shares (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares not assented to the offer. It would do so by sending a notice to outstanding holders of shares telling them that it will compulsorily acquire their shares and then, six weeks later, it would execute a transfer of the outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the outstanding holders of shares. The consideration offered to the holders whose shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares (in value and by voting rights) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire his/her shares on the same terms as the takeover offer.

The offeror would be required to give any holder of shares notice of his/her right to be bought out within one month of that right arising. Sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises its rights, the offeror is bound to acquire those shares on the terms of the takeover offer or on such other terms as may be agreed.

## **6. MATERIAL CONTRACTS OF THE COMPANY**

The following are all of the contracts, not being contracts entered into in the ordinary course of business that have been entered into by the Company since its incorporation and are, or may be, material or contain any provision under which the Company has any obligation or entitlement which is or may be material to it as at the date of this Registration Document:

### **6.1 Share Issuance Agreement**

The Share Issuance Agreement dated 19 November 2019 between the Company, the Directors, the AIFM, the Investment Manager and Peel Hunt, pursuant to which, subject to certain conditions, Peel Hunt has agreed to use reasonable endeavours to procure subscribers for Ordinary Shares pursuant to the First Placing and Ordinary Shares and/or C Shares pursuant to Subsequent Placings. The Company has appointed Peel Hunt as sponsor, broker, placing agent, and intermediaries offer adviser to the Company in connection with the Share Issuance Programme.

In the event of oversubscription of the First Issue, applications under the First Placing, Offer for Subscription and/or the Intermediaries Offer will be scaled back at the Company's discretion (in consultation with Peel Hunt and the Investment Manager).

The Share Issuance Agreement is subject to, *inter alia*, the Ordinary Shares to be issued pursuant to the First Issue being admitted to the premium segment of the Official List and to trading on the premium segment of the London Stock Exchange's main market for listed securities by 10 December 2019 (or such later date as the Company, the Investment Manager and Peel Hunt may agree but no later than 8.00 a.m. on 31 January 2020). Conditional upon completion of the First Issue, Peel Hunt is entitled to be paid a commission by the Company in consideration for its services in relation to the First Issue. Peel Hunt is also entitled to receive a commission based on the value of any Ordinary Shares and/or C Shares issued pursuant to any Subsequent Issues, at a rate depending on whether an updated prospectus is published in connection with the relevant Subsequent Issue.

Any Ordinary Shares and/or C Shares subscribed for by Peel Hunt may be retained or dealt in by it for its own benefit.

Under the Share Issuance Agreement, Peel Hunt 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, part or all of its fees. Peel Hunt is also entitled under the Share Issuance Agreement to retain agents and may pay commission to any or all of those agents out of its own resources.

The Share Issuance Agreement may be terminated by Peel Hunt in certain customary circumstances at any time and by either Peel Hunt or the Company on 30 days' written notice after First Admission.

The Company, the Directors, the AIFM and the Investment Manager have given warranties to Peel Hunt concerning, *inter alia*, the accuracy of the information contained in the Prospectus. The Company, the AIFM and the Investment Manager have also given indemnities to Peel Hunt. The warranties and indemnities are standard for an agreement of this nature.

The Share Issuance Agreement is governed by the laws of England and Wales.

### **6.2 Management Agreement**

The Management Agreement dated 19 November 2019 between the Company and the AIFM, pursuant to which the AIFM is appointed to act as the Company's manager for the purposes of the AIFM Directive, and accordingly the AIFM is responsible for providing portfolio management and risk management services to

the Company. The AIFM has delegated the provision of portfolio management services to the Investment Manager, a fellow member of the Octopus Group.

Under the Management Agreement, the AIFM receives from the Company a management fee of 0.95 per cent. per annum of Net Asset Value up to £500 million and 0.85 per cent. per annum of Net Asset Value in excess of £500 million, payable quarterly in arrears. No performance fee or asset level fees are payable to the AIFM under the Management Agreement.

The AIFM is responsible for the payment of the Investment Manager's fees.

The Management Agreement is for an initial term of five years from the date of First Admission and thereafter subject to termination on not less than 12 months' written notice by either party. The Management Agreement can be terminated at any time in the event of the insolvency of the Company or the AIFM, in the event that the AIFM ceases to be authorised and regulated by the FCA (if required to be so authorised and regulated to continue to carry out its duties under the Management Agreement) or if certain key members of the Octopus Renewables team cease to be involved in the provision of services to the Company and are not replaced by individuals satisfactory to the Company (acting reasonably).

The Company has given an indemnity in favour of the AIFM (subject to customary exceptions) in respect of the AIFM's potential losses in carrying on its responsibilities under the Management Agreement.

The Management Agreement is governed by the laws of England and Wales.

### **6.3 Depositary Agreement**

The Depositary Agreement between the Company, the AIFM and the Depositary dated 19 November 2019, pursuant to which the Depositary has agreed to act as depositary to the Company.

Under the terms of the Depositary Agreement, the Depositary performs, *inter alia*, safekeeping, cashflow monitoring and oversight services in accordance with the AIFM Rules. The Depositary is liable for the loss of the financial instruments held in custody subject to certain regulatory caveats. The Depositary is responsible for enquiring into the conduct of the AIFM. The Depositary Agreement provides for the Depositary to be indemnified by the Company and the AIFM from and against any and all losses, claims, demands, actions, proceedings, damages and other payments, reasonably incurred costs and expenses or other liabilities of any kind, including the costs and liabilities of any legal action or mediation or any threatened, anticipated or pending legal action or mediation, provided that all such losses arise out of or in connection with the Depositary's proper performance of its obligations under the Depositary Agreement and other related matters specified therein and all such losses are not directly related to the loss of an asset or to the fraud, negligence, or intentional failure of the Depositary. The Depositary Agreement is terminable, *inter alia*, upon not less than six months' written notice. The Depositary Agreement is also terminable immediately upon the occurrence of certain standard events including the insolvency of the Company or the Depositary or a party committing a material breach of the Depositary Agreement (where such breach has not been remedied within 30 calendar days of written notice being given). A notice of termination shall not however take effect until the appointment of a successor as depositary. In circumstances where a replacement depositary is not appointed and a second notice has been served in accordance with the terms of the Depositary Agreement, the Depositary may request the AIFM to make an application to the FCA for the winding up of the Company.

Details of the fees payable to the Depositary are set out in paragraph 3.2 of Part 3 of this Registration Document.

The Depositary Agreement is governed by the laws of England and Wales.

### **6.4 Administration Agreement**

The Administration Agreement between the Company and the Administrator dated 19 November 2019, pursuant to which the Administrator has agreed to provide ongoing accounting, company secretarial, compliance and administrative services to the Company.

Under the terms of the Administration Agreement, the Administrator will receive a fund administration and company secretarial fee for services provided to the Company of £120,000 (exclusive of VAT) per annum for the Net Asset Value up to £250 million plus an incremental fee calculated at a rate of 0.025 per cent. per annum of Net Asset Value in excess of £250 million. The Administrator will also receive a fee for services provided in connection with the Share Issuance Programme, other meetings held outside the scheduled quarterly board meetings on a time spent basis and other services rendered outside the scope of services in the Administration Agreement.

The Company has given a market standard indemnity in favour of the Administrator in respect of the Administrator's potential losses in carrying on its responsibilities under the Administration Agreement.

The Administration Agreement is terminable, *inter alia*, upon not less than 6 months' written notice. The Administration Agreement is also terminable immediately upon the occurrence of certain standard events including the insolvency of the Company or the Administrator or a party committing a material breach of the Administration Agreement (where such breach has not been remedied within 30 days of written notice being given).

The Administration Agreement is governed by the laws of England and Wales.

## **6.5 Registrar Agreement**

The Registrar Agreement dated 19 November 2019 between the Company and the Registrar pursuant to which the Registrar has agreed to act as registrar to the Company.

Under the agreement, the Registrar is entitled to a fee calculated on the basis of the number of Shareholders and the number of transfers processed (exclusive of any VAT). In addition, the Registrar is entitled to certain other fees for ad hoc services rendered from time to time. The Registrar is also entitled to reimbursement of all out of pocket costs, expenses and charges properly incurred on behalf of the Company.

The Registrar Agreement is for an initial period of three years from the date of First Admission and thereafter shall automatically renew for successive periods of 12 months unless or until terminated by either party (a) at the end of the initial period, provided written notice is given to the other party at least 6 months prior to the end of the initial period or (b) at the end of any successive 12 month period, provided written notice is given to the other party at least 6 months prior to the end of such successive 12 month period. In addition, either party may terminate the Registrar Agreement:

- by service of 6 months' written notice should the parties not reach an agreement regarding any increase of the fees payable under the Registrar Agreement; or
- upon service of written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 21 calendar days of receipt of a written notice to do so from the first party; or
- upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party, or if the other party is declared insolvent or if an administrator, administrative receiver, manager or provisional liquidator (or similar officer to any of the foregoing in the relevant jurisdiction) is appointed over the whole of or a substantial part of the other party or its assets or undertakings.

The Company has given certain market standard indemnities in favour of the Registrar and its affiliates and their directors, officers, employees and agents in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liabilities under the Registrar Agreement are subject to a cap.

The Registrar Agreement is governed by the laws of England and Wales.

## **6.6 Receiving Agent Agreement**

The Receiving Agent Agreement dated 19 November 2019 between the Company and the Receiving Agent pursuant to which the Receiving Agent has agreed to act as receiving agent in connection with the First Issue.

Under the terms of the agreement, the Receiving Agent is entitled to a fee from the Company of £5,000 (exclusive of VAT) for set up, placing and disbursements plus a per application processing fee in connection with these services. The Receiving Agent will also be entitled to reimbursement of all out-of-pocket expenses reasonably incurred by it in connection with its duties.

The Company has given certain market standard indemnities in favour of the Receiving Agent and its affiliates and their directors, officers, employees and agents in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liabilities under the Receiving Agent are subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

## **6.7 Lock-in Deed**

By way of a deed between each of the Directors (save for Elaina Elzinga (who is a U.S. Person)), the Company and Peel Hunt dated 19 November 2019, the Directors have agreed that they will not sell, grant options over or otherwise dispose of any interest in any Ordinary Shares transferred to them in satisfaction of their entitlement to directors' fees (save in certain circumstances, including: (i) in acceptance of a general offer made for the entire issued share capital of the Company; or (ii) pursuant to an intervening court order; or (iii) following termination of their appointment as a non-executive Director of the Company) prior to the date which is 12 months after the date of transfer of the relevant Ordinary Shares.

The Lock-in Deed is governed by the laws of England and Wales.

## **7. LITIGATION**

There have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, nor of any such proceedings having been pending or threatened at any time preceding the date of this Registration Document which may have, or have had in the recent past, a significant effect on the financial position or profitability of the Company.

## **8. NO SIGNIFICANT CHANGE**

As at the date of this Registration Document, there has been no significant change in the financial position of the Company since the date of its incorporation.

## **9. GENERAL**

- 9.1 Where third party information has been referenced in this Registration Document, the source of that third party information has been disclosed. All information in this Registration Document that has been sourced from third parties 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.
- 9.2 No application is being made for the Ordinary Shares and/or C Shares to be dealt with in or on any stock exchange or investment exchange other than to the London Stock Exchange's main market.
- 9.3 Peel Hunt has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which it appears.
- 9.4 The AIFM was incorporated in England and Wales as a private limited company with unlimited life on 4 December 2013 under the Companies Act (registration number 08802172). The AIFM is authorised and regulated by the FCA (FCA registration number 615467). The registered office of the AIFM is 6th Floor, 33 Holborn, London EC1N 2HT (tel. +44(0) 800 316 2295). The AIFM's LEI is 2138009C2C1CEVJWHU32. The AIFM is the Company's alternative investment fund manager for the purposes of the AIFM Directive. The AIFM has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear.

- 9.5 The Investment Manager was incorporated in England and Wales as a private limited company with unlimited life on 8 March 2000 under the Companies Act (registration number 03942880). The Investment Manager's LEI is 213800D8ZGDJZPOC9180. The Investment Manager is authorised and regulated by the FCA (FCA registration number 194779). The registered office of the Investment Manager is 6th Floor, 33 Holborn, London EC1N 2HT (tel. +44 (0) 800 316 2295). The Investment Manager has given and not withdrawn its written consent to the inclusion in this Registration Document of references to its name in the form and context in which they appear. The Investment Manager accepts responsibility for paragraph 4 of Part 1 (Investment Opportunity), Part 2 (Market Background, Pipeline and Investment Process) and paragraph 2.2 of Part 3 in relation to the information that relates to the Octopus Group (Management of the Company) and paragraph 9.4 of this Part 4 (General) of this Registration Document (together the **"Investment Manager Sections"**) for the purposes of Prospectus Regulation Rule 5.3.2(2)(f). To the best of the knowledge of the Investment Manager, the Investment Manager Sections are in accordance with the facts and make no omission likely to affect its import.
- 9.6 BNP Paribas Securities Services, whose UK office is located at 10 Harewood Avenue, London NW1 6AA, acts as the Company's depositary and has certain specific safekeeping, monitoring and oversight duties in respect of the assets of the Company. The Depositary is incorporated in France as a partnership limited by shares registered at the Companies Register in Paris with number 552.108.011 RCS Paris whose registered address is at 3 Rue d'Antin, 75002 Paris, acting through its London branch registered with number BR006393. The Depositary's telephone number is +44(0) 20 7595 2000. The Depositary is authorised by the Autorité de Contrôle et de Résolution and the Autorité des Marchés Financiers but in respect of its services as Depositary in the United Kingdom is authorised by the Prudential Regulation Authority and is subject to limited regulation by the Financial Conduct Authority (FCA registration number 206940) and the Prudential Regulation Authority. The principal business of the Depositary is the provision of custodial, banking and related financial services.
- 9.7 The auditors of the Company are PricewaterhouseCoopers LLP and have been the only auditors of the Company since its incorporation. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.
- 9.8 The effect of the First Issue will be to increase the net assets of the Company. On the assumption that the Initial Gross Proceeds are £250 million, the First Issue is expected to increase the net assets of the Company by approximately £245 million.

## 10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available on the Company's website ([www.octopusrenewablesinfrastructure.com](http://www.octopusrenewablesinfrastructure.com)) and for inspection at the registered office of the Company during normal business hours on any Business Day from the date of this Registration Document until 18 November 2020:

- 10.1 this Registration Document;
- 10.2 the Summary;
- 10.3 the Securities Note; and
- 10.4 the Memorandum and Articles of the Company.

Dated: 19 November 2019



## PART 5

### GLOSSARY OF TERMS

Set out below is an explanation of some of the industry-specific terms which are used in this Registration Document

<b>2015 Energy Transition Law</b>	the French Energy Transition for Green Growth Law (or Energy Transition Law), adopted in August 2015
<b>CFD</b>	contract for difference
<b>EPC</b>	engineering, procurement and construction
<b>EPCM</b>	engineering, procurement and construction management
<b>ESG</b>	environment, social and governance
<b>FIT</b>	feed-in tariff
<b>GW</b>	gigawatt
<b>HSE</b>	Health and Safety Executive
<b>KPI</b>	key performance indicator
<b>Kyoto Protocol</b>	an international treaty which extends the 1992 United Nations Framework Convention on Climate Change
<b>KW</b>	kilowatt
<b>O&amp;M</b>	operations and maintenance
<b>Offtaker</b>	a purchaser of electricity and/or ROCs under a PPA
<b>Paris Agreement 2015</b>	an agreement within the United Nations Framework Convention on Climate Change, dealing with greenhouse-gas-emissions mitigation, adaption, and finance which entered into force on 4 November 2016
<b>PPA</b>	a power purchase agreement
<b>Renewable Energy Directive</b>	EU Renewable Energy Directive (2009/28/EC)
<b>ROC</b>	renewable obligation certificate
<b>solar PV</b>	photovoltaic solar
<b>TCO<sub>2</sub>eq.</b>	tonnes of carbon dioxide equivalent

## **PART 6**

### **DEFINITIONS**

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

<b>Administration Agreement</b>	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.4 of Part 4 of this Registration Document
<b>Administrator</b>	PraxisIFM Fund Services (UK) Limited
<b>Admission</b>	the admission of the Ordinary Shares and/or C Shares to be issued pursuant to the Share Issuance Programme to: (i) the premium segment of the Official List; and (ii) trading on the premium segment of the London Stock Exchange's main market, becoming effective in accordance with the Listing Rules and the admission and disclosure standards of the London Stock Exchange
<b>Affiliate</b>	an affiliate of, or person affiliated with, a specified person, including a person that directly, or indirectly through one or more intermediate holding companies, controls or is controlled by, or is under common control with, the person specified
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance published by the AIC from time to time
<b>AIFM</b>	Octopus AIF Management Limited
<b>AIFM Directive</b>	Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers, as amended from time to time
<b>AIFM Regulations</b>	the Alternative Investment Fund Managers Regulations 2013 of the United Kingdom (SI 2013/1773), as amended from time to time
<b>AIFM Rules</b>	the AIFM Directive and all applicable rules and regulations implementing the AIFM Directive in the UK, including, without limitation, the AIFM Regulations and all relevant provisions of the FCA Handbook
<b>Allocation Policy</b>	the allocation policy of the Investment Manager as described in paragraph 4 of Part 2 of this Registration Document
<b>Application Form</b>	the application form attached to the Securities Note for use in connection with the Offer for Subscription
<b>Articles</b>	the articles of association of the Company as at the date of this Registration Document or in the context of the Share Issuance Programme (other than the First Issue) as at the date of the relevant issue under the Share Issuance Programme
<b>Audit and Risk Committee</b>	the audit and risk committee of the Board
<b>Auditor</b>	PricewaterhouseCoopers LLP or such other auditor as the Company may appoint from time to time

<b>Benefit Plan Investor</b>	(i) an employee benefit plan that is subject to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA (including, as applicable, assets of an insurance company general account) or a plan that is subject to the prohibited transaction provisions of section 4975 of the U.S. Tax Code (including an individual retirement account), (ii) an entity whose underlying assets include “plan assets” by reason of a plan’s investment in the entity, or (iii) any “benefit plan investor” as otherwise defined in section 3(42) of ERISA or regulations promulgated by the U.S. Department of Labor
<b>Board</b>	the board of Directors of the Company or any duly constituted committee thereof
<b>Business Day</b>	any day which is not a Saturday or Sunday or a bank holiday in the City of London
<b>C Shareholder</b>	a holder of C Shares
<b>C Shares</b>	C shares of £0.10 each in the capital of the Company having the rights and restrictions set out in paragraph 4 of Part 4 of this Registration Document
<b>Calculation Date</b>	has the meaning given in paragraph 4.21.1 of Part 4 of this Registration Document
<b>certificated or in certificated form</b>	not in uncertificated form
<b>Companies Act</b>	the Companies Act 2006 and any statutory modification or re-enactment thereof for the time being in force
<b>Company</b>	Octopus Renewables Infrastructure Trust Plc
<b>Company Secretary</b>	PraxisIFM Fund Services (UK) Limited
<b>Conversion</b>	the conversion of C Shares into Ordinary Shares and Deferred Shares in accordance with the Articles and as described in paragraph 4.21.1 of Part 4 of this Registration Document
<b>Conversion Date</b>	has the meaning given in paragraph 4.21.1 of Part 4 of this Registration Document
<b>Conversion Ratio</b>	has the meaning given in paragraph 4.21.1 of Part 4 of this Registration Document
<b>CRA Regulations</b>	Regulation (EC) No. 1060/2008 on credit rating agencies, as amended from time to time
<b>CREST</b>	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
<b>CTA 2010</b>	Corporation Tax Act 2010 and any statutory modification or re-enactment thereof for the time being in force
<b>Depository</b>	BNP Paribas Securities Services, London Branch
<b>Depository Agreement</b>	the depository agreement between the Company, the AIFM and the Depository, a summary of which is set out in paragraph 6.3 of Part 4 of this Registration Document

<b>Directors</b>	the directors from time to time of the Company and “ <b>Director</b> ” is to be construed accordingly
<b>Disclosure Guidance and Transparency Rules</b>	the disclosure guidance published by the Financial Conduct Authority and the transparency rules made by the Financial Conduct Authority under section 73A of FSMA, as amended from time to time
<b>EEA</b>	European Economic Area
<b>ERISA</b>	U.S. Employee Retirement Income Security Act of 1974, as amended
<b>ESMA</b>	the European Securities and Markets Authority
<b>Euro or €</b>	the lawful currency of the EU
<b>Euroclear</b>	Euroclear UK & Ireland Limited, being the operator of CREST
<b>European Union or EU</b>	the European Union first established by the treaty made at Maastricht on 7 February 1992
<b>Eurozone</b>	the geographical and economic region that consists of all the EU member states that have fully incorporated the Euro as their national currency
<b>FCA</b>	the Financial Conduct Authority or any successor authority
<b>FCA Handbook</b>	the FCA handbook of rules and guidance as amended from time to time
<b>First Admission</b>	Admission of the Ordinary Shares pursuant to the First Issue
<b>First Issue</b>	the First Placing, the Offer for Subscription and the Intermediaries Offer
<b>First Placing</b>	the conditional placing of Ordinary Shares by Peel Hunt at the Issue Price pursuant to the Share Issuance Agreement as described in Part 1 of the Securities Note
<b>FSMA</b>	the Financial Services and Markets Act 2000 and any statutory modification or re-enactment thereof for the time being in force
<b>Future Securities Note</b>	a securities note to be issued in the future by the Company in respect of each issue, if any, of Ordinary Shares and/or C Shares (other than pursuant to the First Issue or a Subsequent Placing) made pursuant to this Registration Document and subject to separate approval by the FCA
<b>Future Summary</b>	a summary to be issued in future by the Company in respect of each issue, if any, of Ordinary Shares and/or C Shares (other than pursuant to the First Issue or a Subsequent Placing) made pursuant to this Registration Document and subject to separate approval by the FCA
<b>Gross Asset Value</b>	the aggregate value of the total assets of the Company as determined with the accounting principles adopted by the Company from time to time
<b>Group</b>	the Company and the other companies in its group for the purposes of section 606 of CTA 2010

<b>HMRC</b>	Her Majesty's Revenue and Customs
<b>IFRS</b>	international financial reporting standards
<b>Initial Gross Proceeds</b>	the gross proceeds of the First Issue
<b>Initial Net Proceeds</b>	the proceeds of the First Issue, after deduction of costs and expenses
<b>Intermediaries</b>	the entities listed in paragraph 8 of Part 6 of the Securities Note, together with any other intermediary (if any) that is appointed by the Company in connection with the Intermediaries Offer after the date of the Securities Note and " <b>Intermediary</b> " shall mean any one of them
<b>Intermediaries Offer</b>	the offer of Ordinary Shares by the Intermediaries to retail investors
<b>Intermediaries Offer Adviser</b>	Peel Hunt LLP
<b>Investment Manager</b>	Octopus Investments Limited
<b>IRR</b>	internal rate of return
<b>Issue Price</b>	the price at which Ordinary Shares are being issued pursuant to the First Issue, being £1.00 per Ordinary Share
<b>Listing Rules</b>	the listing rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>Lock-in Deed</b>	the lock-in deed dated 19 November 2019, between each of the Directors (save for Elaina Elzinga (who is a U.S. Person)), the Company and Peel Hunt, a summary of which is set out in paragraph 6.7 of Part 4 of this Registration Document
<b>London Stock Exchange</b>	London Stock Exchange plc
<b>Management Agreement</b>	the alternative investment fund management agreement between the Company and the AIFM, a summary of which is set out in paragraph 6.2 of Part 4 of this Registration Document
<b>Management Engagement Committee</b>	the management engagement committee of the Board
<b>Management Shares</b>	redeemable shares of £1.00 each in the capital of the Company held at the date of this Registration Document by Octopus Investments Nominees Limited
<b>MAR</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, as amended from time to time
<b>Net Asset Value</b>	the value, as at any date, of the assets of the Company after deduction of all liabilities determined in accordance with the accounting policies adopted by the Company from time-to-time
<b>Net Asset Value per C Share</b>	at any time the Net Asset Value attributable to any tranche of C Shares divided by the number of C Shares of the relevant tranche in issue (other than C Shares of the relevant tranche held in treasury) at the date of calculation

<b>Net Asset Value per Ordinary Share</b>	at any time the Net Asset Value attributable to the Ordinary Shares divided by the number of Ordinary Shares in issue (other than Ordinary Shares held in treasury) at the date of calculation
<b>Nomination Committee</b>	the nomination committee of the Board
<b>Octopus or Octopus Group</b>	the Investment Manager and the other companies in its group for the purposes of section 606 of CTA 2010
<b>Octopus Managed Funds</b>	funds, finance vehicles or accounts managed or advised by a member or members of the Octopus Group
<b>Octopus Renewables</b>	a business of the Investment Manager
<b>Offer for Subscription</b>	the offer for subscription of Ordinary Shares at the Issue Price as more fully described in the Securities Note
<b>Official List</b>	the official list maintained by the FCA pursuant to Part VI of FSMA
<b>Ordinary Shares</b>	ordinary shares of £0.01 each in the capital of the Company and “ <b>Ordinary Share</b> ” shall be construed accordingly
<b>Peel Hunt</b>	Peel Hunt LLP, the Company’s sponsor, broker, placing agent and intermediaries offer adviser
<b>Pipeline Asset(s)</b>	the assets described in Part 2 of this Registration Document which have been identified by the Investment Manager as being in line with the Company’s investment policy
<b>Plan Asset Regulations</b>	the U.S. Department of Labor Regulations, 29 C.F.R. 2510.3-101, as and to the extent modified by section 3(42) of ERISA
<b>Prospectus Regulation</b>	Regulation (EU) No. 2017/1129 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
<b>Prospectus Regulation Rules</b>	the prospectus regulation rules made by the FCA under section 73A of FSMA, as amended from time to time
<b>Receiving Agent</b>	Computershare Investor Services PLC
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 6.6 of Part 4 of this Registration Document
<b>Register</b>	the register of members of the Company
<b>Registrar</b>	Computershare Investor Services PLC
<b>Registrar Agreement</b>	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 6.5 of Part 4 of this Registration Document
<b>Registration Document</b>	this registration document dated 19 November 2019 issued by the Company and approved by the FCA
<b>Regulation S</b>	Regulation S promulgated under the U.S. Securities Act, as amended from time to time



<b>Regulatory Information Service or RIS</b>	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
<b>Renewable Energy Assets</b>	as defined in paragraph 3 of Part 1 of this Registration Document
<b>Securities Note</b>	the securities note dated 19 November 2019 issued by the Company in respect of the Ordinary Shares and/or C Shares made available pursuant to this Registration Document and approved by the FCA
<b>Shareholder</b>	a holder of Ordinary Shares
<b>Share Issuance Agreement</b>	the share issuance agreement dated 19 November 2019, between the Company, the Directors, the AIFM, the Investment Manager and Peel Hunt, a summary of which is set out in paragraph 6.1 of Part 4 of this Registration Document
<b>Share Issuance Programme</b>	the First Issue and the proposed programme of Subsequent Issues of Ordinary Shares and/or C Shares on the terms set out in the Securities Note (and any Future Securities Note)
<b>Similar Law</b>	any U.S. federal, state, local or foreign law that is similar to section 406 of ERISA or section 4975 of the U.S. Tax Code
<b>SPV</b>	special purpose vehicle owned in whole or in part by the Company or one of its Affiliates which is used as the project company for the acquisition and holding of a Renewable Energy Asset
<b>Sterling or GBP or £ or pence</b>	the lawful currency of the United Kingdom
<b>Subsequent Issue</b>	any placing, open offer, offer for subscription and/or intermediaries offer of Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme (other than the First Issue)
<b>Subsequent Placing</b>	any placing of Ordinary Shares and/or C Shares pursuant to the Share Issuance Programme (other than the First Placing) described in the Securities Note
<b>Summary</b>	the summary dated 19 November 2019 issued by the Company pursuant to this Registration Document and the Securities Note and approved by the FCA
<b>Takeover Code</b>	The City Code on Takeovers and Mergers, as amended from time to time
<b>U.S. Investment Company Act</b>	U.S. Investment Company Act of 1940, as amended
<b>U.S. Person</b>	any person who is a U.S. person within the meaning of Regulation S adopted under the U.S. Securities Act
<b>U.S. Securities Act</b>	U.S. Securities Act of 1933, as amended
<b>U.S. Tax Code</b>	the US Internal Revenue Code of 1986, as amended
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council from time-to-time
<b>uncertificated or in uncertificated form</b>	a share recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

**United Kingdom** or **UK**

the United Kingdom of Great Britain and Northern Ireland

**United States of America** or  
**United States** or **U.S.**

the United States of America, its territories and possessions, any  
state of the United States of America and the District of Columbia

**US\$**

the lawful currency of the United States of America

**VAT**

value added tax

