

THIS SECURITIES NOTE, THE REGISTRATION DOCUMENT AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank, solicitor, accountant, or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000, as amended 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 Securities Note, the Registration Document and the Summary together comprise a prospectus relating to NextEnergy Solar Fund Limited in connection with the issue of New Ordinary Shares and C Shares in the Company in one or more Issues throughout the period commencing 15 November 2016 and ending 14 November 2017 (the “Share Issuance Programme”), prepared in accordance with the Guernsey Prospectus Rules 2008 and the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A FSMA, and filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made for the New Ordinary Shares to be admitted to listing on the premium segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities. Applications will be made for the C Shares to be admitted to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities.

NextEnergy Solar Fund Limited

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

Securities Note

Share Issuance Programme in respect of up to 350,000,000 New Shares (including the Initial Placing and Initial Offer for subscription of up to 100,000,000 New Ordinary Shares)

Lead Bookrunners

**Cantor Fitzgerald Europe
Fidante Partners Europe Limited
Macquarie Capital (Europe) Limited**

Sponsor

Shore Capital and Corporate Limited

Joint Bookrunner

Shore Capital Stockbrokers Limited

In connection with the Share Issuance Programme (including the Initial Issue) and other arrangements described in the Prospectus, Cantor Fitzgerald Europe, Fidante Partners Europe Limited, Macquarie Capital (Europe) Limited, Shore Capital Stockbrokers Limited and Shore Capital and Corporate Limited, each of which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, are acting exclusively for the Company and no one else, will not regard any other person (whether or not a recipient of this Securities Note) as their respective client, and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients. This does not exclude any responsibilities or liabilities of any of the Joint Bookrunners or the Sponsor under FSMA or the regulatory regime established thereunder.

The Company is a registered closed-ended collective investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Schemes Rules 2015 issued by the Guernsey Financial Services Commission. The GFSC, in granting registration, has not reviewed this Securities Note but relied upon specific warranties provided by Ipes (Guernsey) Limited. The GFSC takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

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

The New Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “Securities Act”) or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended, (the “Investment Company Act”) and investors will not be entitled to the benefits of the Investment Company Act.

Notice to US Investors

The New Shares may be offered and sold (i) in the United States only to persons reasonably believed to be qualified institutional buyers (each a “QIB”) as defined in Rule 144A under the Securities Act (“Rule 144A”) in reliance on the private placement exemption contained in Section 4(a)(2) of the Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and (ii) outside of the United States in offshore transactions in reliance on Regulation S under the Securities Act (“Regulation S”).

Prospective investors are hereby notified that sellers of the New Shares may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Section 4(a)(2). For a description of these and certain further restrictions on offers, sales and transfers of the New Shares and the distribution of this Securities Note, see paragraph 5 of Part 8 (Terms and Conditions of the Initial Placing) and paragraph 5 of Part 6 (Terms and Conditions of The Further Placings).

None of the US Securities and Exchange Commission, any other US federal or state securities commission or any US regulatory authority has approved or disapproved of the New Shares offered by the Prospectus nor have such authorities reviewed or passed upon the accuracy or adequacy of the Prospectus. Any representation to the contrary is a criminal offence in the United States.

Prospective investors should read the whole of this Securities Note, with the Registration Document and Summary and in particular their attention is drawn to the risk factors set out on pages 3 and 4 of this Securities Note and those set out in the Registration Document.

Copies of this Securities Note, the Registration Document and Summary (and any Future Securities Note and Future Summary) will be available on the Company’s website at <http://nextenergysolarfund.com/> and the FCA’s National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>.

15 November 2016

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EXPECTED TIMETABLE

Share Issuance Programme (including Initial Placing and Initial Offer for Subscription) opens	15 November 2016
Latest time and date for receipt of completed Offer Application Forms and payment in full under Initial Offer for Subscription	11.00 a.m. on 18 November 2016
Latest time and date for receipt of commitments under Initial Placing	3.00 p.m. on 18 November 2016
Result of Initial Issue announced	21 November 2016
Admission and commencement of dealings in New Ordinary Shares issued pursuant to Initial Issue	8.00 a.m. on 25 November 2016
CREST accounts credited in respect of New Ordinary Shares issued in uncertificated form pursuant to Initial Issue	25 November 2016
Definitive share certificates for New Ordinary Shares issued in certificated form pursuant to Initial Issue despatched	Week commencing 12 December 2016
Admission and CREST accounts (where applicable) credited in respect of subsequent Issues	8.00 a.m. on Business Day on which relevant New Shares are issued
Share certificates (where applicable) despatched in respect of subsequent Issues	Approximately two weeks after relevant Admission
Share Issuance Programme closes	14 November 2017

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

ISSUE STATISTICS

Initial Issue

Number of New Ordinary Shares available under Initial Issue	Up to 100,000,000 ¹
Initial Issue Price per New Ordinary Share	104.5 pence
Estimated gross proceeds of Initial Issue	£104,500,000 ²
Estimated net proceeds of Initial Issue	£102,410,000

Share Issuance Programme

Maximum number of New Ordinary Shares and/or C Shares available under Share Issuance Programme (including New Ordinary Shares issued under Initial Issue)	Up to 350,000,000
Issue Price per New Ordinary Share	Not less than the Net Asset Value per Ordinary Share at time plus premium to cover expenses of such Issue
Issue Price per C Share	100 pence

The Statistics referred to above are for illustrative purposes only and the assumptions on which they are based may or may not be fulfilled in practice and actual outcomes can be expected to differ from each illustration

DEALING CODES

New Ordinary Shares

ISIN	GG00BJ0JVV01
SEDOL	BJ0JVV0
Ticker	NESF

First Issue of C Shares under Share Issuance Programme

ISIN	GG00BR17KW09
SEDOL	BR17KW09
Ticker	NESC

¹ The Directors have the discretion, with the prior agreement of the Joint Bookrunners and the Sponsor, to increase the size of the Initial Issue in the event that overall demand for the New Ordinary Shares under the Initial Issue exceed the target amount.
² Assuming 100,000,000 New Ordinary Shares are issued.

RISK FACTORS

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

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

RISKS RELATING TO THE SHARES

The New Shares may trade at a discount

The New Shares may trade at a discount to NAV per Share and Shareholders may be unable to realise their investments through the secondary market at a price equal to, or greater than NAV per Share. The New Shares may trade at a discount to NAV per Share for a variety of reasons, including market conditions or to the extent investors undervalue the activities of the Investment Manager or discount the Company’s valuation methodology and its judgments of value. Gilt and corporate bond yields are at historically low levels and a rise in such yields may make the Company’s target returns less attractive, which could cause or increase such discount. While the Board may seek to mitigate any discount to NAV per Share through the discount management mechanisms summarised in Part 2 of the Registration Document, there can be no guarantee that they will do so or that such mechanisms will be successful and the Board accepts no responsibility for any failure of any such strategy to effect a reduction in any discount.

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

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

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

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

In respect of an issue of C Shares, the Company would apply for a standard listing of the C Shares to be issued pursuant to the Share Issuance Programme on the Official List under Chapter 14 of the Listing Rules. As a consequence, despite the Company being subject to the obligations of a company that has a premium listing, the holders of C Shares will not directly benefit from the additional ongoing requirements and protections applicable to a premium listing under the Listing Rules (although they may do so as a consequence of the premium listing of the Ordinary Shares). In particular, the provisions of Chapters 6 to 8 and 10 to 13 of the Listing Rules (listing principles,

sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), being additional requirements for a premium listing of equity securities, will not apply to the C Shares.

The value and/or market price of the Shares may go down as well as up

Prospective investors should be aware that the value and/or market price of the Shares may go down as well as up and that the market price of the Shares may not reflect the underlying value of the Company. Investors may, therefore, realise less than, or lose all of, their investment.

The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors, including, among other things, variations in the Company's operating results, additional issuances or future sales of the Shares or other securities exchangeable for, or convertible into, its Shares in the future, the addition or departure of Directors, expected dividend yield, divergence in financial results from stock market expectations, changes in stock market analyst recommendations regarding the UK property market as a whole, the Company or any of its assets, a perception that other markets may have higher growth prospects, general economic conditions, prevailing interest rates, legislative changes in the Company's market and other events and factors within or outside the Company's control. Stock markets experience extreme price and volume volatility from time to time, and this, in addition to general economic, political and other conditions, may have a material adverse effect on the market price for the Shares. The market value of the Shares may vary considerably from the Company's underlying Net Asset Value. There can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.

Issue price of Shares under the Share Issuance Programme

The issue price of the Shares issued on a non-pre-emptive basis under the Share Issuance Programme cannot be lower than the NAV per Share. The issue price of such Shares will be calculated by reference to the latest published unaudited NAV per Share. Such NAV per Share is determined on the basis of the information available to the Company at the time and may be subject to subsequent revisions. Accordingly, there is a risk that, had such issue price been calculated by reference to information that emerged after the calculation date, it could have been greater or lesser than the issue price actually paid by the investors. If such issue price should have been less than the issue price actually paid, investors will have borne a greater premium than intended. If such issue price should have been greater than the issue price actually paid, investors will have paid less than intended and, in certain circumstances, the Net Asset Value per Share may have been diluted.

The market price of the Shares may rise or fall rapidly

General movement in local and international stock markets and real estate markets, prevailing and anticipated economic conditions and interest rates, investor sentiment and general economic conditions may all affect the market price of the Shares. To optimise returns, Shareholders may need to hold the Shares for the long term and the Shares are not suitable for short term investment.

The Company will in the future issue new equity, which may dilute Shareholders' equity

The Company is seeking to issue new equity in the future pursuant to the Share Issuance Programme or otherwise. While the Articles contain pre-emption rights for Shareholders in relation to issues of shares in consideration for cash, such rights can be disapplied, and will be disapplied in relation to the maximum amount of shares that may be issued pursuant to the Share Issuance Programme. Where statutory pre-emption rights are disapplied, any additional equity financing will be dilutive to the voting rights of those Shareholders who cannot, or choose not to, participate in such financing.

Future sales of Shares could cause the market price of the Shares to fall

Sales of Shares or interests in the Shares by significant investors could depress the market price of the Shares. A substantial amount of Shares being sold, or the perception that sales of this type could occur, could also depress the market price of the Shares. Both scenarios, occurring either individually or collectively, may make it more difficult for Shareholders to sell the Shares at a time and price that they deem appropriate.

IMPORTANT INFORMATION

The Prospectus should be read in its entirety before making any investment in the New Shares. In assessing an investment in the Company, investors should rely only on the information in the Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Manager, the Investment Adviser, the Sponsor, any of the Joint Bookrunners or any other person.

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

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor or any of the Joint Bookrunners by FSMA or the regulatory regime established thereunder, none of the Sponsor or the Joint Bookrunners accept any responsibility whatsoever for the contents of the Prospectus or for any other document or statement made or purported to be made by it, or on its behalf, in connection with the Company, the Investment Manager, the Investment Adviser, the New Shares, Admission or the Share Issuance Programme. The Sponsor and each of the Joint Bookrunners accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of the Prospectus or any such other document or statement.

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

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

Responsibility for information contained in this Securities Note

The Company and the Directors, whose names appear on page 8 of this Securities Note, accept responsibility for the information contained in this Securities Note. To the best of the knowledge and belief of the Company and the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Securities Note is in accordance with the facts and does not omit anything likely to affect the import of such information.

Each of the Investment Manager and the Investment Adviser accepts responsibility for information attributed to it in this Securities Note. To the best of the knowledge and belief of the Investment Manager and the Investment Adviser (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the impact of such information.

Investment considerations

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the New Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Typical investors in the Company are expected to be institutional and sophisticated

investors and professionally advised private investors. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

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

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

The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. The Prospectus contains certain historical financial and other information concerning the Company's past performance. However, past performance of the Company should not be taken as an indication of future performance. Prospective investors should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. The value of the New Shares and the income derived from them can go down as well as up. There is no guarantee that the market price of the New Shares will fully reflect their underlying Net Asset Value. In the event of a winding-up of the Company, Shareholders will rank behind any creditors of the Company and, therefore, any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

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

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

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

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum and Articles, which investors should review. A summary of the Articles is set out in paragraph 5 of Part 8 of the Registration Document and in paragraph 3 of Part 5 of this Securities Note and copies of the Memorandum and Articles are available on the Company's website at www.nextenergysolarfund.com

Forward-looking statements

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

All forward-looking statements address matters that involve risks and uncertainties and are not guarantees of future performance. The Company's actual results of operations, performance or achievement of industry results may differ materially from those indicated in these statements as a result of a number of factors. These factors include, but are not limited to, those described in the parts of the Registration Document and this Securities Note entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in the Prospectus.

Forward-looking statements in the Prospectus reflect the Company's views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy as at the date of the Prospectus

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

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

Given these risks and uncertainties, prospective investors are cautioned not to place any undue reliance on forward-looking statements in the Prospectus.

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

Website

The contents of the Company's website at www.nextenergysolarfund.com do not form part of the Prospectus and prospective investors should base their decision to invest on the contents of the Prospectus alone.

Currency presentation

Unless otherwise indicated, all references in the Prospectus to "GBP", "Sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK; and all references to "euros" and "€" are to the lawful currency of the participating member states of the Eurozone (the geographic and economic region that consists of all the European Union countries that have fully incorporated the euro as their national currency).

Further issues under the Share Issuance Programme

An issue of New Shares under the Share Issuance Programme comprising a pre-emptive open offer and/or a non-pre-emptive offer for a subscription may require the publication of a Future Securities Note and Future Summary during the period of up to 12 months following the date of the Prospectus. Persons receiving this Securities Note should read the Prospectus together as a whole. Any update in a Future Securities Note and Future Summary may constitute a material change for the purpose of the Prospectus Rules.

Latest practicable date

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is close of business on 11 November 2016.

Rounding adjustments

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

Definitions

A list of defined terms used in this Securities Note is set out at pages 72 to 78 of this Securities Note.

Governing law

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

DIRECTORS, AGENTS AND ADVISERS

Directors (all non-executive)	Kevin Lyon (Chairman) Patrick Firth Vic Holmes All of: 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Investment Manager	NextEnergy Capital IM Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Investment Adviser	NextEnergy Capital Limited 10 Chandos Street London W1G 9DQ
Developer	NextPower Development Limited 10 Chandos Street London W1G 9DQ
Operating Asset Manager	WiseEnergy (Great Britain) Limited 10 Chandos Street London W1G 9DG
Administrator, Designated Administrator, Company Secretary and Registered Office	Ipes (Guernsey) Limited 1 Royal Plaza Royal Avenue St Peter Port Guernsey GY1 2HL
Financial Adviser and Joint Lead Bookrunners	Cantor Fitzgerald Europe One Churchill Place Canary Wharf London E14 5RB
Sponsor	Shore Capital and Corporate Limited Bond Street House 14 Clifford Street London W1S 4JU
Joint Lead Bookrunner	Fidante Partners Europe Limited 1 Tudor Street London EC4Y 0AH

	Macquarie Capital (Europe) Limited Ropemaker Place 28 Ropemaker Street London EC2Y 9HD
Joint Bookrunner	Shore Capital Stockbrokers Limited Bond Street House 14 Clifford Street London W1S 4JU
Legal Advisers to the Company in connection with the Share Issuance Programme (as to English law)	Simmons & Simmons LLP CityPoint One Ropemaker Street London EC2Y 9SS
Legal Advisers to the Company in connection with the Share Issuance Programme (as to Guernsey law)	Carey Olsen P.O. Box 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
Legal Advisers to the Sponsor, Financial Adviser and Joint Bookrunners in connection with the Share Issuance Programme	Gowling WLG (UK) LLP 4 More London Riverside London SE1 2AU
Reporting Accountants	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Auditor	PricewaterhouseCoopers CI LLP PO Box 321 Royal Bank Place 1 Gategny Esplanade St Peter Port Guernsey GY1 4ND
Receiving Agent	Capita Asset Services, Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU

Registrar Capita Registrars (Guernsey) Limited
Mont Crevelt House
Bulwer Avenue
St Sampson
Guernsey
GY2 4LH

UK Transfer Agent Capita Asset Services
The Registry
34 Beckenham Road
Kent
BR3 4TU

Principal Bankers Lloyds Bank International Ltd
Sarnia House
Le Truchot
St Peter Port
Guernsey
GY1 4EF

PART 1

INTRODUCTION TO THE SHARE ISSUANCE PROGRAMME

Background to the Share Issuance Programme

The Company is a closed-ended investment company that seeks to provide investors with a sustainable and attractive dividend that increases in line with RPI over the long term, whilst also seeking to provide investors with an element of capital growth, by investing in a diversified portfolio of solar PV plants located in the UK.

Since its IPO in April 2014, the Company has:

- raised gross proceeds of £350.1 million by issuing Ordinary Shares pursuant to its IPO, 2014 Share Issuance Programme and 2016 Tap Issuance Programme;
- secured debt facilities comprising a combination of short- and medium-term debt and amortising long-term debt (as at 30 September 2016, £164.3 million had been drawn down under these facilities and £45.5 million remained undrawn under the £88.5 million Revolving Credit Facility); and
- acquired (or agreed to acquire) 33 solar power plants with an investment value of £481.4 million and a generating capacity of 413.7MW.

NextEnergy Capital IM Limited acts as the Company's Investment Manager, which, in turn, has appointed NextEnergy Capital Limited as its Investment Adviser. The Company has also entered into a project sourcing agreement with NextPower Development Limited, the Developer. The NEC Group has identified a pipeline of c.170MW of short-term acquisition targets which meet the Company's investment objective and policy and which offer a similar return profile to the Company's existing portfolio. The assets in this pipeline are at different stages in the NEC Group's evaluation process and there are no contractual obligations with the vendors of these assets. However, the Directors are confident that, with the NEC Group's experience and resources, suitable assets can be acquired within a short time period, either from the identified pipeline or pursuant to the other investment opportunities that the NEC Group is actively developing. In addition to the pipeline of short-term acquisition targets, the NEC Group has started negotiations in relation to additional portfolios totalling c.439. Accordingly, the Directors believe that there is a significant opportunity to deploy additional funds with favourable returns given prevailing market conditions.

In order to capitalise on its investment pipeline and new investment opportunities and in response to continuing investor demand for its Shares, the Company has decided to put in place the Share Issuance Programme. The issue of up to 350,000,000 New Shares pursuant to the Share Issuance Programme was approved by Shareholders at an extraordinary general meeting of the Company held on 11 October 2016.

Benefits of the Share Issuance Programme

The Directors believe that the Share Issuance Programme will have the following principal benefits for Shareholders:

- it will enable the Company to take advantage of its significant pipeline of investment opportunities and new investment opportunities, thereby further growing and diversifying its portfolio, and repay short-term borrowings;
- it will provide the Company with the flexibility to undertake multiple issues of New Shares over a 12-month period without incurring the full costs of publishing a further prospectus for each such issue;
- issues of New Shares pursuant to the Share Issuance Programme will only be undertaken on the basis that they are not, after costs and expenses (including commission) associated with the relevant Issue, dilutive to the Net Asset Value per Share for existing Shareholders;
- an increase in the size of the Company should increase the marketability of the Company to a broader investor base;
- having a larger number of Ordinary Shares in issue (including Ordinary Shares arising on the conversion of C Shares, if applicable) should increase the secondary market liquidity in the Ordinary Shares; and

- an increase in the size of the Company should result in a reduction in its ongoing charges per Ordinary Share as its operating costs will be spread over a larger capital base.

PART 2

THE SHARE ISSUANCE PROGRAMME AND THE INITIAL ISSUE

Introduction

The Company intends to issue up to 350,000,000 New Shares under the Share Issuance Programme, pursuant to one or more Issues (including the Initial Issue). New Shares will be available for issue under the Share Issuance Programme from 15 November 2016 until 14 November 2017 (or any earlier date on which all the New Shares available under the Share Issuance Programme have been issued). Each Issue will comprise a Placing on similar terms to the Initial Placing and may, at the discretion of the Directors, in consultation with the Joint Bookrunners, also comprise a non-pre-emptive offer for subscription (on similar terms to the Initial Offer) and/or a pre-emptive open offer component.

The Share Issuance Programme is flexible and may have a number of separate Issues with different closing dates in order to provide the Company with the ability to issue New Shares on appropriate occasions over a period of time. The size and frequency of each Issue, and of each Placing, open offer and/or offer for subscription component of each Issue (as appropriate), will be determined jointly by the Directors, the Joint Bookrunners and the Investment Manager and announced through an RIS. Similarly, the most appropriate class of New Shares to issue pursuant to each Issue (whether Ordinary Shares or C Shares) and the Issue Price of any New Ordinary Shares, will be determined jointly by the Directors, the Joint Bookrunners and the Investment Manager and announced through an RIS. Further Issues which include an offer for subscription or open offer component will be made pursuant to a Future Summary and Future Securities Note.

The total net proceeds of the Share Issuance Programme will depend on the number of New Shares issued under the Share Issuance Programme, the Issue Price of such New Shares and the aggregate costs and expenses (including commission) of putting the Share Issuance Programme in place and of each Issue. Assuming (i) only New Ordinary Shares are issued pursuant to the Share Issuance Programme at an Issue Price of 104.5 pence per New Ordinary Share (being the Initial Issue Price for the purpose of the Initial Issue), (ii) the Company issues the maximum number of New Ordinary Shares available for issue under the Share Issuance Programme (in a single Issue) and (iii) aggregate costs and expenses (including commission) of putting the Share Issuance Programme in place and of each Issue of approximately £7,315,000, the total net proceeds of the Share Issuance Programme would be approximately £358,435,000.

The maximum number of New Shares available under the Share Issuance Programme should not be taken as an indication of the number of New Shares finally to be issued, which will depend on, *inter alia*, market conditions and the timing and size of future acquisitions made by the Company.

The Share Issuance Programme

Overview

The Share Issuance Programme will open on 15 November 2016 and will close on 14 November 2017 (or any earlier date on which all the New Shares available under the Share Issuance Programme have been issued). The issue of New Shares under the Share Issuance Programme is at the discretion of the Directors and may take place at any time during the period that the Share Issuance Programme is open. The Share Issuance Programme will be suspended at any time when the Company is unable to issue New Shares pursuant to the Share Issuance Programme under any statutory provision or other regulation applicable to the Company or otherwise at the Directors' discretion. The Share Issuance Programme may resume when such conditions cease to exist, subject to the final closing date of the Share Issuance Programme being 14 November 2017.

The maximum number of New Shares to be issued pursuant to the Share Issuance Programme is 350,000,000. The Share Issuance Programme is not being underwritten.

Each Issue will comprise a Placing and may, at the discretion of the Directors, in consultation with the Joint Bookrunners, also include a non-pre-emptive offer for subscription and/or a pre-emptive open offer component. This Securities Note is being published only in connection with the Initial Issue and any subsequent Issue which only comprises a Placing. Where a future Issue includes an offer for subscription and/or open offer component, the Company will publish a Future Securities Note (which, *inter alia*, will set out the terms and conditions of the relevant offer for subscription and/or open offer) and a Future Summary.

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

Applications under the Initial Placing and under any subsequent Placing-only Issue will be subject to the terms and conditions set out in Parts 6 and 8 respectively of this Securities Note.

An announcement of each Issue will be released through a RIS including details of the number and class of New Shares issued or to be issued, the applicable Issue Price and, in respect of any issue of C Shares, the ISIN for the class of C Shares.

New Ordinary Shares and Ordinary Shares arising on conversion of C Shares issued pursuant to the Share Issuance Programme will rank *pari passu* with the existing Ordinary Shares then in issue (save for any dividends or other distributions declared, made or paid on the Ordinary Shares by reference to a record date prior to the allotment or conversion, as appropriate, of the relevant New Shares).

Issue Price

All New Ordinary Shares issued pursuant to the Share Issuance Programme on a non-pre-emptive basis will be issued at a premium to the Net Asset Value per Ordinary Share sufficient to at least cover the costs and expenses of the relevant Issue. The Issue Price of any C Shares issued pursuant to the Share Issuance Programme will be 100 pence and the costs of the issue of C Shares will be deducted from the gross proceeds of the C Share Issue.

Allocation and scaling back

In the event that an Issue is oversubscribed, the Directors have the discretion, in consultation with the Investment Manager and subject to agreement with the Joint Bookrunners, to determine the basis of allocation within and between the Placing and any offer for subscription and/or open offer. Accordingly, applications under an Issue may be scaled back and applicants for New Shares under that Issue may not be allotted the number of New Shares for which they applied.

The Company will notify investors of the number of New Shares in respect of which their application has been successful under an Issue and the results of that Issue will be announced by the Company on or around the date on which that Issue closes via a Regulatory Information Service announcement.

Conditions

Each Issue is conditional, *inter alia*, on:

- Admission of the New Shares issued pursuant to the relevant Issue at such time and on such date (being not later than 14 November 2017) as the Company and the Joint Bookrunners may agree prior to the closing of the relevant Issue;
- if a supplementary prospectus is required to be published in accordance with FSMA, such supplementary prospectus being approved by the FCA and published by the Company in accordance with the Prospectus Rules; and
- the Share Issuance Programme Agreement becoming unconditional in respect of the relevant Issue (save for Admission) and not being terminated in accordance with its terms or such Issue not having been suspended in accordance with the Share Issuance Programme Agreement, in each case before Admission of the relevant New Shares becomes effective.

If these conditions are not satisfied in respect of an Issue, that Issue will not proceed.

There is no minimum amount required to be raised under the Share Issuance Programme in order for the Share Issuance Programme or any Issue to proceed.

Admission, dealing arrangements and settlement

Applications will be made to the FCA and the London Stock Exchange for all the New Ordinary Shares to be issued pursuant to the Share Issuance Programme to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market. Applications will be made to the FCA and the London Stock Exchange for all the C Shares to be issued pursuant to the Share Issuance Programme to be admitted to the standard segment of the

Official List and to trading on the London Stock Exchange's Main Market. No application is being made for the New Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.

It is expected that Admissions of New Shares issued under the Placing Programme will become effective, and that dealings in the New Shares issued pursuant to the Share Issuance Programme will commence, during the period from 25 November 2016 to 14 November 2017 (or any earlier date on which all the New Shares available under the Share Issuance Programme have been issued). In the case of each Issue, it is expected that Admission in respect of the New Shares issued pursuant to that Issue will become effective and that unconditional dealings in such New Shares will commence no more than three Business Days after the trade date for that Issue.

The New Shares will be issued in registered form and may be held in Uncertificated Form or Certificated Form.

The New Shares will be eligible for settlement through CREST with effect from their Admission. New Shares allocated to Placees will be issued in Uncertificated Form through CREST unless otherwise stated and the Company will arrange for CREST to be instructed to credit the appropriate CREST accounts of the Placees concerned or their nominees with their respective entitlements to New Shares. Dealings in the New Shares in advance of the crediting of the relevant CREST account shall be at the risk of the person concerned.

If any New Shares are issued in Certificated Form, it is expected that share certificates will be despatched approximately two weeks after their Admission. No temporary documents of title will be issued and dealings in New Shares issued in Certificated Form in advance of receiving the relevant certificate shall be at the risk of the person concerned.

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

Use of proceeds

The Board intends to use the net proceeds of each Issue (including the Initial Issue) to acquire further solar PV plants located in the UK which are consistent with the Company's investment objective and policy and/or to repay short-term debt.

General

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

Assuming that 350,000,000 New Ordinary Shares are issued pursuant to the Share Issuance Programme and that a Shareholder does not participate in the Share Issuance Programme, such Shareholder will suffer a dilution of approximately 50.5 per cent. to their existing percentage holding.

Subject to those matters on which the Share Issuance Programme is conditional, the Board, with the prior approval of the Joint Bookrunners, may bring forward or postpone the closing time and/or date for any Issue. In the event that such date is changed, the Company will notify investors by an announcement through a Regulatory Information Service.

Fractions of New Shares will not be issued.

The Initial Issue

Overview

The Initial Issue is being implemented by way of the Initial Placing and Initial Offer for Subscription. The Company is targeting an initial issue of up to 100,000,000 New Ordinary Shares at an issue price of 104.5 pence per Share. The Issue Price for the purpose of the Initial Issue compares to the latest unaudited NAV per Ordinary Share as at 30 September 2016 of 102.0 pence (100.4 pence after adjustment for the interim dividend of 1.5775 pence per Ordinary Share in

respect of the three months ended 30 September 2016 declared on 10 November 2016 and payable on 30 December 2016 to Shareholders on the register at close of business on 18 November 2016). The closing mid-market price of an Ordinary Share was 104.75 pence as at 11 November 2016.

If the Initial Issue achieves its target size, the Gross Proceeds will be £104,500,000. The Directors have reserved the right, in consultation with the Investment Manager and subject to agreement with the Joint Bookrunners, to increase the size of the Initial Issue, with any such increase being announced through a Regulatory Information Service. As referred to in the Company's announcement on 31 October 2016, the Company has received a firm commitment from Old Mutual Global Investors (UK) Limited to subscribe for 54,300,000 New Ordinary Shares with an aggregate value, at the Initial Issue Price, of £56,743,500 pursuant to the Initial Placing (the "OM Commitment"), subject to any scaling back as described below.

The Initial Issue, which is not underwritten, is conditional on, *inter alia*, Admission of the New Ordinary Shares issued occurring on or before 25 November 2016 (or such later date, not being later than 16 December 2016, as the Company and the Joint Bookrunners may agree). If this, or any of the other conditions to which the Initial Issue is subject is not met, the Initial Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service.

The New Ordinary Shares issued pursuant to the Initial Issue will be allotted, conditional on their Admission, on or around 18 November 2016. It is expected that Admission of such New Ordinary Shares issued will become effective and that dealings in such New Ordinary Shares will commence, at 8.00 a.m. on 25 November 2016. The New Ordinary Shares issued pursuant to the Initial Issue will rank in full for all dividends or other distributions declared after their Admission, but for the avoidance of doubt these New Shares will not receive the dividend of 1.5775 pence per Ordinary Share in respect of the three months ended 30 September 2016 declared on 10 November 2016 and payable on 30 December 2016 to Shareholders on the register as at the close of business on 18 November 2016.

The Initial Placing

The terms and conditions which apply to any Placee pursuant to the Initial Placing are set out in Part 6 of this Securities Note. Applications for New Ordinary Shares at the issue price of 104.5 pence per New Share under the Initial Placing must be for a minimum subscription amount of £50,000 (or such lesser amount as may be accepted by the Directors). There is no maximum subscription.

The Initial Placing will open on 15 November 2016 and the latest time and date for receipt of commitments to participate in the Initial Placing is 3.00 p.m. on 18 November 2016.

The Initial Offer for Subscription

The Company is making an offer of New Ordinary Shares at the issue price of 104.5 pence per share pursuant to the Initial Offer in the UK, subject to the terms and conditions of application set out in Part 7 of this Securities Note and the Application Form. Those terms and conditions and the Application Form should be read carefully before an application is made. Investors should consult their independent financial adviser if they are in any doubt about the contents of the Prospectus or the acquisition of Shares.

The Initial Offer for Subscription will open on 15 November 2016 and the latest time and date for receipt of completed Application Forms under the Initial Offer is 11.00 a.m. on 18 November 2016.

Applications under the Initial Offer must be made using the Application Form at the end of this Securities Note and must be for a minimum of 1,000 New Ordinary Shares and applications in excess of that amount should be made in multiples of 100 New Ordinary Shares, although the Board may accept applications below such minimum amounts in their absolute discretion.

Completed Application Forms accompanied (where applicable) by a cheque or banker's draft in Sterling made payable to "Capita Registrars Ltd re: NESF OFS 2016" and crossed "A/C Payee Only" for the appropriate sum should be returned to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent BR3 4TU by no later than 11.00 a.m. on 18 November 2016.

For applicants sending subscription monies by electronic bank transfer (CHAPS), payment must be made for value by 11.00 a.m. on 18 November 2016 to the following account:

- Bank: Royal Bank of Scotland

- Sort code: 15-10-00
- Account no.: 32517121
- Account name: Capita Registrars Ltd re: NESF OFS 2016 CHAPS A/c.

Applicants must ensure that they remit sufficient funds to cover any charges incurred by their bank. The payment instruction relating to the electronic transfer must also include a unique reference comprising your name and a contact telephone number which should be entered in the reference field on the payment instruction, for example: MJ Smith 01234 5678910. The Receiving Agent cannot take responsibility for correctly identifying payments without a unique reference nor where a payment has been received but without an accompanying Application Form.

CREST settlement

The Company will apply for the Ordinary Shares issued pursuant to the Initial Offer in uncertificated form to be enabled for CREST transfer and settlement with effect from the relevant date of Initial Admission (the “Relevant Settlement Date”). Accordingly, settlement of transactions in the Ordinary Shares will normally take place within the CREST system.

The Application Forms contain details of the information which the Company’s Registrar, Capita Asset Services, will require from you in order to settle your application within CREST, if you so choose. If you do not provide any CREST details or if you provide insufficient CREST details for Capita Asset Services to match to your CREST account, Capita Asset Services will deliver your Ordinary Shares in certificated form provided payment has been made in terms satisfactory to the Company.

The right is reserved to issue your Ordinary Shares in certificated form should the Company, having consulted with Capita Asset Services, consider this to be necessary or desirable. This right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST or on the part of the facilities and/or system operated by Capita Asset Services in connection with CREST.

The person named for registration purposes in your Application Form (which term shall include the holder of the relevant CREST account) must be: (a) the person procured by you to subscribe for or acquire the relevant Ordinary Shares; or (b) yourself; or (c) a nominee of any such person or yourself, as the case may be. Neither Capita Asset Services nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. You will need to input the DVP instructions into the CREST system in accordance with your application. The input returned by Capita Asset Services of a matching or acceptance instruction to your CREST input will then allow the delivery of your Ordinary Shares to your CREST account against payment of the Initial Issue Price per Ordinary Share through the CREST system upon the Relevant Settlement Date.

Allocation and scaling back

The Company has agreed that, in the event that the Initial Issue is oversubscribed, a proportion of the OM Commitment (being 33,492,823 New Ordinary Shares) will not be scaled back. Save for that commitment, the Directors have the discretion, in consultation with the Investment Manager and subject to agreement with the Joint Bookrunners, to determine the basis of allocation within and between the Initial Placing and the Initial Offer and, accordingly, applications under the Initial Offer may be scaled back in favour of applications under the Initial Placing, and vice versa.

The Company will notify investors of the number of New Ordinary Shares in respect of which their application has been successful under the Initial Issue and the results of the Initial Issue will be announced by the Company on or around 21 November 2016 via a Regulatory Information Service announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned, by cheque, without interest, at the risk of the applicant to the bank account from which the money was received as soon as practicable after the result of the Initial Offer has been announced.

Admission, dealing arrangements and settlement

It is expected that Admission of the New Ordinary Shares issued pursuant to the Initial Issue will become effective and that unconditional dealings in such shares will commence at 8.00 a.m. on 25 November 2016.

An investor applying for New Ordinary Shares under the Initial Issue may receive New Ordinary Shares in Uncertificated Form or Certificated Form. It is expected that CREST accounts will be credited on 25 November 2016 in respect of New Ordinary Shares issued in Uncertificated Form and definitive share certificates in respect of New Ordinary Shares issued in Certificated Form will be despatched by post during the week commencing 12 December 2016. Dealings in New Ordinary Shares issued pursuant to the Initial Issue in advance of the crediting of the relevant CREST account or receipt of the relevant share certificate (as appropriate) shall be at the risk of the person concerned.

The Share Issuance Programme Agreement

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

Overseas investors

The attention of persons resident outside the UK is drawn to Parts 6, 7 and 8 of this Securities Note in relation to restrictions on the holding of New Shares by such persons in certain jurisdictions. In particular investors should note that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the New Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons (as defined in Regulation S) except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the Securities Act.

Anti-money laundering

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

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

ISA, SSAS and SIPP

The New Shares should be "qualifying investments" for the stocks and shares component of an ISA (subject to applicable subscription limit(s)) provided that they have been acquired by purchase in the market (which, for these purposes, will include any New Shares acquired directly under any offer for subscription, including the Initial Offer and/or any open offer component of an Issue, but not any New Shares acquired directly under a Placing, including the Initial Placing or any subsequent Placing). Save where an account manager is acquiring Shares using available funds in an existing stocks and shares ISA, an investment in New Shares by means of an ISA is subject to the usual annual subscription limits applicable to new investments into a stocks and shares ISA (for the tax year 2016/2017 an individual may invest a combined total of £15,240 in a cash ISA, an innovative finance ISA and stocks and shares ISA).

The Board will use its reasonable endeavours to manage the affairs of the Company so as to enable the New Shares to continue to be “qualifying investments” for the stocks and shares component of an ISA.

The Shares should be eligible for inclusion in UK small self-administered schemes (“SSAS”) and self-invested personal pensions (“SIPPs”).

Purchase and transfer restrictions

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

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

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

The New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States.

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

The New Shares may be offered and sold (i) in the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act; and (ii) outside of the United States in offshore transactions in reliance on Regulation S.

Subscriber warranties

Each subscriber of New Shares in the Initial Placing, any subsequent Placing or the Initial Offer will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in Parts 6, 7 and 8 of this Securities Note respectively. In addition, US persons will be required to sign a representation letter providing representations and warranties regarding their status as a QIB.

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

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

Legal implications of investment in the Company

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

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

- (B) Upon the issue of New Shares and the entry of the Shareholder's name in the Company's register of members, such investor becomes a Shareholder of the Company and Articles take effect as a contract between the Shareholders and the Company.
- (C) The Articles may only be amended in accordance with the provisions thereof and the Companies Law.
- (D) A Shareholder's liability to the Company in respect of New Shares held will generally be limited to the amount, if any, unpaid on the New Shares held by such Shareholder.
- (E) The Articles are subject to and governed exclusively by the law of Guernsey and shall be construed in accordance therewith.
- (F) A final and conclusive judgment, capable of execution, obtained in a superior court of a reciprocating country having jurisdiction over a defendant for a fixed sum (other than for taxes or similar charges)) and after a hearing of the merits in that court, would be recognised and enforced by the Royal Court of Guernsey without re-examination of the merits of that case; but subject to compliance with procedural and other requirements of Guernsey's reciprocal enforcement legislation and provided such judgment satisfies certain criteria.

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

PART 3

THE C Shares

Introduction

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

- (A) the costs and expenses (including commission) associated with a C Share issue are paid out of the assets attributable to the C Shares and, therefore, such costs and expenses have no impact on the net asset value of existing issued shares;
- (B) the price at which New Ordinary Shares are issued often represents a premium to the aggregate of the Net Asset Value of existing Ordinary Shares and a *pro rata* shares of the costs and expenses (including commission) of the issue and, therefore, C Shares can offer the opportunity to invest in the Company at a lower premium (in essence, the premium in a C Share issue is limited to the costs and expenses of the issue, which are borne by the C Shareholders);
- (C) the assets representing the net proceeds of the C Share issue are maintained, managed and accounted for as a separate pool of capital of the Company until they C Shares convert into Ordinary Shares (typically, once at least 85 per cent. of the assets attributable to the C Shares have been invested) and, therefore, existing Ordinary Shareholders are not exposed to the effects of the Company holding a substantial amount of cash pending the investment of the net proceeds of the C Share issue; and
- (D) the C Shares convert into New Ordinary Shares on a Net Asset Value for Net Asset Value basis at the time of conversion and, therefore, neither existing Ordinary Shareholders nor converting C Shareholders suffer any dilution in Net Asset Value per Share terms as a result of the C Shares converting into Ordinary Shares.

Key features of the C Shares

The rights and restrictions attaching to the C Shares are set out in the Articles and summarised in paragraph 3 of Part 5 of this Securities Note. The key features of the C Shares are summarised below.

Conversion

The assets representing the Net Issue Proceeds are expected to be maintained, managed and accounted for as a separate pool of capital of the Company until at least 85 per cent. of the assets attributable to the C Shares have been invested in accordance with the Company's investment policy. At this point, the ratio for the conversion of C Shares into Ordinary Shares will be calculated on the basis of the NAVs attributable to a C Share and an Ordinary Share, respectively.

Shortly after the conversion ratio has been calculated, the C Shares will convert into new Ordinary Shares on the basis of that ratio and each C Shareholder will receive such number of Ordinary Shares as equals the number of C Shares held by them multiplied by the NAV per C Share and divided by the NAV per Ordinary Share, in each case as at the relevant calculation date.

The new Ordinary Shares arising on Conversion:

- (A) will rank *pari passu* in all respects with the Ordinary Shares in issue immediately prior to conversion and will rank in full for all dividends and other distributions thereafter declared, made or paid on the Ordinary Shares by reference to a record date on or after the conversion date;
- (B) will be fully paid and in registered form;
- (C) will be held in Uncertificated Form or in Certificated Form (unless otherwise agreed with the Company, holders of C Shares in Uncertificated Form will receive their Ordinary Shares arising on conversion in Uncertificated Form and, similarly, holders of C Shares in Certificated Form will receive their Ordinary Shares arising on Conversion in Certificated Form); and
- (D) will be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's Main Market immediately following conversion.

Fractional entitlements to new Ordinary Shares arising on conversion will not be allocated to holders of C Shares but will be aggregated and sold for the benefit of the Company.

Dividends

The C Shares will carry the right to receive all dividends resolved by the Directors to be distributed out of the assets attributable to the C Shares.

Voting

Holders of C Shares will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each C Share held.

Participation on a winding-up of the Company

On a winding-up, provided the Company has satisfied all of its liabilities, the C Shareholders will be entitled to any surplus assets of the Company attributable to the C Shares.

General

C Shares may be issued in a number of series, having different conversion dates.

Example of conversion

The following example illustrates the number of Ordinary Shares that would arise in respect of the conversion of 1,000 C Shares at the relevant conversion date, using assumed NAVs attributable to the C Shares and existing Ordinary Shares, respectively, at the relevant date for calculating the conversion ratio. The assumed NAV attributable to an existing Ordinary Share at the calculation date is the unaudited NAV per Ordinary Share at the close of business on 30 September 2016, being 102.0p per Ordinary Share. The assumed NAV attributable to a C Share is based on the assumptions that (i) one thousand C Shares are issued, (ii) the net proceeds of that issue are £0.98 million (equivalent to 98 pence per C Share) and (iii) the assumed NAV attributable to a C Share at the calculation date is 98 pence.

Example

Amount subscribed pursuant to the Issue	£1,000
Number of C Shares issued	1,000
Assumed NAV attributable to a C Share at the Calculation Date (" <u>C</u> ")	99p
Assumed NAV attributable to an existing Ordinary Share at the Calculation Date (" <u>O</u> ")	102p
Conversion ratio (C / O)	98/102
Number of Ordinary Shares arising on conversion for a holder of 1,000 C Shares	960

PART 4

TAXATION

General

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

Guernsey taxation

The Company

The Company has applied for and obtained exempt status for Guernsey tax purposes (and Ipes (Guernsey) Limited has confirmed it will apply annually for exempt status for Guernsey tax purposes). In return for the payment of a fee, currently £1,200, a registered closed-ended collective investment scheme is able to apply annually for exempt status for Guernsey tax purposes.

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

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

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

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

Shareholders

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on New Shares owned by them but will suffer no deduction of tax by the Company from any such dividends payable by the Company where the Company is granted exempt status.

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

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

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

Implementation of the EU Savings Directive in Guernsey

Although not a Member State of the European Union, Guernsey, in common with certain other jurisdictions, entered into bilateral agreements with EU Member States on the taxation of savings income. However, paying agents located in Guernsey are not required to operate the measures on payments made by closed-ended investment companies.

However, on 10 November 2015 the Council of the European Union repealed the EU Savings Directive (2003/48/EC) (the “EU Savings Directive”) from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other EU Member States (subject to ongoing requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the EU Savings Directive and the implementation of the Common Reporting Standard in the EU under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU).

Guernsey is in the process of seeking confirmation from each EU Member State that the repeal of the EU Savings Directive suspends the equivalent agreements that the EU Member States have with Guernsey. It is anticipated that all EU Member States, other than Austria, will give this confirmation. Discussions with Austria are ongoing and it may be that the equivalent agreement with Austria continues to have effect until 31 December 2016 (at which point the EU Savings Directive will cease to apply to Austria). Guernsey is also intending to suspend retroactively its domestic EU Savings Directive legislation with effect from 1 January 2016 (whilst retaining the relevant provisions to enable reports for 2015 to be made), although this process may be delayed pending the outcome of discussions with the Austrian authorities.

Anti-avoidance

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

FATCA – US-Guernsey Intergovernmental Agreement

On 13 December 2013, Guernsey signed an intergovernmental agreement with the United States regarding the implementation of FATCA (“US-Guernsey IGA”). Under FATCA and legislation enacted in Guernsey to implement the US-Guernsey IGA, certain disclosure requirements may be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents or citizens of the United States, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that will need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company.

Under the terms of the US-Guernsey IGA, Guernsey resident financial institutions that comply with the due diligence and reporting requirements of Guernsey’s domestic legislation will be treated as compliant with FATCA and, as a result, should not be subject to FATCA withholding on payments they receive and should not be required to withhold under FATCA on payments they make. If the Company does not comply with these obligations, it may be subject to a FATCA deduction on certain payments to it of US source income (including interest and dividends) and (from 1 January 2019) proceeds from the sale of property that could give rise to US source interest or dividends. The US-Guernsey IGA is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form.

Under the US-Guernsey IGA, securities that are “regularly traded” on an established securities market, such as the Main Market of the London Stock Exchange, are not considered financial accounts and are not subject to reporting. For these purposes, New Shares will be considered “regularly traded” if there is a meaningful volume of trading with respect to the New Shares on an

ongoing basis. Notwithstanding the foregoing, a New Share will not be considered “regularly traded” and will be considered a financial account if the Shareholder is not a financial institution acting as an intermediary. Such Shareholders will be required to provide information to the Company to allow it to satisfy its obligations under FATCA, although it is expected that whilst a New Share is held in uncertificated form through CREST, the holder of that New Share will likely be a financial institution acting as an intermediary. Shareholders that own New Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under FATCA.

Common Reporting Standard

On 13 February 2014, the Organisation for Economic Co-operation and Development released the “Common Reporting Standard” (“CRS”) designed to create a global standard for the automatic exchange of financial account information, similar to the information to be reported under FATCA. On 29 October 2014, 51 jurisdictions signed the multilateral competent authority agreement (“Multilateral Agreement”) that activates this automatic exchange of FATCA-like information in line with the CRS. Since then further jurisdictions have signed the Multilateral Agreement and in total over 100 jurisdictions have committed to adopting the CRS. Over 50 of these jurisdictions have adopted the CRS with effect from 1 January 2016.

Early adopters who signed the Multilateral Agreement (including Guernsey) have pledged to work towards the first information exchanges taking place by September 2017. Others are expected to follow with information exchange starting in 2018.

Under the CRS and legislation enacted in Guernsey to implement the CRS with effect from 1 January 2016, certain disclosure requirements may be imposed in respect of certain Shareholders who are, or are entities that are controlled by one or more natural persons who are, residents of any of the jurisdictions that have also adopted the CRS, unless a relevant exemption applies. Certain due diligence obligations will also be imposed. Where applicable, information that would need to be disclosed will include certain information about Shareholders, their ultimate beneficial owners and/or controllers, and their investment in and returns from the Company. The CRS is implemented through Guernsey’s domestic legislation in accordance with guidance that is published in draft form and which is supplemented by guidance issued by the Organisation for Economic Co-operation and Development.

Under the CRS, there is currently no reporting exemption for securities that are “regularly traded” on an established securities market, although it is expected that whilst a New Share is held in uncertificated form through CREST, the holder of the New Share will likely be a financial institution acting as an intermediary. Shareholders that own New Shares through a financial intermediary may be required to provide information to such financial intermediary in order to allow the financial intermediary to satisfy its obligations under the CRS.

Implications of FATCA, the CRS and similar legislation and/or regulations

If the Company fails to comply with any due diligence and/or reporting requirements under Guernsey legislation implementing the US-Guernsey IGA and/or the CRS then the Company could be subject to (in the case of the US-Guernsey IGA) US withholding tax on certain US source payments, and (in all cases) the imposition of financial penalties introduced pursuant to the relevant implementing regulations in Guernsey. Whilst the Company will seek to satisfy its obligations under the US-Guernsey IGA and the CRS and associated implementing legislation in Guernsey to avoid the imposition of any financial penalties under Guernsey law, the ability of the Company to satisfy such obligations will depend on receiving relevant information and/or documentation about each Shareholder and the direct and indirect beneficial owners of the Shareholders (if any). There can be no assurance that the Company will be able to satisfy such obligations.

The Company reserves the right to request from any Shareholder or potential investor such information as the Company deems necessary to comply with FATCA and the CRS, or any obligation arising under the implementation of any applicable intergovernmental agreement, including the US-Guernsey IGA and the Multilateral Agreement, relating to FATCA, the CRS or the automatic exchange of information with any relevant competent authority.

United Kingdom taxation

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

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

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

The Company

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

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

Income

Individual Shareholders

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

All dividends received from the company by an individual Shareholder who is resident and domiciled in the UK will, except to the extent that they are earned through an ISA, self-invested pension plan or other regime which exempts the dividend from tax, form part of the Shareholder's total income for income tax purposes and will represent the highest part of that income.

From 6 April 2016, a nil rate of income tax will apply to the first £5,000 of dividend income received by an individual shareholder in a tax year (the “Nil Rate Amount”), regardless of what tax rate would otherwise apply to that dividend income. Any dividend income received by an individual shareholder in a tax year in excess of the Nil Rate Amount will be subject to income tax at the following dividend rates for 2016/17: 7.5 per cent. for basic rate taxpayers, 32.5 per cent. for higher rate taxpayers and 38.1 per cent. for additional rate taxpayers (2016/2017). The previous tax credit regime has been repealed.

Dividend income that is within the dividend nil rate amount counts towards an individual's basic or higher rate limits – and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the nil rate amount. In calculating into which tax band any dividend income over the nil rate falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Corporate Shareholders

A UK resident corporate Shareholder which is considered to be a “small company” will be liable to UK corporation tax as the Company is not resident in the UK or resident in a Qualifying territory. As such, small UK corporate shareholders receiving dividends from the Company will be liable to UK corporation tax (currently at a rate of 20 per cent. with effect from 1 April 2015 reducing to 19 per cent. from 1 April 2017, and reducing to 17 per cent. from 1 April 2020).

A UK resident corporate Shareholder (which is not a “small company” for the purposes of the UK taxation of dividends legislation in Part 9A of the Corporation Tax Act 2009) will be liable to UK corporation tax (currently at a rate of 20 per cent. (2016/2017) with effect from 1 April 2015 reducing to 19 per cent from 1 April 2017, and reducing to 17 per cent from 1 April 2020) unless the dividend falls within one of the exempt classes set out in Part 9A. As both the Ordinary Shares and C Shares are redeemable shares and have no par value, there is uncertainty as to whether the distribution exemption can apply to large corporate recipients of dividends from the Company.

Dividends may fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their professional advisers to determine the UK corporation tax treatment of such dividends.

Chargeable gains

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

For the purpose of UK tax on chargeable gains, the amounts paid by a Shareholder for Ordinary Shares will generally constitute the base cost of his holdings in those Ordinary Shares.

Individual Shareholders

UK resident and domiciled Shareholders who are individuals (or otherwise not within the charge to UK corporation tax) and who are basic rate taxpayers are currently subject to tax on their chargeable gains arising from disposals of Ordinary Shares at a rate of 10 per cent. (2016/2017). Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains arising from disposals of Ordinary Shares at a rate of 20 per cent. (2016/2017). An individual Shareholder is entitled to realise an annual exempt amount of gains (currently £11,100) for the year to 5 April 2017 without being liable to UK capital gains tax.

Corporate Shareholders

Corporate Shareholders within the charge to UK corporation tax may be subject to UK corporation tax on chargeable gains in respect of any gain arising on a disposal or deemed disposal of Ordinary Shares at the rate of corporation tax applicable to that Shareholder (currently 20 per cent. for companies with effect from 1 April 2015, reducing to 19 per cent from 1 April 2017, and reducing to 17 per cent from 1 April 2020), or an allowable loss for the purposes of UK corporation tax. Indexation allowance may apply to reduce any chargeable gain arising on disposal of the Ordinary Shares but will not create or increase an allowable loss.

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

Chargeable gains taxation on acquisition of new Ordinary Shares

Initial Offer

The issue of New Shares pursuant to the Initial Offer will not constitute a reorganisation of the Company’s share capital for the purposes of UK taxation of chargeable gains and accordingly, any New Shares acquired pursuant to the Offer will be treated as separately acquired from any existing Ordinary Shares held. For both corporate and individual Shareholders, the New Shares should be pooled with their existing Ordinary Shares (provided the Shares are of the same class) and the share identification rules will apply on a future disposal. For the purposes of calculating the indexation allowance (only in the case of corporate shareholders) on a subsequent disposal of Ordinary Shares, the amount paid will generally be taken into account only from the time that the payment was made.

Placings

The acquisition of New Ordinary Shares pursuant to the Placing will not be regarded as a reorganisation of the company’s share capital for the purposes of UK taxation of chargeable gains. Accordingly such an acquisition of New Ordinary Shares will instead be treated as a separate acquisition of shares.

Scrip dividends

A scrip dividend is a scrip issue of new Shares made in lieu of a cash dividend. Shareholders can choose whether to receive a cash dividend or the equivalent dividend in shares. The Shares issued under a scrip dividend arrangement have an equivalent cash value to the cash dividend.

A UK resident corporate Shareholder may be liable to corporation tax on the New Shares because their issue by the Company will constitute an income distribution. As a result, a UK resident corporate Shareholder will be subject to corporation tax on the New Shares unless one of the exemptions in the taxation of dividends legislation in Part 9A of the Corporation tax Act 2009 applies. As mentioned in the dividends section, a small UK resident company cannot benefit from the distribution exemption so will be taxable on the New Shares, and the availability of an exemption for other UK resident corporates is uncertain.

A UK resident corporate Shareholder that elects to receive New Shares instead of a cash dividend should not incur a liability to UK corporation tax on chargeable gains. The New Shares should be regarded as a reorganisation of the company's share capital under the Taxation of Chargeable Gains Act 1992 s126, based on HMRC's published Statement of Practice 4.94. For the purposes of computing any future liability to UK corporation tax on chargeable gains, no consideration will be treated as having been paid for the new shares. They will be added to the corporate Shareholder's existing holding of shares in the Company and treated as though they had been acquired when the corporate Shareholder's existing holding was acquired.

Where a UK resident individual Shareholder accepts new Shares from the Company in place of a cash dividend, the individual is likely to be subject to income tax on the Shares received as if they were dividend income. For capital gains tax purposes, where the election to receive new Shares instead of a cash dividend is made then (as is the case for a UK resident corporate Shareholder described above) the New Shares should be regarded as a reorganisation of the company's share capital. No consideration will be treated as having been paid for the new shares and the new shares are treated, along with the original Shareholding, as the same asset acquired at the same time as the existing holding of shares in the Company (as is the case for a UK resident corporate Shareholder).

Both UK resident individual and corporate Shareholders may be subject to UK tax in respect of chargeable gains arising on a subsequent disposal of the New Shares depending on their individual circumstances.

The UK taxation of scrip dividends is complex and UK resident Shareholders are advised to consult their own independent professional advisers.

No stamp duty or stamp duty reserve tax is payable on the issue of new Shares in these circumstances.

Other UK tax considerations

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

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

If the Company were at any time to be controlled, for UK tax purposes, by persons (of any type) resident in the United Kingdom for tax purposes, the "Controlled Foreign Companies" provisions in Part 9A of Taxation (International and Other Provisions) Act 2010 could apply to UK resident corporate Shareholders. Under these provisions, part of any "chargeable profits" accruing to the

Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a Shareholder and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. The Controlled Foreign Companies provisions are complex, and prospective Shareholders should consult their own independent professional advisers.

Inheritance tax

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

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

Stamp duty and stamp duty reserve tax (SDRT)

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

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

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

ISAs, SSAS and SIPPs

It is expected that the Ordinary Shares will be “qualifying investments” for inclusion in the stocks and shares component of an ISA (except where they are allotted under any Placing). The overall subscription limit for a cash ISA, an innovative finance ISA and a stocks and shares ISA account is £15,240 for the 2016/2017 tax year. Where the Ordinary Shares are held in a stocks and shares ISA, income and gains arising in respect of them will be exempt from UK taxation.

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

United States federal income taxation

The following is a summary of certain of the US federal income tax consequences of the acquisition, ownership and disposition of Ordinary Shares by a US Holder (as defined below). This summary is based upon the Internal Revenue Code of 1986 (the “Code”), Treasury Regulations promulgated (and in certain cases, proposed) thereunder, judicial decisions, and the current administrative rules, practices and interpretations or law of the IRS, all as in effect on the date of the Prospectus, and all of which are subject to change and differing interpretations, possibly with retroactive effect.

As used herein, the term “US Holder” means a beneficial owner of Ordinary Shares that is, for US federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity treated as a corporation for US federal tax purposes created or organised in or under the laws of the United States or any State thereof (including the District of Columbia); (iii) an estate, the income of which is subject to US federal income tax without regard to its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes.

A “Non-US Holder” means a beneficial owner of Ordinary Shares other than a partnership or an entity treated as a partnership for United States federal income tax purposes that is not a US Holder. If an entity treated as a partnership for United States federal income tax purposes holds

Ordinary Shares, the United States federal income tax treatment of a partner in the partnership generally will depend on the status and the activities of the partner and the partnership. A partnership holding Ordinary Shares is urged to consult its own tax advisers with respect to the United States federal income tax consequences applicable to it and its partners of the acquisition, ownership and disposition of Ordinary Shares.

This summary is only a general discussion and is not intended to be, and should not be construed to be, legal or tax advice to any prospective investor. In addition, this summary does not discuss all aspects of US federal income taxation that may be relevant to a US Holder in light of such person's particular circumstances, including certain holders of Ordinary Shares that may be subject to special treatment under the Code (for example, persons that (i) are tax-exempt organisations, qualified retirements plans, individual retirement accounts and other tax-deferred accounts; (ii) are financial institutions, insurance companies, grantor trusts, real estate investment trusts, regulated investment companies, or brokers, dealers or traders in securities; (iii) are subject to the alternative minimum tax provisions of the Code; (iv) own Ordinary Shares as part of a straddle, hedging, conversion transaction, constructive sale or other arrangement involving more than one disposition; (v) are expatriates or other former long-term residents of the United States; (vi) own (or are deemed to own) 10 per cent. or more (by voting power or value) of the stock of the Company, and (vii) hold Ordinary Shares other than as capital assets or do not use the US Dollar as their functional currency). Moreover, this summary does not include any discussion of US federal estate or gift tax consequences or state, local or foreign income, estate, gift or other tax consequences.

The summary of US federal income tax consequences set out below is for US Holders for their general information only. US Holders are urged to consult their own tax advisers as to the particular tax consequences to them of owning the Ordinary Shares including the applicability and effect of state, local, non-US and other tax laws and possible changes in tax law.

THE FEDERAL INCOME TAX CONSEQUENCES RELATING TO THE ACQUISITION, OWNERSHIP AND DISPOSITION OF SHARES ARE COMPLEX AND POTENTIALLY UNFAVOURABLE TO US HOLDERS. ACCORDINGLY, EACH US HOLDER WHO ACQUIRES SHARES IS STRONGLY URGED TO CONSULT HIS, HER OR ITS OWN TAX ADVISOR WITH RESPECT TO THE FEDERAL, STATE, LOCAL AND FOREIGN INCOME, ESTATE, GIFT AND OTHER TAX CONSEQUENCES OF THE ACQUISITION, OWNERSHIP AND DISPOSITION OF SHARES, WITH SPECIFIC REFERENCE TO SUCH HOLDER'S PARTICULAR CIRCUMSTANCES.

PROSPECTIVE INVESTORS SHOULD SEEK ADVICE FROM THEIR OWN INDEPENDENT TAX ADVISORS CONCERNING THE US FEDERAL, STATE AND LOCAL TAX CONSEQUENCES OF AN INVESTMENT IN SHARES BASED ON THEIR PARTICULAR CIRCUMSTANCES.

US tax classification of the Company

The Company will be treated as a corporation for US federal income tax purposes. The Company expects to be classified as a "passive foreign investment company" ("PFIC") as defined in Code Section 1297.

US tax-exempt Shareholders

Ordinary Shares and C Shares may be sold to a limited number of US persons which are pension and profit sharing trusts or other tax exempt organizations ("US Tax Exempt Shareholders"). Assuming a US Tax Exempt Shareholder does not borrow money or otherwise utilize leverage to purchase its Ordinary Shares and C Shares, any dividends from the Company or gain on the sale, conversion or redemption of Ordinary Shares or C Shares should not constitute "unrelated debt-financed income" as defined in Code Section 514 or "unrelated business taxable income" as defined in Code Section 512 to the US Tax Exempt Shareholder and should not be subject to US federal income tax under the PFIC provisions of the Code.

US taxable Shareholders

Persons generally subject to US federal income taxation on worldwide income ("US Taxable Shareholders") should be aware of certain tax consequences of investing directly or indirectly in the Company. As noted above, the Company will be treated as a PFIC as defined in Code Section 1297. A US Taxable Shareholder is subject to different rules depending on whether the US Taxable Shareholder makes an election to treat the Company as a "qualified electing fund" (a "QEF election") for the first taxable year that the US Taxable Shareholder holds Ordinary Shares

or C Shares (a “timely QEF election”) or makes a “mark-to-market” election with respect to the Ordinary Shares or C Shares.

The conversion of C Shares to Ordinary Shares should not result in the recognition of taxable gain or loss to a US Taxable Shareholder. The tax basis of any Ordinary Shares received on a conversion of C Shares by a US Taxable Shareholder should be equal to the tax basis of the C Shares in the hands of the US Taxable Shareholder immediately prior to conversion and the holding period of such Ordinary Shares should include the holding period of any C Shares converted for US federal income tax purposes. A US Taxable Shareholder should consult his tax adviser regarding the consequences of converting C Shares to Ordinary Shares under the PFIC rules.

If a US Taxable Shareholder makes a timely QEF election, the US Taxable Shareholder must report each year for federal income tax purposes his *pro rata* share of the Company’s ordinary earnings and net capital gain, if any, for the year, but certain tax penalty provisions applicable to a non-electing shareholder will not apply. If a US Taxable Shareholder does not make a timely QEF election, certain tax penalties may be applicable. These alternative sets of tax rules are discussed in more detail below.

A US Taxable Shareholder who makes a timely QEF election (an “Electing Shareholder”) must report for federal income tax purposes his *pro rata* share of the ordinary earnings and the net capital gain, if any, of the Company for the taxable year of the Company that ends with or within the taxable year of the Electing Shareholder. The “net capital gain” of the Company is the excess, if any, of the Company’s net long-term capital gains over its net short-term capital losses and is reported by the Electing Shareholder as long-term capital gain. Any net operating losses or net capital losses of the Company will not pass through to the Electing Shareholder and will not offset any ordinary earnings or net capital gain of the Company reportable to Electing Shareholders in subsequent years (although such losses would ultimately reduce the gain, or increase the loss, recognized by the Electing Shareholder on his disposition of his Ordinary Shares or C Shares).

A US Taxable Shareholder makes a QEF election for a taxable year by completing and filing IRS Form 8621 in accordance with the instructions thereto. In order for a US Shareholder to make a QEF election, the Company must annually provide certain information to the shareholder. The Company has not committed to provide this information and therefore US Taxable Shareholders may not be able to make a QEF election with respect to their Ordinary Shares or C Shares.

Alternatively, if the Ordinary Shares or C Shares are treated as “marketable stock,” a US Taxable Shareholder would be allowed to make a “mark-to-market” election with respect to such shares, provided the US Taxable Shareholder completes and files IRS Form 8621 in accordance with the relevant instructions and related Treasury Regulations. If that election is made, the US Taxable Shareholder generally would include as ordinary income in each taxable year the excess, if any, of the fair market value of the Ordinary Shares or C Shares at the end of the taxable year over such holder’s adjusted tax basis in the Ordinary Shares or C Shares. The US Taxable Shareholder would also be permitted an ordinary loss in respect of the excess, if any, of the US Taxable Shareholder’s adjusted tax basis in the Ordinary Shares or C Shares over its fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. A US Taxable Shareholder’s tax basis in his common stock would be adjusted to reflect any such income or loss amount. Gain realized on the sale, exchange or other disposition of Ordinary Shares or C Shares would be treated as ordinary income, and any loss realized on the sale, exchange or other disposition of the common stock would be treated as ordinary loss to the extent that such loss does not exceed the net mark-to-market gains previously included by the US Taxable Shareholder.

The mark-to-market election is available only for “marketable stock”, which is stock that is “regularly traded” on a “qualified exchange” as defined in applicable Treasury Regulations. “Regularly traded”, in general, means that the Ordinary Shares or C Shares, as the case may be, are (A) traded on a qualified exchange and (B) traded in more than *de minimis* amounts for 15 or more days during each calendar quarter. The Company expects that the Ordinary Shares and the C Shares will be listed on the London Stock Exchange. A “qualified exchange” includes any foreign exchange that is regulated by a government authority in the jurisdiction in which the exchange is located and in respect of which certain other requirements are met. The Company expects that the London Stock Exchange would be considered a “qualified exchange or other market”, however, no assurance can be given as to whether it will be so treated.

A US Taxable Shareholder who does not make a timely QEF election or mark-to-market election (a “Non-Electing Shareholder”) will be subject to special rules with respect to (i) any “excess distribution” (generally, the portion of any distributions received by the Non-Electing Shareholder on the Ordinary Shares or C Shares in a taxable year in excess of 125 per cent. of the average annual distributions received by the Non-Electing Shareholder in the three preceding taxable years, or, if shorter, the Non-Electing Shareholder’s holding period for his Ordinary Shares or C Shares), and (ii) any gain realized on the sale or other disposition of such Ordinary Shares or C Shares. Under these rules, (i) the excess distribution or gain would be allocated ratably over the Non-Electing Shareholder’s holding period for the Ordinary Shares or C Shares; (ii) the amount allocated to the current taxable year would be taxed as ordinary income; and (iii) the amount allocated to each of the other taxable years would be subject to tax at the highest rate of tax in effect for the applicable class of taxpayer for that year, and an interest charge for the deemed deferral benefit would be imposed with respect to the resulting tax attributable to each such other taxable year. If a Non-Electing Shareholder who is an individual dies while owning Ordinary Shares or C Shares, the Non-Electing Shareholder’s successor would be ineligible to receive a step-up in tax basis of the Ordinary Shares or C Shares. Assuming that the Company is a PFIC, for taxable years ending on or after December 31, 2013, a US Taxable Shareholder generally will be required to file an annual report with the IRS reporting his investment in the Company.

The Company may invest in companies that are PFICs. US Taxable Shareholders will be subject to the PFIC rules with respect to their indirect ownership interests in such PFICs. There can be no assurance that a US Taxable Shareholder will be able to make a QEF election with respect to PFICs in which the Company invests.

Controlled foreign corporation considerations

Special rules would apply if the Company were considered to be a “controlled foreign corporation” (a “CFC”) as defined in Code Section 957. A foreign corporation is considered to be a CFC if, on any day during its taxable year, more than 50 per cent. of the total voting power or the total value of the stock is owned, directly or indirectly, by “United States shareholders”. A “United States shareholder” is a United States person who owns, directly or indirectly, 10 per cent. or more of the total voting power of the stock of the foreign corporation. If the Company were classified as a CFC, each US Taxable Shareholder who owned, directly or indirectly, 10 per cent. or more of the outstanding voting shares of the Company would be required to include in his gross income, for his taxable year in which the taxable year of the Company ends, his *pro rata* share of the Company’s income for such year. This income would be reported by the US Taxable Shareholder as ordinary income even to the extent that it is attributable to long-term capital gains of the Company. The PFIC rules will not apply to any portion of a US Taxable Shareholder’s holding period during which the shareholder is a “United States shareholder” and the Company is a CFC.

Information reporting requirements

Any US person owning 10 per cent. or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares of a foreign corporation such as the Company will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. The Company has not committed to provide all of the information about the Company or its Shareholders needed to complete the return. In addition, a US person that transfers cash to a foreign corporation such as the Company will likely be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10 per cent. of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000. Further, shareholders may be required to file an information return with respect to an investment in the Company pursuant to Code Section 6038D. US persons also may be required to file other information returns with the US Treasury Department or the IRS with respect to their investment in the Company. Shareholders are urged to consult their own tax advisors concerning these and any other reporting requirements.

The IRS has released final Treasury Regulations expanding previously existing information reporting, record maintenance and investor list maintenance requirements with respect to certain “tax shelter” transactions (the “Tax Shelter Regulations”). The Tax Shelter Regulations may potentially apply to a broad range of investments that would not typically be viewed as tax shelter transactions, including investments in investment companies and portfolio investments of

investment companies. Under the Tax Shelter Regulations, if the Company engages in a “reportable transaction,” a Shareholder would be required, under certain circumstances, to (i) retain all records material to such “reportable transaction”; (ii) complete and file IRS Form 8886, “Reportable Transaction Disclosure Statement” as part of its federal income tax return for each year it participates in the “reportable transaction”; and (iii) send a copy of such form to the IRS Office of Tax Shelter Analysis at the time the first such tax return is filed. The scope of the Tax Shelter Regulations may be affected by further IRS guidance. Non-compliance with the Tax Shelter Regulations may involve significant penalties and other consequences. Each Shareholder should consult its own tax advisors as to its obligations under the Tax Shelter Regulations.

Non-confidentiality

AN INVESTOR (AND EACH EMPLOYEE, REPRESENTATIVE, OR OTHER AGENT OF THE INVESTOR) MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF AN INVESTMENT IN THE COMPANY AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO THE INVESTOR RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

PART 5

ADDITIONAL INFORMATION

1. Share capital

- 1.1 The share capital of the Company consists of an unlimited number of unclassified shares of no par value which upon issue the Directors may classify into such classes as they may determine, including Ordinary Shares or C Shares. The Company does not have, therefore, an authorised share capital. The principal legislation under which the Company operates, and under which the Shares were created, is the Companies Law.
- 1.2 One founder share was issued at a price of 100 pence on the incorporation of the Company on 20 December 2013 and was subsequently repurchased by the Company for 100 pence and cancelled on 24 October 2014. During the period following the Company's incorporation and ending on 11 November 2016, the following issues, and market purchase, of Ordinary Shares by the Company took place:

Date of issue or sale	Transaction	No. of Ordinary Shares issued or sold from treasury / (repurchased)	Issue or sale price / (repurchase price)
25-Apr-14	Issue – placing & offer for subscription (IPO)	85,600,000	100.00p
19-Nov-14	Issue – placing & offer for subscription (2014 SIP)	91,000,000	104.90p
23-Dec-14	Issue – placing (2014 SIP)	4,000,000	103.00p
27-Feb-15	Issue – placing & offer for subscription (2014 SIP)	59,750,000	102.77p
30-Sep-15	Issue – placing & offer for subscription (2014 SIP)	37,607,105	103.30p
9-Nov-15	Issue – placing (2014 SIP)	30,850,000	104.00p
9-Nov-15	Market purchase into treasury	(30,850,000)	(104.00p)
27-Jul-16	Sale out of treasury – placing (2016 TIP)	30,850,000	100.40p
27-Jul-16	Issue – placing (2016 TIP)	11,141,242	100.40p
27-Jul-16	Issue – placing (2016 TIP)	1,822,656	100.40p
4-Aug-16	Issue – placing (2016 TIP)	4,254,855	101.00p
4-Aug-16	Issue – placing (2016 TIP)	740,690	101.00p
4-Aug-16	Issue – placing (2016 TIP)	300,000	101.00p
9-Aug-16	Issue – placing (2016 TIP)	5,775,557	101.00p
15-Sep-16	Issue – placing (2016 TIP)	9,215,926	103.25p
30-Sep-16	Issue – scrip dividend alternative	1,139,374	104.626p

All of the issues pursuant to the IPO, the 2014 Share Issuance Programme and the 2016 Tap Issuance Programme, and the sale of Ordinary Shares from treasury, referred to in this paragraph 1.2 were on a non-pre-emptive basis for cash, in each case at a price representing a premium to the estimated prevailing NAV per Ordinary Share at the time the relevant issue, or sale, was agreed.

1.3 As at the date of this Securities Note:

- (A) the Company's issued share capital comprises 343,197,405 Ordinary Shares, all of which are fully paid;
- (B) no Shares are held in treasury; and
- (C) no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

- 1.4 Pursuant to a special resolution passed on 24 August 2016, the Company was authorised to make market purchases of up to 49,893,031 Ordinary Shares (14.99 per cent. of the Company's issued share capital as at the date of passing the resolution). The maximum price which may be paid for an Ordinary Share must not be more than the higher of (i) 105 per cent. of the average of the mid-market values of Ordinary Shares for the five business days before the purchase is made and (ii) the higher of the last independent trade or the highest current independent bid for Ordinary Shares. Such authority will expire on the conclusion of the Company's annual general meeting in 2017.

- 1.5 Pursuant to a resolution passed on 19 June 2015, the Company has authority to issue Ordinary Shares in connection with any scrip dividends declared in the five years from the date of the authority.
- 1.6 Pursuant to a special resolution passed on 11 October 2016, the Company was authorised to allot and issue up to 350,000,000 Shares for cash on a non-pre-emptive basis pursuant to the Share Issuance Programme, such authority to expire on the date falling 12 months from the date of this Securities Note.
- 1.7 Pursuant to the authority referred to in paragraph 1.6 of this Part 5 and in accordance with the Companies Law, it is expected that the New Shares to be issued pursuant to each Issue will be allotted (conditionally upon the relevant Admission) pursuant to a resolution of the Board to be passed shortly before the relevant Admission of such New Shares.

2. Directors' and other interests

- 2.1 At the date of this Securities Note, the interests (all of which were beneficial) of the Directors (and, so far as is known to or could with reasonable diligence be ascertained by the Directors, any persons connected with them) in the Ordinary Shares are as set out in the following table.

Director	No. of Ordinary Shares	% of voting rights
Kevin Lyon (<i>Chairman</i>)	60,000	0.018
Patrick Firth	20,000	0.006
Vic Holmes	10,000	0.003

Assuming that the Initial Issue is fully subscribed for, the interests of the Directors in the Company's Ordinary Shares following Admission in respect of the Initial Issue will be:

Director	No. of New Ordinary Shares	% of voting rights
Kevin Lyon	60,000	0.014
Patrick Firth	20,000	0.005
Vic Holmes	10,000	0.002

Save as disclosed in this paragraph 2.1, at the date of this Securities Note, none of the Directors (and, so far as is known to or could with reasonable diligence be ascertained by the Directors, any persons connected with them) had:

(A) any interest in the share capital of the Company; or

(B) any options over shares in the Company's capital.

- 2.2 As at 11 November 2016, the Company was aware that the persons set out in the table below, directly or indirectly, were interested in 3.0 per cent. or more of the issued Ordinary Shares:

Investor	No. of Ordinary Shares	% of issued Ordinary Shares
Prudential plc group of companies	77,382,737	22.54
Artemis Investment Management LLP	62,308,962	18.16
Investec Wealth & Investment Limited	44,693,239	13.02
Baillie Gifford	18,037,062	5.26
Smith & Williamson Investment Management	14,916,638	4.35
Newton Investment Management	13,440,810	3.92

2.3 The major Shareholders do not have different voting rights from other Shareholders.

2.4 As at 11 November 2016, the Company was not aware of:

- (A) any person who, directly or indirectly, jointly or severally, exercised or could exercise control over the Company; or
- (B) any arrangements the operation of which may at a subsequent date result in a change of control of the Company.

3. Rights attached to the Shares

The Articles contain provisions, among others, to the following effect:

3.1 *Share capital*

The Company may issue an unlimited number of shares in any currency including, without limitation, unclassified shares which may be designated and issued as Ordinary Shares, C Shares or otherwise as the Directors may from time to time determine.

Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share (or option, warrant or other right in respect of a share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may determine. The Board is authorised to issue an unlimited number of shares (or options, warrants or other rights in respect of shares) including without limitation, Ordinary Shares and C Shares on a pre-emptive basis, and with shareholder authority, on a pre-emptive basis.

3.2 *Ordinary Shares*

The rights attaching to the Ordinary Shares shall be as follows:

(A) *Income*

Subject to the rights of any shares which may be issued with special rights or privileges, the Ordinary Shares of each class carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relative NAVs of each of the classes of Ordinary Shares and, within each such class, income shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of such class held by them.

(B) *Capital*

On a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of Ordinary Shares in accordance with the provision of the Articles and the Companies Law), the surplus assets of the Company attributable to the Ordinary Shares remaining after payment of all creditors shall, subject to the rights of any Ordinary Shares that may be issued with special rights or privileges, be divided amongst the holders of Ordinary Shares of each class *pro rata* to the relative NAVs of each of the classes of Ordinary Shares and, within each such class, such assets shall be divided *pari passu* amongst the holders of Ordinary Shares of that class in proportion to the number of Ordinary Shares of that class held by them.

(C) *Voting*

The holders of the Ordinary Shares shall be entitled to receive notice of and to attend, speak and vote at general meetings of the Company.

3.3 C Shares

(A) Definitions

The following definitions apply for the purposes of this paragraph 3.3.

“Calculation Date” means the earliest of the:

- (a) close of business on the date to be determined by the Directors after the day on which the Investment Manager shall have given notice to the Directors that at least 85 per cent. of the Net Proceeds attributable to the relevant class of C Shares (or such other percentage as the Directors and Investment Manager shall agree) shall have been invested;
- (b) the close of business on the Business Day at the end of such period after allotment of the relevant class of C Shares or on such specific date, in each case as shall be determined by the Directors for that particular class of C Shares and as shall be stated in the terms of issue of the relevant class of C Share;
- (c) close of business on the last Business Day prior to the day on which the Directors resolve that Force Majeure Circumstances have arisen or are imminent; or
- (d) close of business on such date as the Directors may determine;

“Conversion” means, in relation to any class of C Shares, conversion of that class of C Shares in accordance with paragraph 3.3(H) below;

“Conversion Date” means a date which falls after the Calculation Date and is the date on which the admission of the new Ordinary Shares arising on Conversion to trading on the London Stock Exchange becomes effective, such date being either the earlier of:

- (a) the opening of business on such Business Day as may be selected by the Directors provided that such day shall not be more than 20 Business Days after the Calculation Date; and
- (b) such earlier date as the Directors may resolve should Force Majeure Circumstances have arisen or the Directors resolve that such circumstances have arisen or are imminent;

“Conversion Ratio” is the ratio of the Net Asset Value per C Share of the relevant class of C Share to the Net Asset Value per Ordinary Share of the corresponding class, which is calculated to six decimal places as at the Calculation Date as:

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

where:

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

$$B = \frac{(F - d) - G}{H}$$

where:

“C” is the value of the investments of the Company attributable to the C Shares of the relevant class calculated in accordance with the accounting principles adopted by the Company from time to time (as if that class was equity);

“D” is the amount (to the extent not otherwise deducted from the assets attributable to the C Shares of the relevant class on the Calculation Date) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the C Shares of the relevant class on the Calculation Date;

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

“F” is the value of the investments of the Company attributable to the Ordinary Shares calculated in accordance with the accounting principles adopted by the Company from time to time;

“G” is the amount (to the extent not otherwise deducted in the calculation of F) which, in the Directors’ opinion, fairly reflects the amount of the liabilities of the Company attributable to the Ordinary Shares on the Calculation Date;

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

“d” is, to the extent not already taken into account in D or G (as appropriate) the amount of any dividend payable in respect of any period ending before the Conversion Date and payable by reference to a record date falling on or prior to the Conversion Date;

provided that:

- (a) notwithstanding the accounting treatment of the C Shares as a liability of the Company, for the purposes of calculating the Conversion Ratio (and in particular G), the C Shares will be treated as a class of equity issued by, and not a liability of, the Company; and
- (b) the Directors shall make such adjustments to the value or amount of A and B as the Company’s auditor shall report to be appropriate having regard, among other things, to the assets of the Company immediately prior to the date on which the Company first receives the net proceeds relating to the C Shares of the relevant class and/or to the reasons for the issue of the C Shares of the relevant class.

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

“Force Majeure Circumstances” means in relation to any class of C Shares:

- (a) 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;
- (b) the issue of any proceedings challenging, or seeking to challenge, the power of the Company and/or its Directors to issue the C Shares of that class with the rights proposed to be attached to them and/or to the persons to whom they are, and/or the terms upon which they are, proposed to be issued; or
- (c) the giving of notice of any general meeting of the Company at which a resolution is to be proposed to wind up the Company, whichever shall happen earliest; and

“Net Proceeds” means the net cash proceeds of the issue of the C Shares of the relevant class (after deduction of those commissions and expenses relating thereto and payable by the Company).

References to the auditor confirming any matter should be construed to mean confirmation of their opinion as to such matter whether qualified or not.

References to “shareholders” and “C Shareholders” in this paragraph 3.3 should be construed as references to holders for the time being of Ordinary Shares of the relevant class and C Shares of the relevant class respectively.

For the purposes of the definition of Calculation Date and the definition of Force Majeure Circumstance in relation to any class of C Shares, the assets attributable to the C Shares of that class shall be treated as having been “invested” if they have been expended by or on behalf of the Company in the acquisition or making of an investment (whether by subscription or purchase) or if an obligation to make such payment has arisen or crystallised (in each case unconditionally or subject only to the satisfaction of normal pre-issue conditions) in relation to which the consideration amount has been determined or is capable of being determined by operation of an agreed contractual mechanism.

(B) *Income*

The holders of the C Shares shall, subject to the provisions of the Articles, have the following rights as to income:

- (a) subject to the rights of any C Shares which may be issued with special rights or privileges, the C Shares of each class carry the right to receive all income of the Company attributable to the C Shares, and to participate in any distribution of such income by the Company, *pro rata* to the relevant NAVs of each of the classes of

C Shares and within each such class income shall be divided *pari passu* amongst the holders of that class in proportion to the number of C Shares of such class held by them;

- (b) the Ordinary Shares of the relevant class into which C Shares of the relevant class shall convert shall rank *pari passu* with the Existing Shares of the relevant class for dividends and other distributions made or declared by reference to a record date falling after the Calculation Date; and
- (c) no dividend or other distribution shall be made or paid by the Company on any of its shares between the Calculation Date and the Conversion Date (both dates inclusive) and no such dividend shall be declared with a record date falling between the Calculation Date and the Conversion Date (both dates inclusive).

(C) *Capital*

At a time when any C Shares are for the time being in issue and prior to the Conversion Date, on a winding up of the Company or other return of capital (other than by way of a repurchase or redemption of C Shares in accordance with the provisions of the Articles and the Companies Law), the surplus capital and assets of the Company attributable to the C Shares remaining after payment of all creditors shall, subject to any rights of C Shares that may be issued with special rights or privileges, be divided amongst the holders of C Shares of each class *pro rata* to the relative NAVs of each of the classes of C Shares and within each such class such assets shall be distributed *pari passu* amongst the holders of C Shares of that class in proportion to the number of C Shares of that class held by them.

(D) *Voting*

As regards voting the C Shares shall carry the right to receive notice of and to attend, speak and vote at any general meeting of the Company. The voting rights of holders of C Shares will be the same as that applying to holders of Ordinary Shares as if the C Shares and Ordinary Shares were a single class.

(E) *Variation*

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

- (a) no alteration shall be made to the Memorandum or the Articles;
- (b) 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;
- (c) no resolution of the Company shall be passed to wind-up the Company; and
- (d) no change shall be made to the accounting reference date.

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

- (a) the issue of further Ordinary Shares ranking *pari passu* in all respects with the Ordinary Shares (otherwise than in respect of any dividend or other distribution declared, paid or made on the Ordinary Shares by the issue of such further Ordinary Shares); or
- (b) the sale of any shares held as treasury shares or the purchase or redemption of any shares by the Company (whether or not such shares are to be held in treasury).

(F) *Undertakings*

For so long as any C Shares are for the time being in issue, until Conversion of such C Shares and without prejudice to its obligations under applicable laws the Company shall in relation to each class of C Shares:

- (a) procure that the Company's records, and bank and custody accounts shall be operated so that the assets attributable to the C Shares of the relevant class can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall, without prejudice to any obligations pursuant to applicable laws, procure that separate cash accounts, broker settlement accounts and investment ledger accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant class;
- (b) allocate to the assets attributable to the C Shares of the relevant class such proportion of the income, expenses and liabilities of the Company incurred or accrued between the date on which the Company first receives the Net Proceeds attributable to such C Shares and the Calculation Date relating to such C Shares of the relevant class (both dates inclusive) as the Directors fairly consider to be attributable to such C Shares; and
- (c) give appropriate instructions to the Investment Adviser so that such undertakings can be complied with by the Company.

(G) *Redemption*

The C Shares are issued on such terms that they shall be redeemable by the Company in accordance with the terms set out in the Articles. At any time prior to Conversion, the Directors may determine to redeem the C Shares then in issue by agreement with holders thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST), in accordance with the provisions of the Articles and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant C Shareholders.

(H) *Conversion*

- (a) In relation to each class of C Shares, the Directors shall procure that within 10 Business Days of the Calculation Date:
 - (i) the Conversion Ratio as at the Calculation Date and the numbers of Ordinary Shares of the relevant class to which each C Shareholder shall be entitled on Conversion shall be calculated; and
 - (ii) the administrator or, failing which, an independent accountant selected for the purpose by the Board, shall be requested to confirm that such calculations as have been made by the Company have, in their opinion, been performed in accordance with the Articles and are arithmetically accurate whereupon such calculations shall become final and binding on the Company and all holders of the Company's shares and any other securities issued by the Company which are convertible into the Company's shares, subject to the proviso (b) after the definition of 'd' in paragraph 3.3(A). If the Auditor is unable to confirm the calculations of the administrator or independent accountant, as described above, the Conversion shall not proceed.
- (b) The Directors shall procure that, as soon as practicable following such confirmation, an announcement is made to a Regulatory Information Service, advising holders of C Shares of the relevant class of the Conversion Date, the Conversion Ratio and the aggregate number of Ordinary Shares of the relevant class to which holders of C Shares of the relevant class are entitled on Conversion.
- (c) Conversion shall take place at the Conversion Date. On Conversion:
 - (i) each issued C Share shall automatically convert and be redesignated into such number of new Ordinary Shares of the corresponding class as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of New Ordinary Shares equals the aggregate number of C Shares of that class in issue at the Conversion Date multiplied by the Conversion Ratio (rounded down to the nearest whole new Share);
 - (ii) the new Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Shares of the relevant class *pro rata* according to their respective former holdings of C Shares of the relevant class (provided always that the Directors may deal in such manner as they think fit with

fractional entitlements to new Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares of the relevant class, in the case of a share in Certificated Form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in Uncertificated Form, the giving of directions to or on behalf of the former holders of any C Shares of the relevant class who shall be bound by them;

- (iii) forthwith upon Conversion, any certificates relating to the C Shares of the relevant class shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the new Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their new Ordinary Shares in Uncertificated Form;
- (iv) the Company will use its reasonable endeavours to procure that, upon Conversion, the new Ordinary Shares are admitted to trading on the London Stock Exchange's Main Market; and
- (v) the Directors may make such adjustments to the terms and timings of Conversion as they, in their discretion, consider fair and reasonable having regard to the interest of all shareholders.

3.4 ***Issue of shares***

Subject to the authority to issue shares referred to in paragraph 3.1 or any extension thereof and to paragraph 3.5, the unissued shares shall be at the disposal of the Board which may allot, grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no share shall be issued at a discount to par value (if applicable) except in accordance with the Companies Law and so that the amount payable on application on each share shall be fixed by the Board.

3.5 ***Offers to Shareholders on a pre-emptive basis***

- (A) The Company shall not allot equity securities to a person on any terms unless:
 - (a) it has made an offer to each person who holds shares of the relevant class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of that class of shares; and
 - (b) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- (B) Equity securities that the Company has offered to allot to a holder of shares in accordance with paragraph 3.5(A) may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening the restriction referred to in paragraph 3.5(A), and, if paragraph 3.5(A) applies in relation to the grant of such right, it will not apply in relation to the allotment of equity securities in pursuance of that right.
- (C) Shares held by the Company as treasury shares shall be disregarded for the purposes of the restriction referred to in paragraph 3.5(A), so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company.
- (D) Any offer required to be made by the Company pursuant to the restriction referred to in paragraph 3.5(A) should be made by a notice (given in accordance with article 48 of the Articles) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be), pursuant to article 48 of the Articles.

- (E) The restriction referred to in paragraph 3.5(A) shall not apply in relation to the allotment of bonus shares, nor to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash. For the avoidance of doubt, and for the purposes of paragraph 3.5(A), C Shares shall not constitute the same class of shares as the Ordinary Shares into which they may or will convert pursuant to paragraph 3.3(H).
- (F) The Company may by special resolution resolve that the restriction referred to in paragraph 3.5(A) shall be excluded or that the restriction referred to in paragraph 3.5(A) shall apply with such modifications as may be specified in the resolution:
 - (a) generally in relation to the allotment by the Company of equity securities;
 - (b) in relation to allotments of a particular description; or
 - (c) in relation to a specified allotment of equity securities;
 and any such resolution must: (i) state the maximum number of equity securities in respect of which the restriction referred to in paragraph 3.5(A) is excluded or modified; and (ii) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- (G) Any resolution passed pursuant to the provisions referred to in paragraph 3.5(F) may:
 - (a) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
 - (b) be revoked or varied at any time by special resolution of the Company.
- (H) In this paragraph 3.5:
 - (a) “equity securities” means: (i) any class of shares of the Company; or (ii) rights to subscribe for, or to convert securities into, any class of shares of the Company;
 - (b) references to the allotment of equity securities includes: (i) the grant of a right to subscribe for, or to convert any securities into, any class of shares of the Company (but excludes the allotment and/or conversion of any class of shares of the Company pursuant to the exercise of such a right); and (ii) the sale of any class of shares of the Company that immediately before the sale are held by the Company as treasury shares.

3.6 ***Variation of class rights***

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of a special resolution of the holders of the shares of that class.

3.7 ***Dividends***

- (A) Subject to compliance with section 304 of the Companies Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any shares of the Company half-yearly or otherwise on fixed dates whenever the position in the opinion of the Board so justifies.
- (B) The method of payment of dividends shall be at the discretion of the Board.
- (C) No dividend shall be paid in excess of the amounts permitted by the Companies Law or approved by the Board.
- (D) Unless and to the extent that the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid *pro rata* according to the number of shares held by each Shareholder.
- (E) The Board may deduct from any dividend payable to any Shareholder on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.
- (F) The Board may retain any dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

- (G) The Board may retain dividends payable upon shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.
- (H) Any dividend interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the Company's register. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of shares held in Uncertificated Form, by means of a computerised settlement system (as defined in the CREST Regulations) in any manner permitted by the rules of the computerised settlement system concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividend, interest, or other monies payable in respect of their joint holdings.
- (I) No dividend or other monies payable on or in respect of a share shall bear interest against the Company.
- (J) All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

3.8 ***Scrip dividends***

The Board may, pursuant to section 306 of the Companies Law, or if authorised by an ordinary resolution of the Company, offer Shareholders the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend in accordance with article 43 of the Articles. The Board shall give notice to the Shareholders of their rights of election and shall specify the procedure to be followed in order to make an election. The dividend in respect of which an election is made shall not be paid and instead further shares shall be allotted in accordance with elections duly made.

3.9 ***Transfer of shares***

- (A) The Articles provide that the Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST system. The Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the CREST Regulations.
- (B) Subject to such of the restrictions of the Articles as may be applicable:
 - (1) any Shareholder may transfer all or any of his Uncertificated shares in such manner provided for, and subject as provided, in the CREST Regulations, any regulations issued for this purpose under the Companies Law or such as may otherwise from time to time be adopted by the Board on behalf of the Company;
 - (2) any Shareholder may transfer all or any of their Certificated shares by an instrument of transfer in any usual form or in any other form which the Board may approve; and
 - (3) an instrument of transfer of a Certificated share shall be signed by or on behalf of the transferor and, unless the share is fully paid, by or on behalf of the transferee. An instrument of transfer of a Certificated share need not be under seal.
- (C) The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any share in Certificated Form or Uncertificated Form which is not fully paid up or on which the Company has a lien, provided, in the case of a listed or publicly traded share that this would not prevent dealings in the share from taking place on an open and proper basis. In addition, the Directors may also refuse to register a transfer of shares unless such transfer is in respect of only one class of shares, is in favour of a single transferee or no more than four joint transferees, is delivered for registration to the Company's registered office or such other place as the Board may decide, and is

accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so.

- (D) Subject to the provisions of the CREST Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may decide and either generally or in respect of any class of share provided that such suspension shall not be for more than 30 days in any year. Any such suspension shall be communicated to Shareholders, giving reasonable notice of such suspension by means of a Regulatory Information Service.

3.10 *Alteration of capital and purchase of shares*

- (A) The Company may by ordinary resolution:
 - (a) consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing shares;
 - (b) subdivide all or any of its shares into shares of a smaller amount subject to paragraph 3.10(B);
 - (c) cancel shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of shares so cancelled;
 - (d) convert all or any of its shares the nominal amount of which is expressed in a particular currency or former currency into shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other day as may be specified therein; or
 - (e) where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.
- (B) In any subdivision under paragraph 3.10(A)(b) above, the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as that proportion in the case of the share from which the reduced share was derived.
- (C) The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Companies Law.
- (D) The Board on any consolidation of shares may deal in fractions of shares in any manner.

3.11 *Disclosure of third party interests in shares*

- (A) The Directors shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person other than the Shareholder (an interested party) who has any interest in the shares held by the Shareholder and the nature of such interest.
- (B) Any such notice shall require any information in response to such notice to be given in writing within the prescribed period which shall be 28 days after the service of the notice, or 14 days if the shares concerned represent 0.25 per cent. or more in value of the issued shares of the relevant class, or such other reasonable time period as the Directors may determine.
- (C) If any Shareholder has been duly served with a notice given by the Directors in accordance with paragraph 3.11(A) and is in default for the prescribed period in supplying to the Company the information thereby required the Directors may in their absolute discretion at any time thereafter serve a notice (a "Direction Notice") upon such Shareholder as follows:
 - (i) a direction notice may direct that, in respect of: (i) the shares comprising the Shareholder account in the Register which comprises or includes the shares in relation to which the default occurred (all or the relevant number as appropriate of such shares being the "default shares"); and (ii) any other shares held by the

Shareholder; the Shareholder shall not be entitled to attend or vote (either personally or by representative or by proxy) at any general meeting or meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to any such meetings; and

- (ii) where the default shares represent at least 0.25 per cent. of the class of shares concerned, then the direction notice may additionally direct that: (i) in respect of the default shares, any dividend or part thereof which would otherwise be payable on such shares shall be retained by the Company without any liability to pay interest thereon when such money is finally paid to the Shareholder; and (ii) no transfer other than an approved transfer of any of the shares held by such Member shall be registered except in limited circumstances.

3.12 *Untraced Shareholders*

- (A) The Company shall be entitled to sell (at a price which the Company shall use its reasonable endeavours to ensure is the best obtainable) the shares of a Shareholder or the shares to which a person is entitled by virtue of transmission on death or insolvency or otherwise by operation of law if and provided that:
 - (i) during the period of not less than twelve years prior to the date of the publication of the advertisements referred to below (or, if published on different dates, the first thereof) at least three dividends in respect of the shares in question have become payable and no dividend in respect of those shares has been claimed; and
 - (ii) the Company shall following the expiry of such period of twelve years have inserted advertisements in a national newspaper and/or in a newspaper circulating in the area in which the last known address of the Shareholder or the address at which service of notices may be effected under the Articles is located giving notice of its intention to sell the said shares; and
 - (iii) during the period of three months following the publication of such advertisements (or, if published on different dates, the last thereof) the Company shall have received indication neither of the whereabouts nor of the existence of such Shareholder or person; and
 - (iv) notice shall have been given to the stock exchanges on which the Company is listed, if any.
- (B) The foregoing provisions are subject to any restrictions applicable under any regulations relating to the holding and/or transferring of securities in any paperless system as may be introduced from time to time in respect of the shares of the Company or any class thereof.

3.13 *Discontinuation vote*

If in any subsequent financial year of the Company the Ordinary Shares have traded, on average over that year, at a discount in excess of 10 per cent. to the Net Asset Value per Ordinary Share, then the Board shall propose a special resolution at the Company's next annual general meeting that the Company ceases to continue in its present form.

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

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

3.14 *Winding up*

- (A) Subject to paragraph 3.13, the Company shall have an indefinite life.
- (B) If the Company is wound up whether voluntarily or otherwise the liquidator may with the sanction of a special resolution divide among the Shareholders a specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction shall think fit.

- (C) In case any of the securities or other assets to be divided as set out in paragraph 3.14(B) involve a liability to calls or otherwise any person entitled under such division to any of the said assets may within 14 clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall if practicable act accordingly.

4. Takeover bids

In respect of the Company's equity, there have been no public takeover bids by third parties in the last financial year and the current financial year.

5. Working capital

Taking into account the net proceeds of the OM Commitment, the Company is of the opinion that the working capital available to it is sufficient for the Company's present requirements, that is, for at least the next 12 months from the date of this Securities Note.

6. Capitalisation and indebtedness

Indebtedness

The following table shows the Company's gross indebtedness as at 30 September 2016 prepared under IFRS using accounting policies which are consistent with those used in preparing the Company's historical financial information set out or incorporated by reference in Part 7 of the Registration Document.

	(Unaudited) £
Total current debt	
Guaranteed/secured	—
Unguaranteed/unsecured	—
Total non-current debt	
Guaranteed	—
Secured	—
Unguaranteed/unsecured	—

Capitalisation

The following table shows the capitalisation of the Company as at 31 March 2016 prepared under IFRS using accounting policies which are consistent with those used in preparing the Company's historical financial information set out or incorporated by reference in Part 7 of the Registration Document.

	(Audited) (£)
Shareholders' equity (excluding retained earnings)	
Share capital and premium	314,956,625
Treasury shares	(32,084,000)
Total	282,872,625

There has been no material change in the Company's capitalisation since 31 March 2016 save for the Ordinary Shares issued or sold from treasury pursuant to the Tap Issuance Programme and shares issued as a scrip dividend as detailed in paragraphs 1.2 and 1.3 of Part 5 of this document. The total net proceeds from the issue or sale of Ordinary Shares since 31 March 2016 were £63.7 million.

Shares issued as a scrip dividend represent an alternative to receiving a cash dividend in respect of the Company's first quarter dividend for the 2016/2017 financial year.

Net indebtedness

The following table shows the Company's net indebtedness as at 30 September 2016 prepared under IFRS using accounting policies which are consistent with those used in preparing the Company's historical financial information set out in Part 7 of the Registration Document:

	(unaudited) (£)
Cash	1,846,352
Cash Equivalent	—
Trading Securities	—
Liquidity	1,846,352
Current financial receivables	—
Current Bank Debt	—
Current proportion of non-current debt	—
Other current financial debt	—
Current financial debt	—
Net current financial receivables	1,846,352
Non-current bank loans	—
Bonds issued	—
Other non-current loans	—
Non-current financial indebtedness	—
Net financial indebtedness	1,846,352

The table above does not include borrowings held by the Company's direct and indirect owned subsidiaries which are not consolidated in the financial statements of the Company in accordance with IFRS 10. The amounts outstanding under these facilities as at 30 September 2016 are as follows:

Subsidiary	Facility	(unaudited) (£)
NextEnergy Solar Holding I	Macquarie & Santander	43,000,000
NextEnergy Solar Holding II	NIBC	21,680,000
NextEnergy Solar Holding III	Bayern LB	44,932,871
NextEnergy Solar Holding IV	MIDIS	54,662,559
		164,275,430

The Company is a guarantor under the NIBC Debt Facility Agreement. The Company does not have any other indirect or contingent indebtedness.

7. Mandatory bids, squeeze out and sell out rights relating to the Shares

- 7.1 The City Code on Takeovers and Mergers (the "Takeover Code") applies to the Company. Under the Takeover Code, if an acquisition of Shares were to increase the aggregate holding of the acquirer and its concert parties to Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel on Takeovers and Mergers (the "Panel"), to make a cash offer for the outstanding Shares in the Company at a price not less than the highest price paid for any interests in the Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Shares by a person holding (together with its concert parties) Shares carrying between 30 per cent. and 50 per cent. of the voting rights in the Company if the effect of such acquisition were to increase that person's percentage of the voting rights.
- 7.2 Shares may be subject to compulsory acquisition in the event of a takeover offer which satisfies the requirements of Part XVIII of the Companies Law, or in the event of a scheme of arrangement under Part VIII of the Companies Law.

- 7.3 In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (the "Takeover Offer") relating to the acquisition of the Shares and make the Takeover Offer to some or all of the Shareholders. If, at the end of a four month period following the making of the Takeover Offer, the Takeover Offer has been accepted by Shareholders holding 90 per cent. in value of the Shares affected by the Takeover Offer, the purchaser has a further two months during which it can give a notice (the "Notice to Acquire") to any Shareholder to whom the Takeover Offer was made but who has not accepted the Takeover Offer (the "Dissenting Shareholders") explaining the purchaser's intention to acquire their Shares on the same terms. The Dissenting Shareholders have a period of one month from the Notice to Acquire in which to apply to the Royal Court of Guernsey (the "Court") for the cancellation of the Notice to Acquire. Unless, prior to the end of that one month period the Court has cancelled the Notice to Acquire or granted an order preventing the purchaser from enforcing the Notice to Acquire, the purchaser may acquire the Shares belonging to the Dissenting Shareholders by paying the consideration payable under the Takeover Offer to the Company, which it will hold on trust for the Dissenting Shareholders.
- 7.4 A scheme of arrangement is a proposal made to the Court by the Company in order to effect an "arrangement" or reconstruction, which may include a corporate takeover in which the Shares are acquired in consideration for cash or shares in another company. A scheme of arrangement is subject to the approval of a majority in number representing at least 75 per cent. (in value) of the members (or any class of them) present and voting in person or by proxy at a meeting convened by the Court and subject to the approval of the Court. If approved, the scheme of arrangement is binding on all Shareholders.
- 7.5 In addition, the Companies Law permits the Company to effect an amalgamation, in which the Company amalgamates with another company to form one combined entity. The Shares would then be shares in the capital of the combined entity.

PART 6

TERMS AND CONDITIONS OF THE INITIAL PLACING

1. Introduction

Each Placee which confirms its agreement to Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie and/or Pershing Securities Limited (“PSL”) (acting as settlement agent of Fidante in connection with the Initial Placing), as applicable, to subscribe for New Shares under the Initial Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie and/or PSL, as applicable, may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a “Placing Letter”).

2. Agreement to subscribe for New Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 25 November 2016 (or such later time and/or date, not being later than 16 December 2016, as the Company and the Joint Bookrunners may agree); (ii) the Share Issuance Programme Agreement becoming otherwise unconditional in all respects, (save for any conditions relating to Admission) and not having been terminated on or before 25 November 2016 (or such later time and/or date, not being later than 16 December 2016 as the Company and the Joint Bookrunners may agree); and (iii) Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, confirming to the Placees their allocation of New Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Shares allocated to it by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, at the Initial Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

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

Fractions of New Shares will not be issued.

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

3. Payment for New Shares

Each Placee undertakes to pay the Initial Issue Price for the New Shares issued to the Placee in the manner and by the time directed by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable. In the event of any failure by any Placee to pay as so directed and/or by the time required by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, the relevant Placee's application may be rejected, and at the election of Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie the relevant Placee shall be deemed hereby to have appointed the Joint Bookrunners, or any nominee of them, as applicable, as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the New Shares in respect of which payment shall not have been made as directed, and to indemnify the Joint Bookrunners and the Company, and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such New Shares shall not release the relevant Placee from the obligation to make such payment for relevant New Shares to the extent that the Company or the Joint Bookrunners, as applicable, or their nominees have failed to sell such New Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is agreed to or exceeds the applicable Issue Price per Share.

4. Representations and warranties

By agreeing to subscribe for New Shares, each Placee which enters into a commitment to subscribe for New Shares will (for itself and for any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Investment Manager, the Investment Adviser, the Administrator, the Registrar, the Joint Bookrunners and PSL, as applicable, that:

- 4.1 in agreeing to subscribe for New Shares under the Share Issuance Programme, it is relying solely on the Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the New Shares or the Share Issuance Programme. It agrees that none of the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, the Administrator, PSL or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Shares under the Share Issuance Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, the Administrator, PSL or the Registrar or the any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Share Issuance Programme;
- 4.3 it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring New Shares on the terms and subject to the conditions set out in this Part 6 and the Articles as in force at the date of Admission;
- 4.4 it has not relied on any Joint Bookrunners, or any person affiliated with a Joint Bookrunner (which, for the avoidance of doubt, in this Part 6 includes PSL in respect of Fidante) and/or Macquarie, as applicable, in connection with any investigation of the accuracy of any information contained in the Prospectus;
- 4.5 it acknowledges that none of the Joint Bookrunners, PSL nor any person acting on their behalf, nor any of their affiliates, has provided it with any material or information regarding the Company or the New Shares and the content of the Prospectus is exclusively the responsibility of the Company and its Directors and none of the Joint Bookrunners, PSL nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in the Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Share Issuance Programme based on any information, representation or statement contained in the Prospectus or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Share Issuance Programme to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by any Joint Bookrunner, the Company, the Investment Manager, the Investment Adviser, the Administrator, PSL or the Registrar;
- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.8 it will acquire New Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and it has full power to make the acknowledgements, representations, warranties and agreements herein on behalf of each such account.

- 4.9 it accepts that none of the New Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- 4.10 if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the New Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.11 if it is a resident in the EEA (other than the United Kingdom), it is (a) a "qualified investor" within the meaning of the law in the Relevant Member State implementing Article 2(1)(c)(i), (ii) or (iii) of the Prospectus Directive and (b) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the New Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation in that Relevant Member State;
- 4.12 in the case of any New Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant Member State implementing Article 2(1)(c)(i), (ii) or (iii) of the Prospectus Directive; (i) the New Shares acquired by it in the Share Issuance Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.13 if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Share Issuance Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Shares pursuant to the Share Issuance Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.14 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;
- 4.15 (i) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for New Shares under the Share Issuance Programme and will not be any such person on the date any such Share Issuance Programme is accepted; and (ii) if the investor is an entity, such entity has taken all necessary corporate actions to authorise its agreement to subscribe for New Shares, and the person signing on its behalf is its duly authorised representative with the corporate power and authority to enter into the agreement to subscribe for New Shares.
- 4.16 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Share Issuance Programme or the New Shares to any persons within the United States, except to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- 4.17 it acknowledges that none of the Joint Bookrunners, nor any of their respective affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Share Issuance Programme or providing any advice in relation to the Share Issuance Programme and participation in the Share Issuance Programme is on the basis that it is not and will not be a client of any Joint Bookrunner, and that no Joint Bookrunner has any duties or responsibilities

to it for providing protection afforded to their respective clients or for providing advice in relation to the Share Issuance Programme nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;

- 4.18 that, save in the event of fraud on the part of that Joint Bookrunner, PSL or the Sponsor, none of the Joint Bookrunners, PSL or the Sponsor, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of a Joint Bookrunner's or the Sponsor's role as sponsor, broker, financial adviser or settlement agent to Fidante or otherwise in connection with the Share Issuance Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.19 it acknowledges that where it is subscribing for New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the New Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in the Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Share Issuance Programme in the form provided by the Company, the Joint Bookrunners and PSL. It agrees that the provision of this paragraph shall survive any resale of the New Shares by or on behalf of any such account;
- 4.20 it irrevocably appoints any Director of the Company and any director of any Joint Bookrunner to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Shares for which it has given a commitment under the Share Issuance Programme, in the event of its own failure to do so;
- 4.21 it accepts that if the Share Issuance Programme does not proceed or the conditions to the Share Issuance Programme under the Share Issuance Programme Agreement are not satisfied or the New Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of the Joint Bookrunners or the Sponsor, or the Company, the Investment Manager or the Investment Adviser or PSL, nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.22 in connection with its participation in the Share Issuance Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("Money Laundering Legislation") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.23 it acknowledges that due to anti-money laundering requirements, the Joint Bookrunners, PSL and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners, PSL and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Joint Bookrunners, PSL and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;

- 4.24 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for New Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended);
- 4.25 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.26 it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the "Data Protection Law") and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
- (A) process its personal data (including sensitive personal data) as required by or in connection with its holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (B) communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Shares;
 - (C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of New Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (D) without limitation, provide such personal data to the Company, or a Joint Bookrunner, PSL, or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (E) process its personal data for the Administrator's internal administration.
- 4.27 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.26 above). For the purposes of the Prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- 4.28 each of the Joint Bookrunners, the Sponsor and the Company are entitled to exercise any of their rights under the Share Issuance Programme Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- 4.29 the representations, undertakings and warranties contained in this Part 6 are irrevocable. It acknowledges that the Joint Bookrunners, the Sponsor and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- 4.30 where it or any person acting on behalf of it is dealing with a Joint Bookrunner and/or PSL, any money held in an account with a Joint Bookrunner and/or PSL, as applicable, on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require the Joint Bookrunners or PSL to segregate such money, as that money will be held by the Joint Bookrunner or PSL under a banking relationship and not as trustee;

- 4.31 any of its clients, whether or not identified to a Joint Bookrunner or PSL, will remain its sole responsibility and will not become clients of the Joint Bookrunners or PSL or any of them, for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- 4.32 it accepts that the allocation of New Shares shall be determined by the Joint Bookrunners and the Company in their absolute discretion and that such persons may scale down any Share Issuance Programme commitments for this purpose on such basis as they may determine;
- 4.33 time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations under the Share Issuance Programme;
- 4.34 it authorises the Joint Bookrunners, to deduct from the total amount subscribed under the Share Issuance Programme the aggregate commission (if any) (calculated at the rate agreed with the Placee) payable on the number of New Shares allocated under the Share Issuance Programme.

5. United States purchase and transfer restrictions

The New Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States.

The New Shares are being offered and sold outside of the United States in reliance on Regulation S. The Share Issuance Programme Agreement provides that the Joint Bookrunners may, directly or through its respective US broker-dealer affiliates, arrange for the offer and sale of New Shares within the United States only to QIBs in reliance on Rule 144A in a transaction not subject to the registration requirements of the Securities Act.

Placing in the United States

If you are a QIB purchasing the New Shares in the United States, by accepting delivery of this Securities Note, you will be deemed to have represented and agreed that:

- (a) you are a QIB, as defined in Rule 144A and a “qualified purchaser” for the purposes of Section 3(c)(7) of the Investment Company Act, and are not an affiliate of the Company or otherwise acting on its behalf;
- (b) you are aware and each beneficial owner of the New Shares has been advised that the seller of New Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Section 4(a)(2) or another exemption under the Securities Act, you are purchasing such New Shares for your own account or the account of a QIB with respect to which you invest on a discretionary basis, and not with a view to distribution, within the meaning of the United States’ federal securities laws;
- (c) you acknowledge that the New Shares have not been offered to you as the result of any general solicitation or general advertising (within the meaning of Rule 502(c) of the Securities Act) or any directed selling efforts (within the meaning of Regulation S).
- (d) you understand that the New Shares being offered have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred to (i) to a person who you reasonably believe is a QIB purchasing for its own account or for the account of a QIB, in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (iii) pursuant to an exemption from the registration requirements of the Securities Act such as those provided by Rule 144 thereunder, if available, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (e) the New Shares sold in the Initial Issue will constitute “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and for so long as they remain “restricted securities,” such New Shares may not be transferred except as described in clause (d) above. No representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the New Shares;

- (f) you understand that the New Shares sold within the United States (to the extent they are in certificated form), unless we determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT SUCH AS PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES,” and

- (g) (1) you are not, and you are not acting on behalf of, a Benefit Plan Investor unless you acquire the New Shares on or prior to Admission with the written consent of the Company, or (2) (A) if you are, or you are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such New Share does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and (B) if you are a governmental, church, non-US or other plan which is subject to Similar Law, your acquisition, holding and disposition of such New Shares will not constitute or result in a non-exempt violation of any Similar Law.

Placing outside the United States

If you purchase the New Shares outside the United States in reliance on Regulation S hereby, by accepting delivery of this Securities Note, you will be deemed to have represented and agreed that:

- (a) you, and the person, if any, for whose account you are acquiring New Shares are not a US person as defined in Regulation S;
- (b) you, and the person, if any, for whose account you are acquiring New Shares, are purchasing such New Shares outside the United States in an offshore transaction in accordance with Regulation S;
- (c) you understand that the New Shares being offered have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred except (i) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (ii) inside the United States as to a US person only pursuant to an exemption from registration under the Securities Act such as provided by Rule 144 thereunder, if available, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (d) any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions will not be recognised by us in respect of the New Shares; and
- (e) (1) you are not, and you are not acting on behalf of, a Benefit Plan Investor unless you acquire the New Shares on or prior to Admission with the written consent of the Company, or (2) (A) if you are, or you are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such New Share does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and (B) if you are a governmental, church, non-US or other plan which is subject to Similar Law, your acquisition, holding and disposition of such New Shares will not constitute or result in a non-exempt violation of any Similar Law.

6. Supply and disclosure of information

If the Joint Bookrunners, the Sponsor, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for New Shares under the Share Issuance Programme, such Placee must promptly disclose it to them.

7. Miscellaneous

PSL is acting as receiving agent for Fidante in connection with the Initial Placing and for no-one else and will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price New Shares the suitability New Shares Placee person a Placee or to any other person for providing the protections afforded to its customers.

The rights and remedies of the Joint Bookrunners, the Sponsor, the Investment Manager, the Registrar, the Investment Adviser, the Administrator, PSL and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Share Issuance Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the New Shares, which the Placee has agreed to subscribe for pursuant to the Share Issuance Programme, have been acquired by the Placee. The contract to subscribe for New Shares under the Share Issuance Programme and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Bookrunners, the Sponsor, the Company, the Investment Manager, the Investment Adviser, the Administrator the Registrar and PSL, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for New Shares under the Share Issuance Programme, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Joint Bookrunners and the Company expressly reserve the right to modify the Share Issuance Programme (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Share Issuance Programme is subject to the satisfaction of the conditions contained in the Share Issuance Programme Agreement and to the Share Issuance Programme Agreement not having been terminated. Further details of the terms of the Share Issuance Programme Agreement are contained in Part 8 of the Registration Document.

PART 7

TERMS AND CONDITIONS OF THE INITIAL OFFER

1. Introduction

If you apply for any New Shares under the Initial Offer, you will be agreeing with the Company, the Registrar and the Receiving Agent to the Terms and Conditions of Application set out below.

The Initial Offer will remain open from 15 November 2016 to 18 November 2016 (the “Closing Date”), or such earlier date as the Company may determine and announce through a Regulatory Information Service.

Admission of the New Shares under the Initial Offer is expected to occur on or prior to 25 November 2016 whilst the Initial Offer remains open.

2. Offer to acquire New Shares

Your application must be made on the Application Form attached at the end of this Securities Note or as may be otherwise published by the Company. By completing and delivering an Application Form, you, as the applicant, and, if you sign the Application Form on behalf of another person or a corporation, that person or corporation:

- 2.1 offer to subscribe for such number of New Shares at the Initial Issue Price as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000) and subject to the conditions, set out in this Securities Note, including these Terms and Conditions of Application and the Articles and of any announcement made by the Company in relation to the Initial Offer;
- 2.2 agree that, in consideration of the Company agreeing that it will not, prior to the Closing Date of the Initial Offer, offer for subscription any New Shares to any person other than by means of the procedures referred to in this Securities Note, your application may not be revoked (save for any statutory withdrawal rights) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or in the case of delivery by hand, on receipt by the Receiving Agent of, your Application Form;
- 2.3 undertake to pay the amount specified in Box 1 on your Application Form in full on application and warrant that the remittance accompanying your Application Form will be honoured on first presentation and agree that if such remittance is not so honoured you will not be entitled to receive the share certificates for the New Shares applied for in certificated form or be entitled to commence dealing in the New Shares applied for in Uncertificated Form or to enjoy or receive any rights in respect of such New Shares unless and until you make payment in cleared funds for such New Shares and such payment is accepted by the Receiving Agent (which acceptance shall be in its absolute discretion and on the basis that you indemnify the Receiving Agent and the Company against all costs, damages, losses, expenses and liabilities arising out of, or in connection with, the failure of your remittance to be honoured on first presentation) and the Company may (without prejudice to any other rights it may have) void the agreement to allot the New Shares and may allot them to some other person, in which case you will not be entitled to any refund or payment in respect thereof (other than the refund by way of a cheque, in your favour, at your risk, for an amount equal to the proceeds of the remittance which accompanied your Application Form, without interest);
- 2.4 agree that where on your Application Form a request is made for New Shares to be deposited into a CREST Account: (i) the Receiving Agent acting on behalf of the Company may in its absolute discretion amend the form so that such New Shares may be issued in Certificated Form registered in the name(s) of the holders specified in your Application Form (and recognise that the Receiving Agent will so amend the form if there is any delay in satisfying the identity of the applicant or the owner of the CREST Account or in receiving your remittance in cleared funds); and (ii) the Receiving Agent or the Company may authorise your financial adviser or whoever he or she may direct to send a document of title for or credit your CREST account in respect of the number of New Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post at your risk to your address set out on your application form;

- 2.5 agree, in respect of applications for New Shares in Certificated Form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2.4 above to issue New Shares in Certificated Form), that any share certificate to which you or, in the case of joint applicants, any of the persons specified by you in your Application Form may become entitled or pursuant to paragraph 2.4 above (and any monies returnable to you) may be retained by the Receiving Agent:
- (A) pending clearance of your remittance;
 - (B) pending investigation of any suspected breach of the warranties contained in paragraph 6 below or any other suspected breach of these Terms and Conditions of Application; or
 - (C) pending any verification of identity which is, or which the Receiving Agent considers may be, required for the purposes of the Guernsey AML Requirements; and
 - (D) and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- 2.6 agree, on the request of the Receiving Agent, to disclose promptly in writing to them such information as the Receiving Agent may request in connection with your application and authorise the Receiving Agent to disclose any information relating to your application which they may consider appropriate;
- 2.7 agree that, if evidence of identity satisfactory to the Receiving Agent is not provided to the Receiving Agent within a reasonable time (in the opinion of the Company) following a request therefor, the Company or the Receiving Agent may terminate the agreement with you to allot New Shares and, in such case, the New Shares which would otherwise have been allotted to you may be reallocated or sold to some other party and the lesser of your application monies or such proceeds of sale (as the case may be, with the proceeds of any gain derived from a sale accruing to the Company) will be returned to the bank account on which the payment accompanying the application was first drawn without interest and at your risk;
- 2.8 agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
- 2.9 undertake to ensure that, in the case of an Application Form signed by someone else on your behalf, the original of the relevant power of attorney (or a complete copy certified by a solicitor or notary) is enclosed with your Application Form together with full identity documents for the person so signing;
- 2.10 undertake to pay interest at the rate described in paragraph 3.3 below if the remittance accompanying your Application Form is not honoured on first presentation;
- 2.11 authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of New Shares for which your application is accepted or if you have completed Box 7 on your Application Form, but subject to paragraph 2.4 above, to deliver the number of New Shares for which your application is accepted into CREST, and/or to return any monies returnable by cheque in your favour without interest and at your risk;
- 2.12 confirm that you have read and complied with paragraph 8 of this Part 7;
- 2.13 agree that all subscription cheques and payments will be processed through a bank account (the "Acceptance Account") in the name of **"Capita Registrars Limited A/C NESF OFS 2016"** opened with the Receiving Agent;
- 2.14 acknowledge and agree that information provided by you to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. You acknowledge and agree that for the purposes of the DP Law and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the Purposes), being to:
- (A) process your personal data (including sensitive personal data) as required by or in connection with your holding of Shares, including processing personal data in connection with credit and money laundering checks on you;
 - (B) communicate with you as necessary in connection with your affairs and generally in connection with your holding of Shares;

- (C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with your affairs and generally in connection with your holding of Shares or as the DP Law may require, including to third parties outside the Bailiwick of Guernsey or the EEA;
 - (D) without limitation, provide such personal data to the Company, the Sponsor or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the EEA; and
 - (E) process your personal data for the Administrator's internal administration;
- 2.15 agree that your Application Form is addressed to the Company and the Receiving Agent.
- 2.16 Any application may be rejected in whole or in part at the sole discretion of the Company.
- 2.17 Multiple applications or suspected multiple applications on behalf of a single investor are liable to be rejected.
- 2.18 Fractions of Shares will not be issued.

3. Acceptance of your Initial Offer

- 3.1 The Receiving Agent may, on behalf of the Company, accept your offer to subscribe (if your application is received, valid (or treated as valid), processed and not rejected) by notifying acceptance to the Receiving Agent.
- 3.2 The basis of allocation will be determined by the Joint Bookrunners in consultation with the Company. The right is reserved notwithstanding the basis as so determined to reject in whole or in part and/or scale back any application. The right is reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying the Application Form. In particular, but without limitation, the Company may accept an application made otherwise than by completion of an Application Form where you have agreed with the Company in some other manner to apply in accordance with these Terms and Conditions of Application. The Company and Receiving Agent reserves the right (but shall not be obliged) to accept Application Forms and accompanying remittances which are received otherwise than in accordance with these Terms and Conditions of Application.
- 3.3 The Receiving Agent will present all cheques and bankers' drafts for payment on receipt and will retain documents of title and surplus monies pending clearance of successful applicants' payment. The Receiving Agent may, as agent of the Company, require you to pay interest or its other resulting costs (or both) if the payment accompanying your application is not honoured on first presentation. If you are required to pay interest you will be obliged to pay the amount determined by the Receiving Agent, to be the interest on the amount of the payment from the date on which all payments in cleared funds are due to be received until the date of receipt of cleared funds. The rate of interest will be the then published bank base rate of a clearing bank selected by the Receiving Agent plus 2 per cent. Per annum. The right is also reserved to reject in whole or in part, or to scale down or limit, any application.
- 3.4 The Company reserves the right in its absolute discretion (but shall not be obliged) to accept applications for less than the minimum subscription of £1,000.

4. Conditions

- 4.1 The contracts created by the acceptance of applications (in whole or in part) under the Initial Offer will be conditional upon:
- (A) Admission occurring by not later than 8.00 a.m. on the Closing Date; and
 - (B) the Share Issuance Programme Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before the Admission becomes effective.
- 4.2 You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including pre-contractual representations) at any time after acceptance. This does not affect any other right you may have.

5. Return of application monies

Where application monies have been banked and/or received, if any application is not accepted in whole, or is accepted in part only, or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance of the amount paid on application will be returned without interest and after the deduction of any applicable bank charges by returning your cheque, or by crossed cheque in your favour, by post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

6. Warranties

By completing an Application Form, you:

- 6.1 warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person and that such other person will be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake to enclose your power of attorney or other authority or a complete copy thereof duly certified by a solicitor or notary;
- 6.2 warrant that you are not located for the purposes of the Initial Offer in the United Kingdom and no other jurisdiction;
- 6.3 warrant that you are not located within the United States, you are acquiring the Shares in an offshore transaction meeting the requirements of Regulation S and are not acquiring the Shares for the account or benefit of a US person (as defined in Regulation S);
- 6.4 acknowledge that Shares are not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey and offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended;
- 6.5 warrant, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your application, that you have complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action or omitted to take any action which will result in the Company, the Sponsor or the Receiving Agent, or any of their respective officers, agents, employees or affiliates, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Initial Offer in respect of your application;
- 6.6 confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in the Prospectus (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for the Prospectus or any part thereof shall have any liability for any such other information or representation;
- 6.7 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations contained therein;
- 6.8 acknowledge that no person is authorised in connection with the Initial Offer to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, the Sponsor or the Receiving Agent;
- 6.9 warrant that you are not under the age of 18 on the date of your application;
- 6.10 agree that all documents and monies sent by post to, by or on behalf of the Company, or the Receiving Agent, will be sent at your risk and, in the case of documents and returned application cheques and payments to be sent to you, may be sent to you at your address (or, in the case of joint holders, the address of the first-named holder) as set out in your Application Form;
- 6.11 confirm that you have reviewed the restrictions contained in paragraph 8 of this Part 7 below and warrant, to the extent relevant, that you (and any person on whose behalf you apply) comply or have complied with the provisions therein;

- 6.12 agree that, in respect of those New Shares for which your Application Form has been received and processed and not rejected, acceptance of your Application Form shall be constituted by the Company instructing the Registrar to enter your name on the share registry;
- 6.13 agree that all applications, acceptances of applications and contracts resulting therefrom under the Initial Offer (including any non-contractual obligations arising under or in connection therewith) shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- 6.14 irrevocably authorise the Company, or any other person authorised by any of them, as your agent, to do all things necessary to effect registration of any Ordinary Shares subscribed by or issued to you into your name and authorise any representatives of the Company and to execute any documents required therefor and to enter your name on the register of members of the Company;
- 6.15 agree to provide the Company and Receiving Agent with any information which they may request in connection with your application or to comply with any other relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the Guernsey AML Requirements;
- 6.16 agree that the Receiving Agent is acting for the Company in connection with the Initial Offer and for no-one else and that they will NOT treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Shares or concerning the suitability of Shares for you or be responsible to you for providing the protections afforded to their customers;
- 6.17 warrant that you are not subscribing for the New Shares using a loan which would not have been given to you or any associate or not given to you on such favourable terms, if you had not been proposing to subscribe for the New Shares; and
- 6.18 warrant that the information contained in your Application Form is true and accurate.

7. Money laundering

- 7.1 You agree that, in order to ensure compliance with the UK Money Laundering Regulations 2007 (where applicable) and the Guernsey AML Requirements, the Receiving Agent or the Administrator may respectively at their absolute discretion require verification of identity from any person lodging an Application Form.
- 7.2 The Receiving Agent may undertake electronic searches for the purposes of verifying your identity. To do so the Receiving Agent may verify the details against your identity, but may also request further proof of your identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.
- 7.3 Payments must be made by cheque or banker's draft in sterling drawn on a United Kingdom branch of a bank or building society. Cheques, which must be drawn on your personal account where you have sole or joint title to the funds, should be made payable to **Capita Registrars Limited A/C NESF OFS 2016 and crossed "A/C payee"**. **Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft by following the instructions.**
- 7.4 The name on the bank account must be the same as that stated on the Application Form.
- 7.5 Where you appear to the Receiving Agent to be acting on behalf of some other person certifications of identity of any persons on whose behalf you appear to be acting may be required.
- 7.6 Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.

- 7.7 In all circumstances, verification of the identity of applicants will be required. If you use a building society cheque, banker's draft or money order you should ensure that the bank or building society enters the name, address and account number of the person whose account is being debited on the reverse of the cheque, banker's draft or money order and adds its stamp. The name on the bank account must be the same as that stated on the Application Form.
- 7.8 You should endeavour to have the certificate contained in Box 8 of the Application Form signed by an appropriate firm as described in that Box.

8. Overseas investors

The attention of investors who are not resident in, or who are not citizens of the United Kingdom is drawn to paragraphs 8.1 to 8.6 below:

- 8.1 The offer of Shares under the Initial Offer is only being made in the UK. Persons who are resident in, or citizens of, countries other than the United Kingdom (Overseas Investors) who wish to subscribe for Shares under the Initial Offer may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Shares under the Initial Offer. It is the responsibility of all Overseas Investors receiving the Prospectus and/or wishing to subscribe for the Shares under the Initial Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- 8.2 No person receiving a copy of the Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to him, unless in the relevant territory such an offer can lawfully be made to him without compliance with any further registration or other legal requirements.
- 8.3 The Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold, directly or indirectly, within the United States. In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.
- 8.4 None of the Shares have been or will be registered under the laws of Australia, Canada, Japan or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the United States, Australia, Canada, Japan or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, the Republic of South Africa or the United States (as the case may be). If you subscribe for Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not located in the United States or a resident of Australia, Canada, Japan or the Republic of South Africa or a corporation, partnership or other entity organised under the laws of the United States, Australia or Canada (or any political subdivision of any of them), Japan or the Republic of South Africa and that you are not subscribing for such Shares for the account of any US Person or resident of Australia, Canada, Japan, Australia or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Shares in or into the United States, Australia, Canada, Japan or the Republic of South Africa or to any person located in the United States or resident in Australia, Canada, Japan or the Republic of South Africa. No application will be accepted if it shows the applicant, payor or a prospective holder having an address in the United States, Australia, Canada, Japan or the Republic of South Africa.
- 8.5 Persons (including, without limitation, nominees and trustees) receiving the Prospectus should not distribute or send it in or into the United States, Canada, Australia, Japan and South Africa or their respective territories of possessions or any other jurisdictions where to do so would or might contravene local securities laws or regulations.

- 8.6 The Company reserves the right to treat as invalid any agreement to subscribe for New Ordinary Shares pursuant to the Initial Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

9. The Data Protection (Bailiwick of Guernsey) Law 2001

- 9.1 Pursuant to the DP Law, the Company, the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- 9.2 Such personal data held is used by the Registrar to maintain a register of the Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when: (a) effecting the payment of dividends and redemption proceeds to Shareholders (in each case, where applicable) and, if applicable, the payment of commissions to third parties; and (b) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- 9.3 The countries referred to above include, but need not be limited to, those in the EEA or the European Union and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.
- 9.4 By becoming registered as a holder of Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

10. Miscellaneous

- 10.1 To the extent permitted by law, all representations, warranties and conditions, express or implied and whether statutory or otherwise (including, without limitation, pre-contractual representations but excluding any fraudulent representations), are expressly excluded in relation to the Shares and the Initial Offer.
- 10.2 The rights and remedies of the Company and the Receiving Agent under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to any of them and the exercise or partial exercise of one will not prevent the exercise of others.
- 10.3 The Company reserves the right to shorten the closing time of the Initial Offer from the date announced as being the closing time for the Initial Offer by giving notice to the London Stock Exchange. The Company will notify investors via a RIS and any other manner, having regard to the requirements of the London Stock Exchange.
- 10.4 The Company may terminate the Initial Offer in its absolute discretion at any time prior to the Closing Date. If such right is exercised, the Initial Offer will lapse and any monies will be returned as indicated without interest.
- 10.6 The dates and times referred to in these Terms and Conditions of Application may be altered by the Company so as to be consistent with the Share Issuance Programme Agreement (as the same may be altered from time to time in accordance with its terms).
- 10.7 Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as used elsewhere in this Securities Note.

PART 8

TERMS AND CONDITIONS OF THE FURTHER PLACINGS

1. Introduction

Each Placee which confirms its agreement to Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie and/or PSL (acting as settlement agent of Fidante in connection with the Initial Placing), as applicable, to subscribe for New Shares under the Share Issuance Programme will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie and/or PSL, as applicable, may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a "Placing Letter").

2. Agreement to subscribe for New Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to the date specified in relation to an Issue (or such later time and/or date, as the Company, and the Joint Bookrunners may agree); (ii) the Share Issuance Programme Agreement becoming otherwise unconditional in all respects, (save for any conditions relating to Admission) and not having been terminated on or before the date specified in relation to an Issue (or such later time and/or date, as the Company and the Joint Bookrunners may agree); and (iii) Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, confirming to the Placees their allocation of New Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those New Shares allocated to it by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, at the Issue Price. To the fullest extent permitted by law, each Placee acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time. This does not affect any other rights the Placee may have.

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

Fractions of New Shares will not be issued.

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

3. Payment for New Shares

Each Placee undertakes to pay the Issue Price for the New Shares issued to the Placee in the manner and by the time directed by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable. In the event of any failure by any Placee to pay as so directed and/or by the time required by Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie, as applicable, the relevant Placee's application may be rejected, and at the election of Cantor Fitzgerald and/or Fidante and/or SCS and/or Macquarie the relevant Placee shall be deemed hereby to have appointed the Joint Bookrunners, or any nominee of them, as applicable, as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the New Shares in respect of which payment shall not have been made as directed, and to indemnify the Joint Bookrunners and the Company, and its respective affiliates on demand in respect of any liability for stamp duty and/or stamp duty reserve tax or any other liability whatsoever arising in respect of any such sale or sales. A sale of all or any of such New Shares shall not release the relevant Placee from the obligation to make such payment for relevant New Shares to the extent that the Company or the Joint Bookrunners, as applicable, or their nominees have failed to sell such New Shares at a consideration which, after deduction of the expenses of such sale and payment of stamp duty and/or stamp duty reserve tax as aforementioned, is agreed to or exceeds the applicable Issue Price per Share.

4. Representations and warranties

By agreeing to subscribe for New Shares, each Placee which enters into a commitment to subscribe for New Shares will (for itself and for any person(s) procured by it to subscribe for New Shares and any nominee(s) for any such person(s)) be deemed to undertake, represent and warrant to each of the Company, the Investment Manager, the Investment Adviser, the Administrator, the Registrar and Joint Bookrunners and PSL, as applicable, that:

- 4.1 in agreeing to subscribe for New Shares under the Share Issuance Programme, it is relying solely on the Prospectus and any supplementary prospectus issued by the Company and not on any other information given, or representation or statement made at any time, by any person concerning the Company, the New Shares or the Share Issuance Programme. It agrees that none of the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, the Administrator, PSL or the Registrar, nor any of their respective officers, agents, employees or affiliates, will have any liability for any other information or representation. It irrevocably and unconditionally waives any rights it may have in respect of any other information or representation;
- 4.2 if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for New Shares under the Share Issuance Programme, it warrants that it has complied with all such laws, obtained all governmental and other consents which may be required, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with its application in any territory and that it has not taken any action or omitted to take any action which will result in the Company, the Investment Manager, the Investment Adviser, the Joint Bookrunners, the Administrator, PSL or the Registrar or the any of their respective officers, agents, employees or affiliates acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside the United Kingdom in connection with the Share Issuance Programme;
- 4.3 it has carefully read and understands the Prospectus in its entirety and acknowledges that it is acquiring New Shares on the terms and subject to the conditions set out in this Part 8 and the Articles as in force at the date of Admission;
- 4.4 it has not relied on any Joint Bookrunners, or any person affiliated with a Joint Bookrunner (which, for the avoidance of doubt, in this Part 8, includes PSL in respect of Fidante) in connection with any investigation of the accuracy of any information contained in the Prospectus;
- 4.5 it acknowledges that none of the Joint Bookrunners, PSL nor any person acting on their behalf, nor any of their affiliates, has provided it with any material or information regarding the Company or the New Shares and the content of the Prospectus is exclusively the responsibility of the Company and its Directors and neither none of the Joint Bookrunners, PSL nor any person acting on their behalf nor any of their affiliates are responsible for or shall have any liability for any information, representation or statement contained in the Prospectus or any information published by or on behalf of the Company and will not be liable for any decision by a Placee to participate in the Share Issuance Programme based on any information, representation or statement contained in the Prospectus or otherwise;
- 4.6 it acknowledges that no person is authorised in connection with the Share Issuance Programme to give any information or make any representation other than as contained in the Prospectus and, if given or made, any information or representation must not be relied upon as having been authorised by any Joint Bookrunner, PSL, the Company, the Investment Manager, the Investment Adviser, the Administrator or the Registrar;
- 4.7 it is not applying as, nor is it applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986;
- 4.8 it will acquire New Shares for its own account or for one or more accounts as to each of which it exercises sole investment discretion and it has full power to make the acknowledgements, representations, warranties and agreements herein on behalf of each such account.

- 4.9 it accepts that none of the New Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the New Shares may not be offered, sold, issued or delivered, directly or indirectly, within any Excluded Territory unless an exemption from any registration requirement is available;
- 4.10 if it is within the United Kingdom, it is a person who falls within Articles 49 or 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 or is a person to whom the New Shares may otherwise lawfully be offered under such Order, or, if it is receiving the offer in circumstances under which the laws or regulations of a jurisdiction other than the United Kingdom would apply, that it is a person to whom the New Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- 4.11 if it is a resident in the EEA (other than the United Kingdom), it is (a) a "qualified investor" within the meaning of the law in the Relevant Member State implementing Article 2(1)(c)(i), (ii) or (iii) of the Prospectus Directive and (b) if that Relevant Member State has implemented the AIFM Directive, that it is a person to whom the New Shares may be lawfully marketed under the AIFM Directive or under the applicable implementing legislation in that Relevant Member State;
- 4.12 in the case of any New Shares acquired by an investor as a financial intermediary within the meaning of the law in the relevant Member State implementing Article 2(1)(c)(i), (ii) or (iii) of the Prospectus Directive; (i) the New Shares acquired by it in the Share Issuance Programme have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Joint Bookrunners has been given to the offer or resale; or (ii) where New Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those New Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- 4.13 if it is outside the United Kingdom, neither the Prospectus nor any other offering, marketing or other material in connection with the Share Issuance Programme constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for New Shares pursuant to the Share Issuance Programme unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and New Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;
- 4.14 it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the New Shares and it is not acting on a non-discretionary basis for any such person;
- 4.15 (i) if the investor is a natural person, such investor is not under the age of majority (18 years of age in the United Kingdom) on the date of such investor's agreement to subscribe for New Shares under the Share Issuance Programme and will not be any such person on the date any such Share Issuance Programme is accepted and (ii) if the investor is an entity, such entity has taken all necessary corporate actions to authorise its agreement to subscribe for New Shares, and the person signing on its behalf is its duly authorised representative with the corporate power and authority to enter into the agreement to subscribe for New Shares;
- 4.16 it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted the Prospectus or any other offering materials concerning the Share Issuance Programme or the New Shares to any persons within the United States except to QIBs in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, nor will it do any of the foregoing;
- 4.17 it acknowledges that none of the Joint Bookrunners, nor any of their respective affiliates nor any person acting on their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Share Issuance Programme or providing any advice in relation to the Share Issuance Programme and participation in the Share Issuance Programme is on the basis that it is not and will not be a client of any Joint Bookrunners, and that no Joint Bookrunner has any duties or

responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Share Issuance Programme nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in any Placing Letter;

- 4.18 that, save in the event of fraud on the part of that Joint Bookrunner, PSL or the Sponsor, none of the Joint Bookrunners, PSL or the Sponsor, their ultimate holding companies nor any direct or indirect subsidiary undertakings of such holding companies, nor any of their respective directors, members, partners, officers and employees shall be responsible or liable to a Placee or any of its clients for any matter arising out of a Joint Bookrunner's or the Sponsor's role as sponsor, broker, financial adviser or settlement agent to Fidante or otherwise in connection with the Share Issuance Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Placee and, if relevant, its clients, will immediately waive any claim against any of such persons which the Placee or any of its clients may have in respect thereof;
- 4.19 it acknowledges that where it is subscribing for New Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the New Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in the Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Share Issuance Programme in the form provided by the Company, the Joint Bookrunners and PSL. It agrees that the provision of this paragraph shall survive any resale of the New Shares by or on behalf of any such account;
- 4.20 it irrevocably appoints any Director of the Company and any director of any Joint Bookrunner, to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the New Shares for which it has given a commitment under the Share Issuance Programme, in the event of its own failure to do so;
- 4.21 it accepts that if the Share Issuance Programme does not proceed or the conditions to the Share Issuance Programme under the Share Issuance Programme Agreement are not satisfied or the New Shares for which valid application are received and accepted are not admitted to listing on the Official List and to trading on the London Stock Exchange's main market for listed securities for any reason whatsoever then none of the Joint Bookrunners, or the Sponsor, or the Company, the Investment Manager or the Investment Adviser, or PSL nor persons controlling, controlled by or under common control with any of them nor any of their respective employees, agents, officers, members, stockholders, partners or representatives, shall have any liability whatsoever to it or any other person;
- 4.22 in connection with its participation in the Share Issuance Programme it has observed all relevant legislation and regulations, in particular (but without limitation) those relating to money laundering ("Money Laundering Legislation") and that its application is only made on the basis that it accepts full responsibility for any requirement to verify the identity of its clients and other persons in respect of whom it has applied. In addition, it warrants that it is a person: (i) subject to the Money Laundering Regulations 2007 in force in the United Kingdom; or (ii) subject to the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or (iii) subject to the Guernsey AML Requirements; or (iv) acting in the course of a business in relation to which an overseas regulatory authority exercises regulatory functions and is based or incorporated in, or formed under the law of, a country in which there are in force provisions at least equivalent to those required by the Money Laundering Directive;
- 4.23 it acknowledges that due to anti-money laundering requirements, the Joint Bookrunners, PSL, and the Company may require proof of identity and verification of the source of the payment before the application can be processed and that, in the event of delay or failure by the applicant to produce any information required for verification purposes, the Joint Bookrunners, PSL and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify the Joint Bookrunners, PSL and the Company against any liability, loss or cost ensuing due to the failure to process such application, if such information as has been requested has not been provided by it in a timely manner;

- 4.24 it acknowledges that any person in Guernsey involved in the business of the Company who has a suspicion or belief that any other person (including the Company or any person subscribing for New Shares) is involved in money laundering activities, is under an obligation to report such suspicion to the Financial Intelligence Service pursuant to the Terrorism and Crime (Bailiwick of Guernsey) Law, 2002 (as amended);
- 4.25 that it is aware of, has complied with and will at all times comply with its obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- 4.26 it acknowledges and agrees that information provided by it to the Company, Registrar or Administrator will be stored on the Registrar's and the Administrator's computer system and manually. It acknowledges and agrees that for the purposes of the Data Protection (Bailiwick of Guernsey) Law 2001 (the "Data Protection Law") and other relevant data protection legislation which may be applicable, the Registrar and the Administrator are required to specify the purposes for which they will hold personal data. The Registrar and the Administrator will only use such information for the purposes set out below (collectively, the "Purposes"), being to:
- (A) process its personal data (including sensitive personal data) as required by or in connection with its holding of New Shares, including processing personal data in connection with credit and money laundering checks on it;
 - (B) communicate with it as necessary in connection with its affairs and generally in connection with its holding of New Shares;
 - (C) provide personal data to such third parties as the Administrator or Registrar may consider necessary in connection with its affairs and generally in connection with its holding of New Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
 - (D) without limitation, provide such personal data to the Company or a Joint Bookrunner, PSL, or the Investment Adviser and their respective associates for processing, notwithstanding that any such party may be outside the Bailiwick of Guernsey or the European Economic Area; and
 - (E) process its personal data for the Administrator's internal administration.
- 4.27 in providing the Registrar and the Administrator with information, it hereby represents and warrants to the Registrar and the Administrator that it has obtained the consent of any data subjects to the Registrar and the Administrator and their respective associates holding and using their personal data for the Purposes (including the explicit consent of the data subjects for the processing of any sensitive personal data for the purpose set out in paragraph 4.26 above). For the purposes of the Prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- 4.28 the Joint Bookrunners, the Sponsor and the Company are entitled to exercise any of their rights under the Share Issuance Programme Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- 4.29 the representations, undertakings and warranties contained in this Part 8 are irrevocable. It acknowledges that the Joint Bookrunners, the Sponsor and the Company and their respective affiliates will rely upon the truth and accuracy of the foregoing representations and warranties and it agrees that if any of the representations or warranties made or deemed to have been made by its subscription of the New Shares are no longer accurate, it shall promptly notify the Joint Bookrunners and the Company;
- 4.30 where it or any person acting on behalf of it is dealing with a Joint Bookrunner, and/or PSL, any money held in an account with a Joint Bookrunner, and/or PSL on behalf of it and/or any person acting on behalf of it will not be treated as client money within the meaning of the relevant rules and regulations of the Financial Conduct Authority which therefore will not require the Joint Bookrunners or PSL to segregate such money, as that money will be held by the Joint Bookrunner or PSL, under a banking relationship and not as trustee;
- 4.31 any of its clients, whether or not identified to a Joint Bookrunner or PSL will remain its sole responsibility and will not become clients of the Joint Bookrunners or PSL or any of them for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;

- 4.32 it accepts that the allocation of New Shares shall be determined by the Joint Bookrunners and the Company in their absolute discretion and that such persons may scale down any Share Issuance Programme commitments for this purpose on such basis as they may determine;
- 4.33 time shall be of the essence as regards its obligations to settle payment for the New Shares and to comply with its other obligations under the Share Issuance Programme;
- 4.34 it authorises the Joint Bookrunners to deduct from the total amount subscribed under the Share Issuance Programme the aggregate commission (if any) (calculated at the rate agreed with the Placee) payable on the number of New Shares allocated under the Share Issuance Programme.

5. United States purchase and transfer restrictions

The New Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States.

The New Shares are being offered and sold outside of the United States in reliance on Regulation S. The Share Issuance Programme Agreement provides that the Joint Bookrunners may, directly or through its respective US broker-dealer affiliates, arrange for the offer and sale of New Shares within the United States only to QIBs in reliance on Rule 144A in a transaction not subject to the registration requirements of the Securities Act.

Placing in the United States

If you are a QIB purchasing the New Shares in the United States in reliance on Rule 144A, by accepting delivery of this Securities Note, you will be deemed to have represented and agreed that:

- (a) you are a QIB as defined in Rule 144A, and a “qualified purchaser” for the purposes of Section 3(c)(7) of the Investment Company Act, and are not an affiliate of the company or otherwise acting on its behalf;
- (b) you are aware and each beneficial owner of the New Shares has been advised, that the seller of New Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Section 4(a)(2) or another exemption under the Securities Act, and you are purchasing such New Shares for your own account or the account of a QIB with respect to which you invest on a discretionary basis and not with a view to distribution within the meaning of the United States’ federal securities laws;
- (c) you acknowledge that the New Shares have not been offered to you as the result of any general solicitation or general advertising (within the meaning of Rule 502(c) of the Securities Act) or any directed selling efforts (within the meaning of Regulation S).
- (d) you understand that the New Shares being offered have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred (i) to a person who you reasonably believe is a QIB purchasing for its own account or for the account of a QIB, in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (iii) pursuant to an exemption from the registration requirements of the Securities Act provided by Rule 144 thereunder, if available, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (e) the New Shares sold in the Initial Issue will constitute “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, and for so long as they remain “restricted securities,” such New Shares may not be transferred except as described in clause (b) above. No representation is made as to the availability of the exemption provided by Rule 144 under the Securities Act for resales of the New Shares;
- (f) you understand that the New Shares sold within the United States (to the extent they are in certificated form), unless we determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933 (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A, PURCHASING FOR ITS OWN ACCOUNT OR FOR ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT SUCH AS PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES,”; and

- (g) (1) you are not, and you are not acting on behalf of, a Benefit Plan Investor unless you acquire the New Shares on or prior to Admission with the written consent of the Company, or (2) (A) if you are, or you are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such New Share does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and (B) if you are a governmental, church, non-US or other plan which is subject to Similar Law, your acquisition, holding and disposition of such New Shares will not constitute or result in a non-exempt violation of any Similar Law.

Placing outside the United States

If you purchase the New Shares outside the United States in reliance on Regulation S hereby, by accepting delivery of this Securities Note, you will be deemed to have represented and agreed that:

- (a) you, and the person, if any, for whose account you are acquiring New Shares, are purchasing such New Shares outside the United States in an offshore transaction in accordance with Regulation S;
- (b) you understand that the New Shares being offered have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred except (i) to a person you reasonably believe is a QIB purchasing for its own account or for the account of a QIB, in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States;
- (c) any offer, sale, pledge or other transfer made other than in compliance with the above stated restrictions will not be recognised by us in respect of the New Shares; and
- (d) (1) you are not, and you are not acting on behalf of, a Benefit Plan Investor unless you acquire the New Shares on or prior to Admission with the written consent of the Company, or (2) (A) if you are, or you are acting on behalf of, a Benefit Plan Investor, your acquisition, holding and disposition of such New Share does not and will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code and (B) if you are a governmental, church, non-US or other plan which is subject to Similar Law, your acquisition, holding and disposition of such New Shares will not constitute or result in a non-exempt violation of any Similar Law.

6. Supply and disclosure of information

If the Joint Bookrunners, the Sponsor, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for New Shares under the Share Issuance Programme, such Placee must promptly disclose it to them.

7. Miscellaneous

PSL is acting as receiving agent for Fidante in connection with the Placing and for no-one else and will not treat a Placee or any other person as its customer by virtue of such application being accepted or owe a Placee or any other person any duties or responsibilities concerning the price New Shares the suitability New Shares Placee person a Placee or to any other person for providing the protections afforded to its customers.

The rights and remedies of the Joint Bookrunners, the Sponsor, the Investment Manager, the Registrar, the Investment Adviser, the Administrator, PSL and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Share Issuance Programme will be sent at the Placee's risk. They may be returned by post to such Placee at the address notified by such Placee.

Each Placee agrees to be bound by the Articles once the New Shares, which the Placee has agreed to subscribe for pursuant to the Share Issuance Programme, have been acquired by the Placee. The contract to subscribe for New Shares under the Share Issuance Programme and the appointments and authorities mentioned in the Prospectus will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Bookrunners, the Sponsor, the Company, the Investment Manager, the Investment Adviser, the Administrator, the Registrar and PSL, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against the Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for New Shares under the Share Issuance Programme, references to a Placee in these terms and conditions are to each of the Placees who are a party to that joint agreement and their liability is joint and several.

The Joint Bookrunners and the Company expressly reserve the right to modify the Share Issuance Programme (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Share Issuance Programme is subject to the satisfaction of the conditions contained in the Share Issuance Programme Agreement and to the Share Issuance Programme Agreement not having been terminated. Further details of the terms of the Share Issuance Programme Agreement are contained in Part 8 of the Registration Document.

DEFINITIONS

<u>“2014 Share Issuance Programme”</u> or <u>“2014 SIP”</u>	the share issuance programme of up to 250 million Ordinary Shares, as described in the prospectus published by the Company dated 10 November 2014 which closed on 9 November 2015
<u>“2016 Tap Issuance Programme”</u> or <u>“2016 TIP”</u>	the tap issuance programme to sell Ordinary Shares out of treasury and to issue new Ordinary Shares without having to publish a prospectus, which was announced by the Company through a Regulatory Information Service on 15 July 2016
<u>“Administration Agreement”</u>	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 6.12 of Part 8 of the Registration Document
<u>“Administrator”</u>	Ipes (Guernsey) Limited
<u>“Admission”</u>	in respect of any Issue, admission to trading on the London Stock Exchange’s Main Market of the New Shares issued pursuant to that Issue becoming effective in accordance with the LSE Admission Standards and admission of the relevant New Ordinary Shares or C Shares (as applicable) to listing on the premium segment or standard segment respectively of the Official List
<u>“AIC”</u>	the Association of Investment Companies
<u>“AIC Code”</u>	the AIC Code of Corporate Governance as modified from time to time for Guernsey domiciled member companies, and including commentary on the interaction with the GFSC Code
<u>“AIC Guide”</u>	the AIC Corporate Governance Guide for Guernsey Domiciled Investment Companies
<u>“AIF”</u>	an alternative investment fund, as defined in the AIFM Directive
<u>“AIFM”</u>	an alternative investment fund manager, as defined in the AIFM Directive
<u>“AIFM Directive”</u>	Directive 2011/61/EU of the European Parliament and the Council of the European Union on alternative investment fund managers and any implementing legislation or regulations thereunder
<u>“Application Form”</u>	Means the application form set out in Appendix 1 to this Securities Note
<u>“Articles”</u>	the articles of incorporation of the Company, as amended
<u>“Asset Management Agreement”</u>	the asset management agreement between the Company and WiseEnergy UK, a summary of which is set out in paragraph 6.8 of Part 8 of the Registration Document
<u>“Benefit Plan Investor”</u>	(i) an employee benefit plan (as defined in section 3(3) of ERISA) subject to Title I of ERISA, (ii) a plan described in section 4975(c)(1) of the Code to which section 4975 of the Code applies or (iii) any other entity whose underlying assets could be deemed to include plan assets by reason of an employee benefit plan or a plan’s investment in the entity within the meaning of the Plan Asset Regulation
<u>“Board”</u>	the board of directors of the Company, or any duly constituted committee thereof
<u>“Brown Power”</u>	sale of electricity to energy consumers and suppliers
<u>“Business Day”</u>	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<u>“C Shareholders”</u>	the holders of the C Shares (prior to the conversion of the C Shares into new Ordinary Shares)

<u>“C Shares”</u>	redeemable convertible shares of no par value in the capital of the Company issued as “C Shares” and having the rights and being subject to the restrictions set out in paragraph 3.3(A) of Part 5 of this Securities Note, which will convert into Ordinary Shares as set out in that paragraph
<u>“Capita Asset Services”</u>	a trading name of Capita Registrars Limited
<u>“Cantor Fitzgerald”</u>	Cantor Fitzgerald Europe, financial adviser and joint lead bookrunner
<u>“Certificated”</u> or <u>“Certificated Form”</u>	not in Uncertificated Form (that is, not in CREST)
<u>“CCA”</u>	Climate Change Act 2008
<u>“CfDs”</u>	contracts for differences for FiTS
<u>“Closing Date”</u>	18 November 2016
<u>“Code”</u>	US Internal Revenue Code of 1986
<u>“Companies Law”</u>	the Companies (Guernsey) Law, 2008, as amended
<u>“Company”</u>	NextEnergy Solar Fund Limited
<u>“CREST”</u>	the facilities and procedures for the time being of the relevant system of which Euroclear UK & Ireland Limited has been approved as the operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the UK
<u>“CRS”</u>	the Organisation for Economic Co-operation and Development’s Common Reporting Standard
<u>“Current Portfolio”</u>	the portfolio of solar PV plants held by the Group as at the Latest Practicable Date, details of which are set out in Part 4 of the Registration Document
<u>“DECC”</u>	the Department of Energy and Climate Change, now BEIS
<u>“Developer”</u>	NextPower Development Limited
<u>“Directors”</u>	the directors of the Company
<u>“Disclosure Guidance and Transparency Rules”</u>	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
<u>“DP Law”</u>	means the Data Protection (Bailiwick of Guernsey) Law 2001
<u>“EBITDA”</u>	earnings before income, taxation, depreciation and amortisation
<u>“EEA”</u>	the European Economic Area
<u>“EMR”</u>	Electricity Market Reform
<u>“EPC”</u>	energy procurement and construction
<u>“ERISA”</u>	the US Employee Retirement Income Security Act of 1974, as amended, and the applicable regulations thereunder
<u>“EU”</u>	the European Union
<u>“Exchange Act”</u>	the US Securities Exchange Act of 1934, as amended
<u>“FATCA”</u>	the US Foreign Account Tax Compliance Act of 2010, as amended, and the applicable regulations thereunder
<u>“Fidante Capital”</u>	Fidante Partners (Europe) Limited, joint lead bookrunner
<u>“Financial Conduct Authority”</u> or <u>“FCA”</u>	the UK Financial Conduct Authority and, where applicable, acting as the competent authority for listing in the UK

<u>“First PV Consultation”</u>	the government document entitled “Consultation on changes to financial support for solar PV”, dated 13 May 2014
<u>“FIT”</u>	feed-in tariff
<u>“FSMA”</u>	the UK Financial Services and Markets Act 2000, as amended
<u>“Future Securities Note”</u>	any securities note to be issued in the future by the Company in respect of any Issue under the Share Issuance Programme which includes an open offer and/or offer for subscription component and made pursuant to the Registration Document and subject to separate approval by the FCA
<u>“Future Summary”</u>	any summary to be issued in the future by the Company in respect of any Issue under the Share Issuance Programme which includes an open offer and/or offer for subscription component and made pursuant to the Registration Document and subject to separate approval by the FCA
<u>“GFSC”</u>	the Guernsey Financial Services Commission
<u>“GFSC Code”</u>	the Corporate Governance Code issued by the GFSC
<u>“GHG”</u>	greenhouse gas emissions
<u>“Gross Asset Value”</u>	the aggregate of: (a) the fair value of the Group’s underlying investments (whether or not subsidiaries) valued on an unlevered, discounted cashflow basis as described in the International Private Equity and Venture Capital Valuation Guidelines (latest edition December 2012); (ii) the Group’s proportionate share of the cash balances and cash equivalents of Group companies and non-subsidiary companies in which the Group holds an interest; and (iii) the other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (a) and (ii) above
<u>“Group”</u>	the Company, the HoldCos, the SPVs and any other direct or indirect subsidiaries of any of them (together, individually or in any combination as appropriate)
<u>“Guernsey AML Requirements”</u>	The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), ordinances, rules and regulations made thereunder, and the GFSC’s Handbook for Financial Services Businesses on Countering Financial Crime and Terrorist Financing (as amended, supplemented and/or replaced from time to time)
<u>“GW”</u>	gigawatt, equal to one billion watts, a measure of power
<u>“HoldCos”</u>	intermediate holding companies established by the Company from time to time to acquire and/or hold (directly or through SPVs) the Company’s investments and being, as at the Latest Practicable Date: <ul style="list-style-type: none"> (a) NextEnergy Solar Holdings Limited, incorporated and registered in England with registered number 8956168; (b) NextEnergy Solar Holdings II Limited, incorporated and registered in England with registered number 09438822; (c) NextEnergy Solar Holdings III Limited, incorporated and registered in England with registered number 09693016; and (d) NextEnergy Solar Holdings IV Limited, incorporated and registered in England with registered number 10066420; each of which has its registered office at 5th Floor North Side, 7-10 Chandos Street, Cavendish Square, London W1G 9DQ
<u>“IEA”</u>	International Energy Authority

<u>“IFRS”</u>	International Financial Reporting Standards
<u>“Initial Issue”</u>	the first issue of New Shares pursuant to the Share Issuance Programme, being comprised of the Initial Placing and the Initial Offer
<u>“Initial Issue Price”</u>	104.5 pence per New Share
<u>“Initial Offer”</u>	the first offer for subscription on the terms and conditions set out in Part 7 of this Securities Note
<u>“Initial Placing”</u>	the first placing of New Shares pursuant to the Share Issuance Programme on the terms and conditions set out in Part 6 of this Securities Note
<u>“Investment”</u>	the Investment Manager has agreed to make certain payments out of its Manager’s fee to the Cornerstone Shareholder of the Registration Document
<u>“Investment Adviser”</u>	NextEnergy Capital Limited
<u>“Investment Advisory Agreement”</u>	the investment advisory agreement between the Investment Manager and the Investment Adviser, a summary of which is set out in paragraph 6.10 of Part 8 of the Registration Document
<u>“Investment Committee”</u>	the investment committee of the Investment Adviser, details of which are set out under the heading “Investment Committee” in Part 5 of the Registration Document
<u>“Investment Company Act”</u>	the US Investment Company Act of 1940, as amended
<u>“Investment Manager”</u>	NextEnergy Capital IM Limited
<u>“IPO”</u>	the initial public offering of the Company whereby, on 25 April 2014, 85,600,000 Ordinary Shares were admitted to the premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange’s Main Market under the ticker “NESF”
<u>“IRR”</u>	internal rate of return
<u>“ISA”</u>	an individual savings account
<u>“Issue”</u>	an issue of New Shares pursuant to the Share Issuance Programme as described in the Prospectus
<u>“Issue Price”</u>	the price at which a New Share is issued under an Issue
<u>“Joint Bookrunners”</u>	together Cantor Fitzgerald, Fidante Capital, Macquarie and SCS
<u>“KW”</u>	kilowatt, equal to one thousand watts, a measure of power
<u>“KWh”</u>	kilowatt hour, a measure of energy
<u>“Latest Practicable Date”</u>	11 November 2016
<u>“Listing Rules”</u>	the listing rules made by the FCA pursuant to Part VI of FSMA
<u>“London Stock Exchange”</u> or <u>“LSE”</u>	The London Stock Exchange plc
<u>“London Stock Exchange’s Main Market”</u>	the London Stock Exchange’s main market for listed securities
<u>“LSE Admission Standards”</u>	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted London Stock Exchange’s Main Market
<u>“Macquarie”</u>	Macquarie Capital (Europe) Limited, joint lead bookrunner
<u>“Management Agreement”</u>	the management agreement between the Company and the Investment Manager, a summary of which is set out in paragraph 6.9 of Part 8 of the Registration Document
<u>“Member States”</u>	those states which are members of the EU from time to time
<u>“Memorandum”</u>	the memorandum of incorporation of the Company
<u>“MW”</u>	megawatt, equal to one million watts, a measure of power

<u>“MWh”</u>	megawatt hour, a measure of energy
<u>“MWp”</u>	megawatt peak, being the power produced when a solar project is at peak operating performance with the sun shining strongly at midday
<u>“NEC Group”</u>	NextEnergy Capital SaRL (Luxembourg) and its subsidiaries including the Investment Manager, the Investment Adviser, the Developer and WiseEnergy UK
<u>“Net Asset Value”</u> or <u>“NAV”</u>	the net asset value of the Company in total or (as the context requires) per Ordinary Share or C Share calculated in accordance with the Company’s valuation policies and as described in the Registration Document
<u>“Net Asset Value per Share”</u>	the Net Asset Value of the Company on a per Share basis
<u>“New Ordinary Shares”</u>	new Ordinary Shares issued pursuant to the Share Issuance Programme
<u>“New Shares”</u>	New Ordinary Shares and/or new C Shares issued, or available for issue, pursuant to the Share Issuance Programme
<u>“NIBC”</u>	NIBC Bank N.V.
<u>“Non-Qualified Holder”</u>	<p>any person whose ownership of Shares may:</p> <ul style="list-style-type: none"> (a) cause the Company’s assets to be deemed “plan assets” for the purposes of the Code; (b) cause the Company to be required to register as an “investment company” under the Investment Company Act (including because the holder of the shares is not a “qualified purchaser” as defined in the Investment Company Act); (c) cause the Company to register under the Exchange Act, the Securities Act or any similar legislation; (d) cause the Company not being considered a “Foreign Private Issuer” as such term is defined in rule 3b-4(c) under the Exchange Act; (e) result in a person holding Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; or (f) cause the Company to be a “controlled foreign corporation” for the purposes of the Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the Code, including as a result of the Company’s failure to comply with FATCA or the CRS as a result of the Non-Qualified Holder failing to provide information concerning itself as requested by the Company in accordance with its Articles)
<u>“Non-US Holder”</u>	a beneficial owner of Ordinary Shares other than a partnership or an entity treated as a partnership for United States federal income tax purposes, that is not a US Holder (if an entity treated as a partnership for United States federal income tax purposes holds Ordinary Shares, the United States federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the partnership).
<u>“O&M”</u>	operation and maintenance
<u>“Official List”</u>	the official list maintained by the Financial Conduct Authority
<u>“Ofgem”</u>	The Office of Gas and Electricity Markets
<u>“OM Commitment”</u>	has the meaning given to it on page 16 of this Securities Note
<u>“Ordinary Shareholders”</u>	holders of Ordinary Shares

<u>“Ordinary Shares”</u>	redeemable ordinary shares of no par value in the capital of the Company
<u>“Plan Asset Regulation”</u>	regulations promulgated by the US Department of Labor at 29 CFR 2510.3-101, as modified in application by section 3(42) of ERISA
<u>“PPA”</u>	power purchase agreement
<u>“Project Sourcing Agreement”</u>	the agreement between the Company, the Investment Adviser and the Developer a summary of which is set out in paragraph 6.11 of Part 8 of the Registration Document
<u>“Prospectus”</u>	the prospectus published by the Company in respect of the Share Issuance Programme comprising the Registration Document, this Securities Note and the Summary (or, where a Future Securities Note and a Future Summary are issued in respect of any Issue, the Registration Document, that Future Securities Note and that Future Summary)
<u>“Prospectus Directive”</u>	means Directive 2003/71/EC
<u>“Prospectus Rules”</u>	the prospectus rules made by the FCA under section 73A of FSMA
<u>“PSL”</u>	Pershing Securities Limited
<u>“PV”</u>	a photovoltaic panel, usually made from silicon, turns solar radiation into electricity
<u>“PV Consultations”</u>	the First PV Consultation and the Second PV Consultation
<u>“QIB”</u>	qualified institutional buyer within the meaning of Rule 144A
<u>“Radius Portfolio”</u>	the portfolio of five solar PV plants comprising Branston, Great Wilbraham, Berwick, Bottom Plain and Emberton, details of which are set out in Part 4 of the Registration Document
<u>“Registrar”</u>	Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company to act as its registrar
<u>“Registration Document”</u>	means the registration document dated the date hereof which forms part of the Prospectus comprising the Summary, this Securities Note and the Registration Document (as updated by any Future Securities Note or Future Summary).
<u>“Regulation S”</u>	Regulation S promulgated under the Securities Act
<u>“Regulatory Information Service”</u> or <u>“RIS”</u>	a regulatory information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA
<u>“Relevant Member State”</u>	means the relevant member state of the European Union
<u>“Renewable Energy Directive”</u>	Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC
<u>“Renewables Obligation”</u> or <u>“RO”</u>	the financial mechanism by which the UK Government has incentivised the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
<u>“ROCs”</u>	Renewable Obligation certificates
<u>“RPI”</u>	the retail prices index as published by the Office for National Statistics or any comparable index which may replace it for all items
<u>“Rule 144A”</u>	Rule 144A under the Securities Act

<u>“SCS”</u>	Shore Capital Stockbrokers Limited, joint bookrunner
<u>“SEC”</u>	the US Securities and Exchange Commission
<u>“Second PV Consultation”</u>	the government document entitled “Consultation on changes to financial support for solar PV”, dated 22 July 2015
<u>“Securities Act”</u>	the US Securities Act of 1933, as amended
<u>“Securities Note”</u>	this securities note
<u>“Shareholder”</u>	a holder of Shares
<u>“Share Issuance Programme”</u>	the proposed programme of Issues of up to 350,000,000 New Ordinary Shares and/or C Shares (in aggregate), as described in Part 2 of this Securities Note
<u>“Shares”</u>	a share in the capital of the Company (of whatever class and including Ordinary Shares and C Shares of any class, and any Ordinary Share arising on conversion of a C Share)
<u>“Similar Law”</u>	Federal, state, local or non-US law that is substantially similar to the prohibited transaction provisions of section 406 of ERISA and/ section 4975 of the Code
<u>“Sponsor”</u>	Shore Capital and Corporate Limited
<u>“SPV”</u>	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of a particular asset
<u>“Sterling”</u>	the lawful currency of the UK
<u>“Three Kings Portfolio”</u>	the portfolio of three solar PV plants comprising Fenland, Green End and Tower Hill, details of which are set out in Part 4 of the Registration Document
<u>“TWh”</u>	terawatt hour equal to one million watts, a measure of power
<u>“UK Corporate Governance Code”</u>	the UK Corporate Governance Code as published by the Financial Reporting Council
<u>“UK”</u> or <u>“United Kingdom”</u>	the United Kingdom of Great Britain and Northern Ireland
<u>“Uncertificated”</u> or <u>“Uncertificated Form”</u>	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<u>“UNFCCC”</u>	United Nations Framework Convention on Climate Change
<u>“United States”</u> or <u>“US”</u>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
<u>“US Holder”</u>	a beneficial owner of the Ordinary Shares that is, for US federal income tax purposes, (a) a citizen or individual resident of the United States, (ii) a corporation or other business entity treated as a corporation created or organised under the laws of the United States, any state thereof or the District of Columbia, (iii) an estate the income of which is subject to US federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for US federal income tax purposes
<u>“W/m²”</u>	watts per square metre
<u>“WiseEnergy”</u>	WiseEnergy International Limited and/or its subsidiaries (including WiseEnergy UK), as the context may require
<u>“WiseEnergy UK”</u>	WiseEnergy (Great Britain) Limited

This Securities Note is dated 15 November 2016.

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APPLICATION FORM

NEXTENERGY SOLAR FUND LIMITED

Application Form for the Initial Offer for Subscription

If you wish to apply for New Ordinary Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Kent, BR3 4TU so as to be received no later than 1.00 p.m. on the Closing Date.

IMPORTANT: By completing and submitting this form you will be agreeing to subscribe for New Shares on the terms and conditions contained in Part 7 of the Securities Note. Before completing this Application Form, you should read the notes set out under the section entitled “Notes on how to complete the Application Form” at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Capita Asset Services on 0871 664 0321 from within the UK or +44 208 639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10p per minute plus your service provider's network extras. Calls to the helpline from outside the UK are charged at applicable international rates. Different charges may apply to calls from mobile telephones. Calls may be recorded or randomly monitored for security and training purposes. The Receiving Agent cannot provide advice on the merits of the Offer nor give any financial, legal or tax advice.

To: The Directors,
NextEnergy Solar Fund Limited (the “Company”)

1. Application

I/We offer to subscribe for such number of New Ordinary Shares at the Initial Issue Price of 104.5 pence per Share (as defined in the Prospectus) as may be purchased by the subscription amount set out in the box immediately below (the minimum being £1,000 and in multiples of £1,000 thereafter), fully paid subject to the Terms and Conditions of Application under the Initial Offer set out in Part 7 of the Securities Note element of the Prospectus published by the Company dated 15 November 2016 and subject to the Memorandum and Articles, and I/we enclose a cheque for the amount payable (the “Application Amount”).

Subscription monies for New Shares

Number of Shares	Initial Issue Price	Subscription Monies
	104.5 pence	

2. Personal Details (Please use Block Capitals)

Main Holder	
Mr, Mrs, Ms or Title:	Forenames (in full):
Surname:	
Address (in full):	
Postcode:	



3. Joint Holders (Please use Block Capitals)

1. Mr, Mrs, Ms or Title:	
Forenames (in full):	
Surname:	
Signature:	
2. Mr, Mrs, Ms or Title:	
Forenames (in full):	
Surname:	
Signature:	
3. Mr, Mrs, Ms or Title:	
Forenames (in full):	
Surname:	
Signature:	

4. Signature(s)

Dated:	Signature:
Dated:	Signature:
Dated:	Signature:
Dated:	Signature:

5. Payment

Please tick the appropriate box

☐ CHEQUE ☐ CHAPS ☐ CREST

(a). Cheque/Banker's Draft Details

By Cheque or Banker's Draft: Attach your cheque or banker's draft for the exact amount shown in Box 1 made payable to "**Capita Registrars Limited Re: NESF OFS 2016**" and crossed "A/C Payee".

(b) Electronic Payment

For applicants making payment electronically, payment must be made for value by 11.00 a.m. on 18 November 2016. Please make payment to the Sterling bank account detailed below.

Applicants must ensure that they remit sufficient funds to the account below to cover any charges incurred by their bank. Please enter below the sort code of the bank and branch you will be instructing to make such payment for value by 11.00 a.m. on 18 November 2016 together with the name and number of the account to be debited with such payment and the branch contact details.

Bank:

Sort Code:

Account number

Contact name at branch and telephone number:.....

Electronic Payment should be made in Sterling to the appropriate account below:

Sort Code: 15-10-00

Account No. 32517121

IBAN No. GB24RBOS15100032517121

Swift No. RBOSGB2L

Account Name: Capita Registrars Ltd: RE: NESF OFS 2016 A/C

(c) CREST Settlement

By returning your Application Form you agree that you will do all things necessary to ensure that you or your settlement agent/custodian's CREST account allows for the delivery and acceptance of Ordinary Shares to be made prior to 8.00 a.m. on 25 November 2016 against payment of the Initial Issue Price per Ordinary Share. Failure by you to do so will result in you being charged interest at the rate of 2 percentage points above the then published bank base rate of a clearing bank selected by Capita Asset Services.

To ensure that you fulfil this requirement it is essential that you or your settlement agent/custodian follow the CREST matching criteria set out below:

Trade Date: 21 November 2016 (following announcement)

Settlement Date: 25 November 2016

Company: NextEnergy Solar Fund Limited

Security Description: Ordinary Shares of No Par Value/ C Shares

SEDOL:

ISIN:

Should you wish to settle on a "delivery versus payment" basis, you will need to input your instructions to Capita Asset Services' Participant account RA06 to settle by no later than 8.00 a.m. on 25 November 2016.

You must also ensure that you or your settlement agent/custodian has a sufficient "debit cap" within the CREST system to facilitate settlement in addition to your/its own daily trading and settlement requirements.

Please note that the trade date cannot be forward dated.

In the event of late CREST settlement, the Company, after having consulted with Capita Asset Services, reserves the right to deliver Ordinary Shares outside CREST in certificated form provided payment has been made in terms satisfactory to the Company and all other conditions in relation to the relevant Offer have been satisfied.



6. Identity Information

In accordance with internationally recognised standards for the prevention of money laundering the under mentioned documents and information must be provided.

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6.1 For each holder being an individual enclose:

6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, council rates bill or similar document issued by a recognised authority; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.1.4 details of the name and address of their personal bankers from which Receiving Agent may request a reference, if necessary.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2 For each holder being a company (a "holder company") enclose:

6.2.1 a certified copy of the certificate of incorporation of the holder company; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.2 the name and address of the holder company's principal bankers from which the Receiving Agent may request a reference, if necessary; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.3 a statement as to the nature of the holder company's business, signed by a director; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.4 a list of the names and residential addresses of each director of the holder company; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.6 a copy of the authorised signatory list for the holder company; and

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a "beneficiary company"), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.

- 6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:
- 6.4.1 a certified copy of the certificate of incorporation of that beneficiary company; and ☐ ☐ ☐ ☐
- 6.4.2 a statement as to the nature of that beneficiary company's business signed by a director; and ☐ ☐ ☐ ☐
- 6.4.3 the name and address of that beneficiary company's principal bankers from which the Receiving Agent may request a reference, if necessary; and ☐ ☐ ☐ ☐
- 6.4.4 enclose a list of the names and residential/ registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company. ☐ ☐ ☐ ☐
- 6.5 If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose: ☐ ☐ ☐ ☐
- 6.5.1 if the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or ☐ ☐ ☐ ☐
- 6.5.2 if the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and ☐ ☐ ☐ ☐
- 6.5.3 an explanation of the relationship between the payor and the holder(s). ☐ ☐ ☐ ☐

The Company and/or the Receiving Agent reserve the right to ask for additional documents and information.

7. CREST details

CREST Participant ID:	
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CREST Member Account ID:	
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8. Reliable Introducer Certificate

Completion and signing of this certificate by a suitable person or institution may avoid presentation being requested of the identity documents. The certificate below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country of operation to "know your customer" and anti-money laundering regulations no less stringent than those which prevail in the United Kingdom. Acceptable countries include Australia, Austria, Belgium, Bermuda, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Lithuania, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Slovenia, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States.

