

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

A copy of this document, which comprises a prospectus relating to Bluefield Solar Income Fund Limited (the "Company") in connection with the issue of Ordinary Shares in the Company, prepared in accordance with the Guernsey Prospectus Rules 2008 and the Prospectus Rules of the Financial Conduct Authority made pursuant to section 73A of the FSMA, has been filed with the Financial Conduct Authority in accordance with Rule 3.2 of the Prospectus Rules.

The Ordinary 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 Ordinary Shares is part of a diversified investment programme; and (iii) who fully understand and are willing to assume the risks involved in such an investment programme. If you are in any doubt about the contents of this document, you should consult your accountant, legal or professional adviser or financial adviser.

Applications will be made for the 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. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence on 12 July 2013. The Ordinary Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company and the Directors, whose names appear on page 33 of this document, accept responsibility for the information contained in this document. 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 document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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# Bluefield Solar Income Fund Limited

*(A company incorporated in Guernsey under The Companies (Guernsey) Law, 2008, as amended, with registered no. 56708)*

## Placing and Offer for Subscription of up to 150 million\* Ordinary Shares of no par value at an Issue Price of £1.00 per Ordinary Share

and

## Admission to the premium segment of the Official List and trading on the London Stock Exchange's main market for listed securities

*Sponsor, Broker and Financial Adviser*  
**Numis Securities Limited**

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\*If commitments and applications are received for more than 150 million Ordinary Shares pursuant to the Placing and Offer for Subscription, the Directors reserve the right to increase the maximum number of Ordinary Shares that may be issued pursuant to the Placing and Offer for Subscription on the basis set out in Part VI of this document, provided that the maximum number of Ordinary Shares that may be issued is 175 million Ordinary Shares.

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

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

Neither the GFSC nor the States of Guernsey Policy Council take any 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.

Numis Securities Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting exclusively for the Company in connection with the Admission, issue of Ordinary Shares and other arrangements as described in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Numis Securities Limited or for advising any such person in connection with the Admission, issue of Ordinary Shares and other arrangements as described in this document.

This document 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, the Republic of Ireland or the Republic of South Africa. This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary 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, Numis or the Investment Adviser. The offer and sale of Ordinary Shares have not been and will not be registered under the applicable securities laws of the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered or sold within the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or to any national, resident or citizen of the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa.

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

**The attention of potential investors is drawn to the Risk Factors set out on pages 14 to 28 of this document. The Offer will remain open until 12 noon on 8 July 2013. The application procedure for persons wishing to participate in the Offer is set out in the Application Form set out at the end of this document. To be valid, Application Forms must be completed and returned with the appropriate remittance so as to reach Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU by no later than 12 noon on 8 July 2013. The latest time and date for placing commitments under the Placing is 3.00 p.m. on 10 July 2013. Further details of the Issue are set out in Part VI of this document.**

This document is dated 25 June 2013.

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## SUMMARY

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

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

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

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

<b>Section B – Issuer</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>B.1</b>	Legal and Commercial Name	The issuer's legal and commercial name is Bluefield Solar Income Fund Limited.
<b>B.2</b>	Domicile/Legal Form/Legislation/ Country of Incorporation	The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 29 May 2013 with registered number 56708, to be a closed-ended investment company.
<b>B.5</b>	Group structure	The Company is the ultimate holding company of the Group.  The Company expects that it will make the majority, if not all, of its investments through Bluefield SIF Investments Limited, its wholly owned UK subsidiary.
<b>B.6</b>	Major shareholders	CCLA Investment Management Limited has committed to subscribe for such number of Ordinary Shares as shall represent 20.0 per cent. of the Company's issued share capital on Admission pursuant to a deed of subscription, subject to a maximum of 25 million Ordinary Shares and conditional on a minimum of 100 million Ordinary Shares being subscribed under the Issue. Assuming 150 million Ordinary Shares are issued pursuant to the Issue and CCLA subscribes for 25 million Ordinary Shares, CCLA would be interested in 16.7 per cent. of the Company's issued share capital at Admission.

		None of the Shareholders have different voting rights, nor is the Company directly or indirectly owned or controlled by any one person.
<b>B.7</b>	Historical financial information	Not applicable – the Company is newly incorporated and therefore there is no historical financial information included in this Prospectus.
<b>B.8</b>	Pro forma financial information	Not applicable – there is no pro forma financial information in this Prospectus.
<b>B.9</b>	Profit forecast	Not applicable – there are no profit forecasts included in this Prospectus.
<b>B.10</b>	Qualifications in the audit report	Not applicable – no audit reports have been published.
<b>B.11</b>	Working capital insufficiency	Not applicable – the Company is of the opinion that the working capital available to the Company is sufficient for the Group’s present requirements (that is, for at least the next twelve months from the publication date of this Prospectus).
<b>B.34</b>	Investment policy	<p><b><i>Investment objective</i></b></p> <p>The Company will seek to provide Shareholders with an attractive return, principally in the form of semi-annual income distributions, by investing in a portfolio of large scale UK based solar energy infrastructure assets.</p> <p><b><i>Investment policy</i></b></p> <p>The Group will invest in a diversified portfolio of solar energy assets, each located within the UK, with a focus on utility scale assets and portfolios on greenfield, industrial and/or commercial sites. The Group will target long life solar energy infrastructure, expected to generate stable renewable energy output over a 25 year asset life.</p> <p>Individual solar assets or portfolios of solar assets will be held within SPVs into which the Group will invest through equity and/or debt instruments. The Group will typically seek legal and operational control through direct or indirect stakes of up to 100 per cent. in such SPVs, but may participate in joint ventures or minority interests where this approach enables the Group to gain exposure to assets within the Company’s investment policy which the Group would not otherwise be able to acquire on a wholly-owned basis.</p> <p>The Group may make use of non-recourse finance at the SPV level to provide leverage for specific solar energy infrastructure assets or portfolios provided that at the time of entering into (or acquiring) any new financing, total non-recourse financing within the portfolio will not exceed 50 per cent. of the prevailing Gross Asset Value. In addition, the Group may, at holding company level, make use of short-term debt finance to facilitate the acquisition of investments, but such short-term debt (when taken together with the SPV finance noted above) will also be limited so as not to exceed 50 per cent. of the Gross Asset Value.</p> <p>No single investment in a solar energy infrastructure asset (excluding any third party funding or debt financing in such asset) will represent, on acquisition, more than 25 per cent. of the Net Asset Value.</p>

		<p>The portfolio will provide diversified exposure through the inclusion of not less than five individual solar energy infrastructure assets. Diversification will be achieved across various factors such as grid connection points, individual landowners and leases, providers of key components (such as PV panels and inverters) and assets being located across various geographical locations within the United Kingdom.</p> <p>The Group will aim to derive a significant portion of its targeted return through a combination of RPI-linked FITs and the sale of Renewable Obligation certificates (or any such regulatory regimes that replace them from time to time). Both such regimes are currently underwritten by UK Government regulation providing a level of FITs or Renewable Obligation certificates fixed for 20 years and each regime benefits from an annual RPI escalation. The Group also intends, where appropriate, to enter into power purchase agreements with appropriate counterparties, such as co-located industrial energy consumers or wholesale energy purchasers.</p>
<b>B.35</b>	Borrowing limits	Aggregate Group Debt will be limited to 50 per cent. of the Gross Asset Value calculated immediately following the drawdown of the latest amount of Aggregate Group Debt.
<b>B.36</b>	Regulatory status	<p>The Company is a closed-ended investment company registered with the Guernsey Financial Services Commission under the Registered Collective Investment Scheme Rules 2008. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. A registered scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Company is not regulated or authorised by the Financial Conduct Authority but will be, following Admission, subject to the Listing Rules applicable to closed-ended investment companies.</p> <p>Following the AIFM Directive coming into force on 22 July 2013, the Company will be categorised as an internally managed non-EU AIF. As such neither the Company nor the Investment Adviser will be required to be authorised as an alternative investment fund manager under the AIFM Directive.</p>
<b>B.37</b>	Typical investor	Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.
<b>B.38</b>	Investment of 20 per cent. or more in single underlying asset or investment company	Not applicable – no asset will constitute 20 per cent. or more of the Gross Asset Value on Admission.
<b>B.39</b>	Investment of 40 per cent. or more in single underlying asset or investment company	Not applicable - no asset will constitute 40 per cent. or more of the Gross Asset Value on Admission.

<p><b>B.40</b></p>	<p>Service providers</p>	<p><b><i>Investment Adviser</i></b></p> <p>Bluefield acts as the investment adviser to the Company under the Investment Advisory Agreement dated on or around the date of this Prospectus.</p> <p>Under the terms of the Investment Advisory Agreement, the Investment Adviser is entitled to the following fees:</p> <p><i>Base fee</i></p> <p>An annual base fee which shall be accrued daily and will be calculated on a sliding scale as follows:</p> <ul style="list-style-type: none"> <li>• 1.00 per cent. of the NAV up to and including £100 million;</li> <li>• 0.80 per cent. of the NAV above £100 million and up to and including £200 million; and</li> <li>• 0.60 per cent. of the NAV above £200 million.</li> </ul> <p>The base fee will be payable quarterly in arrears in cash, and will be calculated on the prevailing NAV reported in the most recent quarterly NAV calculation as at the date of payment . The base fee will be subject to clawback as described below under “Variable Fee”.</p> <p><i>Variable Fee</i></p> <p>If in any year (excluding the Company’s first financial year), the Company fails to achieve its distribution target of 7 pence per year (as increased annually in line with RPI), the Investment Adviser will repay its base fee in the proportion by which the actual annual distribution is less than the target distribution, subject to a maximum repayment in any year equal to 35 per cent. of the base fee. The repayment will be split equally across the four quarters in the following financial year and will be set off against the quarterly management fee payable to the Investment Adviser in that following financial year.</p> <p>If in any year (excluding the Company’s first financial year), the Company exceeds its distribution target of 7 pence per year (as increased annually in line with RPI), the Investment Adviser will be entitled to a variable fee equal to 30 per cent. of the excess, subject to a maximum variable fee in any year equal to 1.00 per cent. of the NAV as at the end of the relevant financial year. The variable fee shall be satisfied by the issue of Ordinary Shares to the Investment Adviser at an issue price equal to the latest published NAV per Ordinary Share. The Ordinary Shares issued to the Investment Adviser in satisfaction of the variable fee will be subject to a three year lock-up period, with one-third of the relevant Ordinary Shares becoming free from the lock-up on each anniversary of their issue. The Board may, at its discretion, satisfy such issue of Ordinary Shares to the Investment Adviser by way of a new issue of Ordinary Shares, a sale of Ordinary Shares out of treasury or through purchases in the market.</p> <p><b><i>Administration and secretarial arrangements</i></b></p> <p>The Company’s administrator is Heritage International Fund Managers Limited, which has been appointed to provide administrative and company secretarial services to the Company pursuant to an administration agreement dated on or around the date of this Prospectus. Such services include maintaining the Company’s books and records, ensuring the Company’s compliance with certain regulatory requirements, calculating the NAV per Ordinary Share and monitoring the register of Shareholders.</p>
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		<p>Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee in respect of administration, accounting, corporate secretarial, corporate governance, regulatory compliance and continuing Listing Rule obligations calculated on a sliding scale based on Net Asset Value, subject to a minimum fee of £100,000 per annum. In addition, the Administrator will receive an annual fee of £5,000 and £2,500 for the provision of a compliance officer and MLRO respectively. The Administrator will, in addition, be entitled to recover third party expenses and disbursements.</p> <p><b>Registrar and UK Transfer Agent</b></p> <p>The Company has appointed Capita Registrars (Guernsey) Limited to act as registrar in relation to the transfer and settlement of Ordinary Shares held in uncertificated form and as UK transfer agent.</p> <p>The Registrar will be entitled to an annual fee from the Company equal to £1.65 per shareholder per annum or part thereof; with a minimum of £7,500 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.</p> <p><b>Receiving Agent</b></p> <p>The Company's receiving agent is Capita Registrars, which was appointed pursuant to a receiving agent agreement dated 25 June 2013.</p> <p>The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,500 and a minimum aggregate processing fee in relation to the Offer for Subscription of £5,000, as well as reasonable out-of-pocket expenses.</p>
<b>B.41</b>	Regulatory status of investment manager	The Investment Adviser, Bluefield Partners LLP, is a limited liability partnership incorporated in England under registered number OC348071 and is regulated and authorised by the UK Financial Conduct Authority under registration number 507508.
<b>B.42</b>	Calculation of Net Asset Value	<p>The Investment Adviser will produce fair market valuations of the Group's investments on a semi-annual basis as at 31 December and 30 June each year (with the first such calculation being as at 31 December 2013), which will form the basis of the Net Asset Value calculation prepared by the Administrator.</p> <p>The Administrator, in conjunction with the Investment Adviser, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each quarter of the Company's financial year (the first such calculation being as at 30 September 2013). The Board will approve each quarterly Net Asset Value calculation.</p> <p>These calculations will be reported quarterly to Shareholders. The Net Asset Value will also be announced as soon as possible on a Regulatory Information Service, by publication on the Company's website, <a href="http://www.bluefieldsif.com">www.bluefieldsif.com</a>, and on <a href="http://www.londonstockexchange.com">www.londonstockexchange.com</a>.</p>
<b>B.43</b>	Cross liability	Not applicable – the Company is not an umbrella collective investment undertaking and as such there is no cross liability between classes or investment in another collective investment undertaking.

<b>B.44</b>	No financial statements have been made up	Not applicable - the Company has not commenced operations and no financial statements have been made up.
<b>B.45</b>	Portfolio	Not applicable – the Company has not commenced operations and does not currently hold any assets.
<b>B.46</b>	Net Asset Value	Not applicable – the Company has not commenced operations and does not currently hold any assets.

### Section C – Securities

<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>C.1</b>	Type and class of securities being offered	<p>The Company intends to issue up to 150 million Ordinary Shares of no par value each at an Issue Price of £1.00 per Ordinary Share. If commitments and applications are received for more than 150 million Ordinary Shares pursuant to the Placing and Offer for Subscription, the Directors reserve the right to increase the maximum number of Ordinary Shares that may be issued pursuant to the Placing and Offer for Subscription on the basis set out in Part VI of this document, provided that the maximum number of Ordinary Shares that may be issued is 175 million Ordinary Shares.</p> <p>The ISIN of the Ordinary Shares is GG00BB0RDB98 and the SEDOL is BB0RDB9.</p>
<b>C.2</b>	Currency of the securities issue	The Ordinary Shares are denominated in Sterling.
<b>C.3</b>	Number of Ordinary Shares issued	As at the close of business on 21 June 2013 (the latest practicable date prior to publication of this Prospectus), the Company has one fully paid Ordinary Share of no par value in issue. The Company has no partly paid Ordinary Shares in issue.
<b>C.4</b>	Description of the rights attaching to the Ordinary Shares	<p>The Ordinary Shares carry the right to receive all dividends declared by the Company.</p> <p>Shareholders are entitled to all dividends paid by the Company and, on a winding up, provided the Company has satisfied all of its liabilities, the Shareholders are entitled to all of the surplus assets of the Company.</p> <p>Shareholders will be entitled to attend and vote at all general meetings of the Company and, on a poll, to one vote for each Ordinary Share held.</p>
<b>C.5</b>	Restrictions on the free transferability of the securities	<p>The Board may refuse to register a transfer of any share, which is not fully paid, or on which the Company has a lien, provided that this would not prevent dealings in the shares from taking place on an open and proper basis on the London Stock Exchange.</p> <p>In addition, the Board may decline to transfer, convert or register a transfer of any share in certificated form or (to the extent permitted by the CREST Guernsey Requirements) uncertificated form: (a) if it is in respect of more than one class of shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require, or (d) the transfer is in favour of any Non-Qualified Holder.</p>

		<p>For these purposes a Non-Qualified Holder means any person whose ownership of Ordinary Shares may: (i) cause the Company's assets to be deemed "plan assets" for the purposes of ERISA or the Internal Revenue Code; (ii) cause the Company to be required to register as an "investment company" under the Investment Company Act (including because the holder of the shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) cause the Company to register under the Exchange Act, the Securities Act or any similar legislation; (iv) cause the Company not being considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the Exchange Act; (v) result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; and (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the Internal Revenue Code, including as a result of the Company's failure to comply with FATCA as a result of the Non-Qualified Holder failing to provide information concerning itself as requested by the Company in accordance with its Bye-laws).</p>
<b>C.6</b>	Admission	<p>Applications will be made to the FCA for the Ordinary Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Ordinary Shares, fully paid, will commence at 8.00 a.m. on 12 July 2013.</p>
<b>C.7</b>	Dividend policy	<p>The Company is targeting an initial dividend in respect of the first financial year ending 30 June 2014 of 4 pence per Ordinary Share, rising to 7 pence per Ordinary Share in respect of the second financial year ending 30 June 2015 and with the intention of this increasing annually thereafter in line with RPI.</p> <p>Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December, and are expected to be made by way of interim dividends to be declared in February and September. Following Admission the first interim dividend, if any, is expected to be declared in February 2014.</p> <p>The target return should not be taken as an indication of the Company's expected future performance or results over any period. The target return is a target only and there is no guarantee that it can or will be achieved and it should not be seen as an indication of the Company's expected or actual return. Accordingly, investors should not place any reliance on the target return in deciding whether to invest in the Ordinary Shares.</p>

<b>Section D – Risks</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>D.1</b>	Key information on the key risks that are specific to the issuer	<p>The key risk factors relating to the Company, its investment policy and its investment portfolio are:</p> <ul style="list-style-type: none"> <li>• if at any point the international community was to withdraw, reduce or change its support for the increased use of energy from renewable sources, including solar PV, for whatever reason, this may have a material adverse effect on the support of national or international authorities in respect of the promotion of the use of energy from renewable sources, including in respect of solar PV generation in the UK. If this reduces the value of the green benefits that solar PV power operators are entitled to it would have a material adverse effect on the Group if applied retrospectively to operating projects acquired by the Group in accordance with the investment policy. In addition, unexpected success in other areas of renewable energy (such as renewable heat) may reduce pressure on national governments to develop renewable electricity production. This may affect the Company's future investment opportunities;</li> <li>• a decline in the market price of electricity could materially adversely affect the Group's revenues and financial condition. Similarly, a decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity and thus the price achieved for electricity generated by solar PV parks;</li> <li>• solar PV assets and plants rely upon adequate solar radiation as "feedstock" for the purposes of producing power. Although there is statistical evidence that variance in annual solar radiation is statistically relatively low compared to other renewable energy sources such as wind, it is possible that temporary or semi-permanent or permanent changes in weather patterns, including as a result of global warming or for any other reason, could affect the amount of solar radiation received annually or during any shorter or longer period of time in locations where the investments may be located. Such changes could lead to a reduction in the electricity generated which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects. Such changes, perceived or otherwise, could also make solar PV less attractive as an investment opportunity and so impair the Company's potential returns which could have a material adverse effect on the Group's business, financial position, results of the operations and business prospects;</li> <li>• it is anticipated that a significant proportion or potentially all of the solar PV assets to be acquired by the Group will be located on commercial and agricultural properties among others, to which entitlement will be secured through a lease agreement. Reliance upon a third party owned property gives rise to a range of risks including deterioration in the property during the investment life, damages or other lease related costs, counterparty and third party risks in relation to the lease agreement and property, termination of the lease following breach or due to other circumstances such as a mortgagee taking possession of the property;</li> </ul>

		<ul style="list-style-type: none"> <li>• construction of solar assets is likely to result in reliance upon services being delivered by one or more contractors. Whilst the performance of contractor services will usually be guaranteed, any such guarantees are expected to be limited in their scope and quantum and may not always cover the full loss of profit incurred by a project. Failure of a contractor or change in a contractor's financial circumstances may among other things result in the relevant asset underperforming or becoming impaired in value and there can be no assurance that such underperformance or impairment will be fully or partially compensated by any contractor warranty or bank guarantee;</li> <li>• the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Adviser's team, and more generally on ability of the Investment Adviser to attract and retain suitable staff. The Board will have broad discretion to monitor the performance of the Investment Adviser or to appoint a replacement but the performance of the Investment Adviser or that of any replacement cannot be guaranteed;</li> <li>• the ability of the Company to achieve its investment objective depends upon the ability of the Investment Adviser to identify, select and execute investments which offer the potential for satisfactory returns. The availability of suitable investment opportunities will depend, in part, upon conditions in the UK solar PV markets and the level of competition for assets in the solar PV sectors. Whilst the Company has certain rights to acquire Solar PV assets in accordance with the Pipeline Agreement, there can be no assurance that the Investment Adviser will be able to identify and execute a sufficient number of opportunities to enable the Company to achieve its investment objective and to grow its portfolio of solar PV assets to the level it is seeking; and</li> <li>• the Company's target dividend and future distribution growth will depend on the Company's underlying investment portfolio and its ability to pay dividends in accordance with the Companies Law. Any change or incorrect assumption in relation to the dividends or interest or other receipts receivable by the Company (including in relation to projected power prices, the amount of electricity generated by the Group's assets, availability and operating performance of equipment used in the operation of the solar PV parks within the Company's portfolio and the tax treatment of distributions to Shareholders) may reduce the level of distributions received by Shareholders.</li> </ul>
<b>D.3</b>	Key information on the key risks specific to the securities	<p>The key risk factors relating to the Ordinary Shares are:</p> <ul style="list-style-type: none"> <li>• there can be no guarantee that a liquid market in the Ordinary Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing NAV per Ordinary Share), or at all;</li> <li>• the Ordinary Shares may trade at a discount to NAV per Ordinary Share and Shareholders may be unable to realise their investments through the secondary market at NAV per Ordinary Share; and</li> <li>• the Company's ability to pay dividends and repurchase its Ordinary Shares is governed by the Companies Law which requires the Company to satisfy a solvency test.</li> </ul>

<b>Section E – Offer</b>		
<i>Element</i>	<i>Disclosure Requirement</i>	<i>Disclosure</i>
<b>E.1</b>	Net proceeds and costs of the Issue	Assuming that the Issue is fully subscribed as to 150 million Ordinary Shares, and that the costs of the Issue do not exceed 2.00 per cent. of the Gross Issue Proceeds, it is expected that the Company will receive approximately £147 million from the Issue, net of fees and expenses associated with the Issue and payable by the Company of approximately £3 million.
<b>E.2a</b>	Reason for offer and use of proceeds	<p>The Issue is being made in order to raise funds for the purpose of achieving the investment objective of the Company.</p> <p>All of the net proceeds of the Issue will be invested in accordance with the Company's investment policy save to the extent some of the net proceeds will be retained for working capital purposes and subject to the availability of sufficient investment opportunities.</p>
<b>E.3</b>	Terms and conditions of the offer	<p>Ordinary Shares are available to the public under the Offer for Subscription. The Offer is only being made in the UK. The terms and conditions of application under the Offer are set out in Appendix 2 to this prospectus.</p> <p>The Offer for Subscription will open on 25 June 2013 and will close on 8 July 2013. The Directors reserve the right, with the agreement of Numis, to close the Offer for Subscription at any time or to extend the closing date of the Offer for Subscription to no later than 12 noon on 22 July 2013. Notification of any closure or extension will be via an RIS announcement.</p> <p>The Offer for Subscription is conditional on:</p> <ul style="list-style-type: none"> <li>• the Sponsor and Placing Agreement remaining in full force and effect and not having been terminated in accordance with its terms; and</li> <li>• Admission of the Ordinary Shares issued pursuant to the Placing and the Offer.</li> </ul> <p>In circumstances in which these conditions are not fully met, the Issue will not take place and no Ordinary Shares will be issued.</p>
<b>E.4</b>	Material interests	<p>Mark Huntley who is a Director of the Company also acts a Managing Director of Heritage International Fund Managers Limited which has been appointed to act as the Company's administrator and will be entitled to the fees described in Element B.40 above.</p> <p>The owners of the Investment Adviser currently own 100 per cent. of Bluefield Energy Limited and will retain a 90 per cent. interest following Admission. On any sale of a DevCo (whether to the Group or any other purchaser), Bluefield Energy will be entitled to 20 per cent. of the profits realised on the sale by the Bluefield Development Fund, such profit share to be payable by the DevCo.</p>
<b>E.5</b>	Name of person selling Securities/ lock up agreements	<p>Other than the subscriber share issued to a nominee company on the Company's incorporation, the Company has no shares in issue and there will therefore be no selling Shareholders.</p> <p>Other than the members of the Investment Adviser who have, subject to certain exceptions, agreed not to dispose of any Ordinary Shares acquired by them respectively in the Placing for a period of one year, no lock-up agreements are being entered into in connection with the Issue.</p>

<b>E.6</b>	Dilution	Other than the subscriber share issued to a nominee company on the Company's incorporation, the Company has no shares in issue and there will therefore be no dilution of existing Shareholders.
<b>E.7</b>	Expenses charged to the investor	The expenses of the Issue to be borne by the Company are not expected to exceed 2 per cent. of the Gross Issue Proceeds. These expenses will be paid on or around Admission and will include, without limitation: placing fees and commission, registration, listing and admission fees; printing, advertising and distribution costs; legal fees; and any other applicable expenses. Investors will indirectly bear these costs as they will be met out of the Gross Issue Proceeds and will be reflected in the Net Asset Value per Ordinary Share immediately following Admission.

## **RISK FACTORS**

Investment in the Ordinary Shares carries a high degree of risk, including the risks in relation to the Company and the Ordinary Shares referred to below, which could materially and adversely affect the Company's business, financial condition and results. An investment in the Ordinary Shares should not be regarded as short-term in nature. Potential investors should review this document carefully and in its entirety and consider consulting an independent financial adviser who specialises in advising on the acquisition of shares and other securities before investing in Ordinary Shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss which may result.

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

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

### **Introduction**

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

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

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

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Ordinary Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

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

## **RISKS RELATING TO THE INDUSTRY IN WHICH THE GROUP INVESTS**

### **Risks relating to political support for solar PV**

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

An overview of the current renewable energy targets in the EU and UK, the Renewable Energy Directive, the EU Emissions Trading Scheme, the Renewables Obligation, Feed-in Tariffs, Contracts for Differences, Electricity Market Reform, Levy Exemption Certificates and the Levy Control Framework are described at Part II.

### **Risks relating to Electricity Market Reform**

As part of EMR, from 31 March 2017, the UK Government intends to close the Renewables Obligation to new accreditation. ROCs issued after a date to be specified (expected to be 1 April 2027) will be replaced with "fixed price certificates". DECC has indicated that the intention is to maintain levels and length of support for existing participants under the Renewables Obligation, but there is no guarantee that this will be the case. Further, change in law provisions may be triggered under pre-existing power purchase agreements as a result of EMR, giving counterparties an opportunity to re-open or even terminate some PPAs.

The final terms of elements of EMR will not be finalised until the end of 2013. Some projects that are not or cannot be accredited under the Renewables Obligation may not be entitled to CFD FIT support. EMR will be relevant to future investments made by the Group, but particular risk items cannot be assessed until the EMR proposals are finalised and their implications for the electricity market are more fully understood.

### **Risks relating to the Levy Exemption Framework**

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

### **Risks relating to the sale price of electricity**

Generally, the price at which a solar PV plant sells its electricity is determined by market prices in the UK. A decline in the costs of other sources of electricity generation, such as fossil fuels or nuclear power, could reduce the wholesale price of electricity. A significant amount of new electricity generation capacity becoming available could also reduce the wholesale price of electricity. A number of broader regulatory changes to the electricity market (such as changes to integration of transmission allocation and changes to energy trading and transmission charging) are being implemented across the EU which could have an impact on electricity prices.

A decline in the market price of electricity could materially adversely affect the price of electricity generated by solar PV assets and thus the Group's business, financial position, results of operations and business prospects. There are a variety of means to mitigate the risk of declines in the wholesale price of electricity through trading strategies (including long term PPAs). The Group will adopt a trading strategy that balances risks of reductions in market prices against opportunities to access enhanced returns, but this strategy will not necessarily be effective.

### **Risks relating to the price of green benefits**

Generally, the level of subsidy (FITs or the price at which ROCs and LECs can be sold) is determined by UK renewable energy policies. The value of green benefits can therefore be affected by changes in the political will to support solar PV and other factors such as the cost of solar PV equipment.

Though FITs generally provide for fixed rates of return, the value of ROCs under the Renewables Obligation fluctuates with market supply and demand for ROCs.

There are a variety of means to mitigate the risk of declines in the price of green benefits through trading strategies (including long term PPAs). The Group will adopt a trading strategy that balances risks of reductions in the price of green benefits against opportunities to access enhanced returns, but this strategy will not necessarily be effective. Reductions in levels or market value of green benefits available could have a material adverse effect on the Group's business, financial position, results of operations and business prospects. ROC prices could be materially and adversely affected by an imbalance of supply and demand should the actual amount of renewable regeneration exceed expectation on the annual Renewable Obligation target.

### **Risks relating to grandfathering**

The UK has generally revised its policies supporting the renewable energy sector from time to time in order to reduce the benefits available to new renewable power generation projects. However, there is significantly less risk of support being reduced, withdrawn or changed for existing support-accredited projects than there is for new projects which have not yet been accredited for support. In order to maintain investor confidence, the UK has ensured that the benefits already granted to operating renewable power generation projects are exempted from future regulatory change. This practice is referred to as "grandfathering". Grandfathering is a policy decision and, as such, there is no guarantee that the practice of grandfathering will be continued. There have been court judgements that support the view that the Government should not make retrospective changes that reduce support for existing accredited projects, though such judgements may not be followed in the future or their precedent may be overturned by legislation. The Group is likely to suffer a loss if the UK was to abandon the practice of grandfathering and apply adverse retrospective changes to the levels of support for operating projects in which the Group has a financial interest which in turn, could have a material adverse effect on the Group's business, financial position, results of operation and business prospects.

### **Risks relating to the price of solar PV equipment**

The price of solar PV equipment can increase or decrease. This would generally be expected to lead to corresponding changes in the value of green benefits available to new renewable power generation projects, though may not always do so. The price of solar equipment can be influenced by a number of factors, including the price and availability of raw materials, demand for PV equipment and any import duties that may be imposed on PV equipment.

On 4 June 2013, the European Commission announced provisional anti-dumping duties averaging 47.6 per cent. which will be imposed, *ad valorem*, on imports of Chinese solar panels from 6 August 2013. In the interim, a reduced level of duty of 11.8 per cent. has been implemented from 6 June 2013. The European Commission investigation continues and definitive measures, if any, would have to be imposed by 5 December 2013. Once the Commission has made its initial findings, legal provisions exist for both parties to suggest negotiated solutions. The outcome could be ongoing anti-dumping duties, which would normally apply for a period of five years, and which may be higher or lower than the provisional duties. The Commission has also indicated it is open to discussions with China about other measures which would be equivalent to the 47.6 per cent. duty, such other measures could take the form of price undertakings, an agreement not to sell below a minimum price.

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

### **Risks relating to gas power generation**

In late 2012 the Government issued its Gas Generation Strategy. Modelling detailed in the strategy suggests that as much as 26GW of new gas plant could be required by 2030, in part to replace older coal, gas and nuclear plant as it retires from the system. The development of new gas power projects, may discourage the deployment of renewable technologies. This could be exacerbated by the uptake of significant volumes of domestically-produced shale gas or any other factor that results in falls in wholesale gas prices. Any significant move to gas power generation or other modern gas technologies, and away from renewable technologies, greater than that currently assumed in the market, could negatively impact the Group's prospects and performance.

## **RISKS RELATING TO GROUP'S BUSINESS**

### **Weather related risks**

The profitability of a solar PV asset is dependent on the meteorological conditions at the particular site. Accordingly, the Group's revenues will be dependent upon the meteorological conditions at the solar PV plants owned by the Group. Variations in meteorological conditions occur as a result of fluctuations in the levels of sunlight and cloud cover on a daily, monthly and seasonal basis, and over the long-term as a result of more general changes in climate.

Solar PV assets and plants rely upon adequate solar radiation as "feedstock" for the purposes of producing power. Although there is statistical evidence that variance in annual solar radiation is statistically relatively low compared to other renewable energy sources such as wind, it is possible that temporary or semi-permanent or permanent changes in weather patterns, including as a result of global warming or for any other reason, could affect the amount of solar radiation received annually or during any shorter or longer period of time in locations where the Group's solar PV assets may be located. Such changes could lead to a reduction in the electricity generated which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects. Such changes, perceived or otherwise, could also make solar PV less attractive as an investment opportunity and so impair the Company's potential returns which could have a material adverse effect on the Group's business, financial position, results of the operations and business prospects.

### **Natural events may reduce electricity production below expectations**

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

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

Adverse weather conditions, including hotter ambient temperatures and extreme weather (such as flooding, storms and/or high winds) could reduce the efficiency of solar energy, thereby reducing the Group's revenues which would have a material adverse effect on the Group's business, financial position, results of the operations and business prospects.

### **Risks relating to the Group's construction and operation and maintenance contracts**

The Company expects to rely on third-party professionals and independent contractors and other companies to provide the required construction and operational and maintenance support services throughout the construction and operating phases of the solar PV assets in the Group's investment portfolio. If such contracted parties are not able to fulfil their contractual obligations, the Group may be forced to seek recourse against such parties, provide additional resources to complete their work, or to engage other companies to complete their work. Any such legal action or financial difficulty, breach of contract or delay in services by these third-party professionals and independent contractors could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group's ability to invest in and operate solar PV projects could be adversely affected if the contractors with whom the Group wishes to work do not have sufficient capacity to work with the Group on its chosen projects. In addition, if a contractor's work was not of the requisite quality, this could have an adverse effect on projects in which the Group is invested and might not only reduce financial returns but could adversely affect the Group's reputation.

Where a construction or an operation and maintenance contractor, or any other contractor, needs replacing, whether due to expiry of an existing contract, insolvency, poor performance or any other reason, the Group will be required to appoint a replacement contractor. Any such replacement

contractor may be more expensive and there is a further risk that finding a suitable contractor may take a long time, which could potentially lead to construction delays or downtime for the relevant asset. This could have a material adverse effect on the Group's financial position, results of operation and business prospects.

### **Risks relating to technology and operations**

Whilst the Investment Adviser will procure that appropriate legal and technical due diligence is undertaken on behalf of the Company in connection with any proposed acquisition of solar PV assets by the Group, this may not reveal all facts that may be relevant in connection with an investment. In particular operating projects which have not been properly authorised or permitted may be subject to closure, seizure, enforced dismantling or other legal action. Failure in the construction of a plant, for example, faulty components or insufficient structural quality, may not be evident at the time of acquisition or during any period during which a warranty claim may be brought against the contractor and may result in loss of value without full or any recourse to insurance or construction warranties. Investor's attention is also drawn to the risk factor under the heading "Risks relating to counterparty risk" below.

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

Any unforeseen loss of performance and/or efficiency in solar modules, beyond the warranted degradation, on an acquired or developed asset would have a direct effect on the yields produced by a solar PV plant and, as a consequence, could have a material adverse effect on the Group's business, financial condition and results of operations. Furthermore, should recourse against the vendor of such an asset or supplier of such modules be sought by the Company, this could also have a material adverse effect on the Group's business, financial condition and results of operations.

### **Risks relating to the operational life span of solar panels**

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

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

### **Risks relating to property and environmental matters**

It is anticipated that a significant proportion or potentially all of the solar PV assets to be acquired by the Group will be located on commercial and agricultural properties, to which entitlement will be secured through a lease agreement. Reliance upon a third party owned property gives rise to a range of risks including deterioration in the property during the investment life, damages or other lease related costs, counterparty and third party risks in relation to the lease agreement and property, termination of the lease following breach or due to other circumstances such as a mortgagee taking possession of the property. Whilst the Company will seek to minimise these risks through appropriate insurances, lease negotiation and site selection there can be no guarantee that any such circumstances will not arise and result in losses to the investment.

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

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

### **Risks relating to harm to the natural environment**

All utility-scale solar energy facilities require relatively large areas for solar radiation collection when used to generate electricity at utility-scale (meaning facilities with a generation capacity of 20 MW or greater). Solar facilities may interfere with existing land uses and could impact the use of nearby specially designated areas such as wilderness areas, areas of critical environmental concern, or special recreation management areas.

PV panels may contain hazardous materials, and although they are sealed under normal operating conditions, there is the potential for environmental contamination if they were damaged or improperly disposed of following decommissioning. Proper planning and good maintenance practices can be used to minimize impacts from hazardous materials, however, there is no guarantee that this will always be the case.

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

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

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

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

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

### **Risks relating to participation in the balancing mechanism**

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

### **Risks relating to solar PV assets in construction**

The Company's investment policy is to acquire both grid connected operating solar PV assets and pre-construction assets. In the event an investment is made prior to the completion of construction there is a risk that the project will fail to be grid-connected, will fail to qualify for ROCs, or will be connected after a Renewables Obligation scheme deadline resulting in reduced ROCs. Delays in project construction may result in a reduction in returns caused by a delay in the project generating revenue. While the Group will typically seek to ensure that strong warranties and termination rights are in place with the contractor to compensate the Group for such losses, there can be no guarantee that these will be sufficient to cover such losses or that such payments will be received.

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

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

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

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

### **Risks relating to changes in public attitude**

The solar PV sector currently relies upon specific regulatory support to provide preferential treatment, including premium prices on electricity production, for solar PV producers. Such support has been legislated in a number of countries based upon a growing public and political support for solar and other renewable energy sources, due in particular to increasing public and political concerns about climate change, environmental sustainability and energy security. A change in public attitude to solar PV or renewable energy installations may result in an increase in security and regulatory risk to operating solar PV installations, for example due to a resentment of the cost burden created by solar PV production relative to alternative conventional energy sources, to the appearance or environmental impact of solar PV plants or to the benefits to certain investor groups, perceived to be granted at the cost of the public. Whilst the Company will seek to ensure that regulatory support is robust and appropriate measures are taken in respect of each project to encourage local support and to manage security risks, there can be no guarantee that changes in public attitude will not result in a loss of actual or perceived value of investments.

### **Risks relating to modelling future returns**

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

The Company cannot guarantee the accuracy of forecasting or the reliability of the forecasting models, or that data collected will be indicative of future meteorological conditions. Forecasting can

be inaccurate due to meteorological measurement errors, or errors in the assumptions applied to the forecasting model, in particular, forecasters look at long-term data and there can be short term fluctuations.

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

Solar PV assets acquired by the Group may fail to meet the Company's expectations and forecasts. The prices at which the Group will acquire its assets will be determined by the Directors' and Investment Adviser's expectations and operational assumptions of the economics of such assets so that the returns available to the Group are acceptable. Should the operation and economics of the assets fall short of the Group's expectations, there could be a material adverse effect on the returns to the Company.

### **Risks relating to RPI**

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

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

### **Risks relating to counterparty risk**

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

### **Risks relating to insurance**

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

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

### **Risk of theft and other adverse actions against solar assets**

Modules are the most valuable components of solar installations and due to their portability are particularly exposed to theft. The Group may incur significant damage to its operations due to theft of components and modules.

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

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

## **RISK RELATING TO ACQUISITION OF SOLAR PV ASSETS**

### **Competition for further acquisitions**

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

Such competition may cause a decrease in expected profit margins, and adversely affect the Company's market share. Increased competition could therefore have a material adverse effect on the business, financial condition, results of operation and prospects of the Group. The ability of the Company to achieve its investment objective depends upon the Company identifying, selecting and executing investments which offer the potential for satisfactory returns. The availability of suitable investment opportunities will depend, in part, upon conditions in the UK solar power markets. There can be no assurance that the Group will be able to identify and secure investments that satisfy its investment criteria. Failure to identify and secure such investments could have a material adverse effect on the business, financial condition, results of operation and prospects of the Company.

Whilst through the appointment of the Investment Adviser the Company has a right of first refusal to acquire certain solar PV assets sourced by the Investment Adviser through exclusivity arrangements (including its existing arrangements with British Gas Solar and the Bluefield Development Fund), there can be no assurance that sufficient assets will be made available to the Group under these pipeline arrangements or that the Group will be able to identify and execute a sufficient number of investments from other sources to achieve its investment objective and/or to expand its portfolio of renewable energy projects as currently intended. Further details in relation to the pipeline arrangements between the Company, the Investment Adviser, British Gas Solar and the Bluefield Development Fund are set out in Part III of this document.

### **Risks relating to the acquisition of the pipeline assets**

The Group may fail to acquire all or any of the assets which may be made available to it under the pipeline arrangements referred to in Part III of this document. No member of the Group has entered into any unconditional, legally binding agreements in relation to the purchase of any solar PV assets and there can be no guarantee that the Group will ultimately be able to invest in any solar PV assets on satisfactory terms, or at all.

The making of any investment will be conditional upon, amongst other things, receipt of all necessary consents, approvals, authorisations and permits, the Company deciding to proceed with the acquisition, the Company being able to finance its commitment to a particular investment,

satisfactory completion of due diligence and the entering into of binding agreements in a form satisfactory to all the parties thereto, including the Company.

### **Risks relating to due diligence**

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

Technical analysis of the build quality, lifecycle costs and asset life will be undertaken by the technical advisers appointed by the Group in connection with any proposed acquisition. It is not intended that the equipment and systems purchased will rely substantially on new technology and it is expected that they will have a track record in other solar PV assets. Even so, components such as cabling, PV panels, inverters and control systems amongst others can fail and repair or replacement costs, in addition to the costs of lost production, can be significant.

### **Risks relating to the ability to finance further investments and enhance Net Asset Value growth**

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

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

### **Risks relating to not acquiring 100 per cent. of an asset**

The Group may not always be able, for structural or commercial reasons, to acquire a 100 per cent. equity interest in the assets which it acquires. Although it does not intend to acquire stakes in assets that will not give it effective control of the acquired asset the Group may do so in the future and minority holdings in acquired assets may hamper the Group's ability to control such assets and may also reduce the future returns to the Company.

## **RISKS RELATING TO THE COMPANY AND ITS SHARES**

### **No operating history**

The Company is newly incorporated and has no operating history or revenues. Investors therefore have no basis on which to evaluate the Company's ability to achieve its investment objective and implement its investment policy. The past performance of investments managed and monitored by the Investment Adviser or its associates is not a reliable indication of the future performance of the investments held by the Group.

### **Risks relating to the Company's share price performance and target returns and dividends**

Prospective investors should be aware that the distributions made to Shareholders will comprise amounts periodically received by the Company in repayment of, or being distributions on, its

investment in solar PV assets, including distributions of operating receipts of project entities. Although it is envisaged that receipts from solar PV assets over the life of the Company will generally be sufficient to fund such periodic distributions and repay the value of the Company's original investments in the solar PV assets over the long-term, this is based on estimates and cannot be guaranteed.

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

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

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

#### **Market value of investments and valuations**

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

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

All calculations made by the Administrator, in conjunction with the Investment Adviser, will be made, in part, on valuation information provided by the companies in which the Group has invested and, in part, on financial reports provided by the Investment Adviser. Although the Administrator and the Investment Adviser will evaluate all information and data provided by the companies in which the Group has invested, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data, nor may such information be up to date by the time it has been received by the Company. Shareholders should bear in mind that the actual NAV may be materially different from quarterly estimates. Further details in relation to the valuation policy of the Company are set out in Part VI of this Prospectus.

#### **Liquidity**

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 Ordinary Shares will exist. Accordingly, Shareholders may be unable to realise their Ordinary Shares at the quoted market price (or at the prevailing NAV per Ordinary Share), or at all.

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

## **Discount**

The Ordinary Shares may trade at a discount to NAV per Ordinary Share and Shareholders may be unable to realise their investments through the secondary market at a price equal to, or greater than NAV per Ordinary Share. The Ordinary Shares may trade at a discount to Net Asset Value for a variety of reasons, including market conditions or to the extent investors undervalue the activities of the Investment Adviser 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 Ordinary Share through the discount management mechanisms summarised in Part I of this Prospectus, there can be no guarantee that they will do so or that such mechanisms will be successful and the Board accepts no responsibility for any failure of any such strategy to effect a reduction in any discount.

## **Risks relating to leverage**

It is likely that the Special Purpose Companies in which the Group invests will be financed by a combination of share capital, shareholder loans and third party project financing debt which will be secured against the relevant Special Purpose Company and its assets but which will otherwise be non-recourse to the Group or its other assets. In addition, the Group may, at holding company level, make use of short term debt finance to facilitate the acquisition of investments which the Company would subsequently seek to refinance through further capital raisings. In connection with the provision of short term financing, it is possible that a lender may require security by way of floating charges over the Group's assets.

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

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

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

## **Dependence on the Investment Adviser**

The ability of the Company to achieve its investment objective depends upon the ability of the Investment Adviser to identify, select and execute investments which offer the potential for satisfactory returns. The availability of suitable investment opportunities will depend, in part, upon conditions in the UK solar PV markets and the level of competition for assets in the solar PV sectors. Whilst the Company has certain rights to acquire solar PV assets in accordance with the Pipeline Agreement, there can be no assurance that the Investment Adviser will be able to identify and execute a sufficient number of opportunities to enable the Company to achieve its investment objective and to grow its portfolio of solar PV assets to the level it is seeking.

Accordingly, the ability of the Company to achieve its investment objective depends heavily on the experience of the Investment Adviser's team, and more generally on ability of the Investment Adviser to attract and retain suitable staff. The Board will have broad discretion to monitor the performance of the Investment Adviser or to appoint a replacement but the performance of the Investment Adviser or that of any replacement cannot be guaranteed.

## **Conflicts of interest**

The Investment Adviser and any of its members, directors, officers, employees, agents and connected persons, and any person or company with whom they are affiliated or by whom they are employed (**Interested Parties**) may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. In particular, Bluefield Energy, a company which is under common control with the Investment Adviser, provides project management and other services to special purpose companies in which the Bluefield Development Fund invests. The Special Purpose Companies owning the solar assets developed by the Bluefield Development Fund may be sold to, or funded by the Company in accordance with the pipeline arrangements, further details of which are set out in Part III of this Prospectus. On any sale of shares in the Special Purpose Companies, Bluefield Energy will be entitled to 20 per cent. of the profits realised on the sale by the Bluefield Development Fund.

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

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

## **RISKS RELATING TO REGULATION AND TAXATION**

### **Legal and regulatory**

The solar PV energy sector is subject to extensive legal and regulatory controls, and the Group and each of its solar PV assets must comply with all applicable laws, regulations and regulatory standards which, among other things, require the Group to obtain and maintain certain authorisations, licences and approvals for the construction and operation of the solar PV assets.

The Company must also comply with the provisions of the Companies Law and, as its Ordinary Shares will be admitted to the Official List, the Listing Rules, and the Disclosure and Transparency Rules. A breach of the Companies Law could result in the Company and/or the Board being fined or the subject of criminal proceedings.

### **Alternative Investment Fund Managers Directive**

The AIFM Directive, which is due to be transposed by EU member states into national law by 22 July 2013, seeks to regulate alternative investment fund managers and imposes obligations on managers who manage alternative investment funds in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM would need to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the AIF and may affect dividend returns.

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

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

### **Change in accounting standards, tax law and practice**

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

### **Taxation risks**

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

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

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

### **Offshore funds**

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

### **United States (U.S.) tax withholding and reporting under the Foreign Account Tax Compliance Act (FATCA)**

Under the FATCA provisions of the U.S. Hiring Incentives to Restore Employment (HIRE) Act, where the Company invests directly or indirectly in U.S. assets, payments to the Company of U.S.-source income after 31 December 2013, gross proceeds of sales of U.S. property by the Company after 31 December 2016 and certain other payments received by the Company after 31 December 2016 will be subject to 30 per cent. U.S. withholding tax unless the Company complies with FATCA. FATCA compliance can be achieved by entering into an agreement with the US Secretary of the Treasury under which the Company agrees to certain U.S. tax reporting and withholding requirements as regards holdings of and payments to certain investors in the Company or, if the Company is eligible, by becoming a "deemed compliant fund". Guernsey has announced its intention to enter an intergovernmental agreement (which is expected to be entered into by the UK government on its behalf) with the U.S. Treasury which seeks to enable Guernsey institutions to comply with FATCA by requiring them to report information to the Guernsey tax authority pursuant to domestic legislation. Any amounts of U.S. tax withheld may not be refundable by the Internal Revenue Service (**IRS**). Potential investors should consult their advisors regarding the application of the withholding rules and the information that may be required to be provided and disclosed to the Company and in certain

circumstances to the IRS as will be set out in the final FATCA regulations. The application of the withholding rules and the information that may be required to be reported and disclosed are uncertain and subject to change.

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

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

## IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this document 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 Adviser, Numis or any other person.

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

Apart from the responsibilities and liabilities, if any, which may be imposed on Numis by FSMA or the regulatory regime established thereunder, Numis does not accept any responsibility whatsoever for the contents of this document 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 Adviser, the Ordinary Shares, Admission or the Issue. Numis accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above), which it might otherwise have in respect of this document or any such other document or statement.

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

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

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

### **Investment considerations**

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

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

The Placing will primarily be marketed to institutional and sophisticated investors. Typical investors pursuant to the Offer are expected to be institutional and sophisticated investors and private clients.

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

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the memorandum and articles of incorporation of the Company, which investors should review.

### **Forward-looking statements**

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

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

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

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

Nothing in the preceding paragraphs should be taken as limiting the working capital statement in paragraph 11 of Part VIII of this Prospectus.

### **Presentation of information**

#### ***Market, economic and industry data***

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

#### ***Currency presentation***

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

#### ***Latest Practicable Date***

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is close of business on 21 June 2013.

***Definitions***

A list of defined terms used in this document is set out at pages 88 to 93.

***Governing law***

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

## EXPECTED TIMETABLE

Latest time and date for receipt of Application Forms under the Offer	12 noon on 8 July 2013
Latest time and date for placing commitments under the Placing	3.00 p.m. on 10 July 2013
Result of Issue announced	8.00 a.m. on 11 July 2013
Admission and commencement of unconditional dealings in the Ordinary Shares	8.00 a.m. on 12 July 2013
Crediting of CREST accounts in respect of the Ordinary Shares	8.00 a.m. on 12 July 2013
Share certificates despatched	Week commencing 22 July 2013

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

## ISSUE STATISTICS

Issue Price	£1.00
Maximum number of Ordinary Shares to be issued <sup>(1)</sup>	150 million
Estimated maximum Net Issue Proceeds <sup>(2)</sup>	£147 million
Estimated Net Asset Value per Ordinary Share on Admission <sup>(2)</sup>	£0.98

**Notes:**

- (1) If commitments and applications are received for more than 150 million Ordinary Shares pursuant to the Placing and Offer for Subscription, the Directors reserve the right to increase the maximum number of Ordinary Shares that may be issued pursuant to the Placing and Offer for Subscription on the basis set out in Part VI of this document, provided that the maximum number of Ordinary Shares that may be issued is 175 million Ordinary Shares.
- (2) Assuming issue expenses of 2.00 per cent. of the Gross Issue Proceeds and Gross Issue Proceeds of £150 million.

## DIRECTORS, AGENTS AND ADVISERS

<b>Directors</b> <i>(all non-executive)</i>	John Rennocks ( <i>Chairman</i> ) Mark Huntley Paul Le Page John Scott
<b>Administrator, Designated Manager, Company Secretary and Registered Office</b>	Heritage International Fund Managers Limited Heritage Hall PO Box 225 Le Marchant Street St Peter Port Guernsey GY1 4HY
<b>Investment Adviser</b>	Bluefield Partners LLP 40 Queen Anne Street London, W1G 9EL
<b>Sponsor, Broker and Financial Adviser</b>	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
<b>Legal Advisers to the Company</b> <i>(as to English law)</i>	Norton Rose Fulbright LLP 3 More London Riverside London SE1 2AQ
<b>Legal Advisers to the Company</b> <i>(as to Guernsey law)</i>	Carey Olsen PO Box 98 Carey House Les Banques St Peter Port Guernsey GY1 4BZ
<b>Legal Advisers to the Sponsor, Broker and Financial Adviser</b>	Travers Smith LLP 10 Snow Hill London EC1A 2AL
<b>Reporting Accountants</b>	KPMG Channel Islands Limited PO Box 20 20 New Street St Peter Port Guernsey GY1 4AN
<b>Auditors</b>	KPMG Channel Islands Limited PO Box 20 20 New Street St Peter Port Guernsey GY1 4AN
<b>Registrar</b>	Capita Registrars (Guernsey) Limited Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4LH

**Receiving Agent and  
UK Transfer Agent**

Capita Registrars  
Corporate Actions  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Principal Bankers**

Royal Bank of Scotland International  
Royal Bank Place  
1 Glategny Esplanade  
St Peter Port  
Guernsey GY1 4BQ

## PART I

### INFORMATION ON THE COMPANY

#### Introduction

Bluefield Solar Income Fund Limited is a closed-ended investment company limited by shares, registered and incorporated in Guernsey under the Companies Law on 29 May 2013, with registration number 56708. The Company has appointed Bluefield Partners LLP as its investment adviser. The Company has been registered by the GFSC as a registered closed-ended collective investment scheme.

Further information in relation to the Investment Adviser is set out in Part IV of this Prospectus.

Applications will be made to each of the Financial Conduct Authority and the London Stock Exchange, respectively, for all of the Ordinary Shares to be issued pursuant to the Issue 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. It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 12 July 2013.

#### Investment objective

The Company will seek to provide Shareholders with an attractive return, principally in the form of semi-annual income distributions, by investing in a portfolio of large scale UK based solar energy infrastructure assets. As further described under the heading "Target Returns" below, the Company is targeting a dividend of 4 pence per Ordinary Share in relation to the financial year ending 30th June 2014 and 7 pence per Ordinary Share in respect of the Company's second financial year, with the intention of this rising annually thereafter with RPI<sup>(1)</sup>. Subject to maintaining prudential level of reserves, the Company intends to distribute cash generated in order to optimise Shareholders' returns and expects to achieve its target returns without recourse to reinvestment of spare cash flows.

#### Target returns

The Company will target delivery to Shareholders of RPI-linked distributions of 7 pence per Ordinary Share in each financial year (other than the Company's first financial year) based on the Issue Price of £1.00 per Ordinary Share over the anticipated 25 year asset life. Failure to achieve the RPI-linked target return of 7 pence per Ordinary Share in any financial year (excluding the Company's first financial year) will result in the Investment Adviser rebating up to 35 per cent. of its base fee paid in that financial year. On a conservative assumption of no terminal value to the Company's assets after 25 years, the Company expects to deliver a total return, net of all set-up costs and fund expenses, of no less than 7 per cent. per annum.

The Company is targeting a dividend of 4 pence per Ordinary Share in relation to the financial year ending 30 June 2014 and 7 pence per Ordinary Share in respect of the Company's second financial year, with the intention of this rising annually thereafter with RPI. The first interim dividend is expected to be declared in February 2014, and semi-annually thereafter.

Subject to maintaining a prudential level of reserves, the Company does not expect to reinvest cash flows in order to achieve its target returns but together with asset performance optimisation will seek to achieve distributions of up to 9 pence per Ordinary Share. If in any year (excluding the Company's first financial year) the Company exceeds its distribution target of 7 pence per year (as increased annually with RPI), the Investment Adviser will be entitled to a variable fee equal to 30 per cent. of the excess, subject to a maximum variable fee in any year equal to 1.00 per cent. of the NAV as at the end of the relevant financial year. Further details of the fees payable to the Investment Adviser are set out under "Ongoing Expenses" in Part V.

The Directors will declare and pay dividends in compliance with the solvency test prescribed by the Companies Law.

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

The actual yield generated by the Company in pursuing its investment objective may depend on a wide range of factors including, but not limited to, general economic and market conditions, fluctuations in currency exchange rates, prevailing interest rates and credit spreads, the terms of the investments made by the Company and the risks highlighted in the section headed “Risk Factors” in this document. The target return set out in this document should not be taken as an indication of the Company’s expected future performance or results over any period. The target return is a target only and there is no guarantee that it can or will be achieved and it should not be seen as an indication of the Company’s expected or actual return. Accordingly, investors should not place any reliance on the target return in deciding whether to invest in the Ordinary Shares. The future performance of the Company may be materially adversely affected by the risks discussed in the section of this document entitled “Risk Factors”.

### **Investment Opportunity**

Solar PV installations in the UK have the opportunity to benefit from FITs (for installations up to 5MW in capacity), or Renewable Obligation Certificates. Both schemes offer 20 year, inflation indexed, legislated regulatory support. When combined with relatively stable annual levels of solar irradiation (compared to other renewable technologies such as wind), such regulated revenue sources give rise to the potential for long-term relatively stable and predictable revenue streams. Meanwhile operational costs are typically low as a proportion of revenues (circa 20 to 30 per cent.), giving rise to the potential for generation of long-term stable cashflows.

Based upon the experience of the Investment Adviser in the UK solar sector, the Company aims to acquire and/or construct UK solar PV infrastructure on a utility scale in order to achieve both stable income and to extract the maximum potential for asset optimisation through economies of scale and active technical management.

Since 2011 the Investment Adviser has developed specific experience investing in a series of industrial and electricity grid connected solar PV projects in the UK market, working with a number of established solar energy contractors. During this period of investment, the Investment Adviser has developed experience in both FITs and Renewable Obligation certificate based projects, investing on behalf of institutional and private client investors. Further details of the Investment Adviser’s track record in UK solar PV projects are set out in Part IV of this Prospectus.

The solar PV market was created in the UK in 2010 through the introduction of legislation offering fixed 20 to 25 year, RPI-indexed, FITs for electricity generation from solar energy. Since its introduction in 2011 the level of FITs for large scale installations up to 5MW has fallen from over 30 pence per kWh, up to August 2011, to circa 7 pence per kWh in 2013. In spite of this, the volume of capacity built in the first quarter of 2013 (estimated by the Investment Adviser at 400MWp (see Part III of this document)) was over twice the non-domestic capacity built up until December 2012 (source: OfGEM Register, Solarbuzz, June 2013). Solar installations are now being constructed in the UK on a larger scale as the cost of installations has reduced, making the Renewable Obligation Certificate market, which is available for installations over 50KW in size and on which the UK wind industry had been built up to 8,871MW by the end of 2012, an attractive source of regulatory support for solar and avoiding the cap on installation size imposed by the FIT scheme.

The change in the UK solar sector from small to large scale and from high to low cost relative to other renewable energy technologies has now positioned it as a ‘key technology’ for the UK Government’s renewable energy targets (source: UK Renewable Energy Roadmap Update 2012, 27 December 2012). At a pricing level of around £0.91 million per MW installed, the capacity of the market up to 2017, based on DECC’s revised estimate of the maximum technical deployment for large scale solar of 4,600MWp by 2017 (source: DECC: Renewables Obligation Banding Review, December 2012), is estimated by the Investment Adviser to be approximately £3.5 billion. The Company is seeking to give Shareholders access to this emergent market building upon the direct and relevant experience and access developed by its Investment Adviser.

The Investment Adviser has secured a number of sources of proprietary pipeline to which the Company will be granted access:

- **Exclusivity with Centrica PLC:** The Investment Adviser has signed an exclusivity agreement with the solar contracting arm of Centrica PLC, an established contractor for industrially connected solar PV installations, under which the Investment Adviser has the exclusive right to acquire assets constructed on industrial and commercial sites.

- Bluefield Development Fund pipeline: The Investment Adviser has sourced funding for a third party managed development pipeline through supporting the establishment of a third party managed development fund: the Bluefield Development Fund. The Investment Adviser has secured through the Pipeline Agreement the exclusive right to purchase the DevCos owned by the Bluefield Development Fund which hold solar PV construction permits and site lease, at a preferential rate capped at the higher of £55,000/MWp and 1.5 times the Bluefield Development Fund's equity invested in such special purpose vehicle.

Whilst the Investment Adviser has secured these proprietary routes of access to the solar market it is not subject to any exclusive obligation to source projects from these sources and has the capacity to select assets from across the solar market in order to deliver the Company objectives.

Further details of the potential pipeline of assets which will be available to the Company are set out in Part III of this Prospectus.

### **Investment Policy**

The Group will invest in a diversified portfolio of solar energy assets, each located within the UK, with a focus on utility scale assets and portfolios on greenfield, industrial and/or commercial sites. The Group will target long life solar energy infrastructure, expected to generate stable renewable energy output over a 25 year asset life.

Individual solar assets or portfolios of solar assets will be held within Special Purpose Vehicles into which the Group will invest through equity and/or debt instruments. The Group will typically seek legal and operational control through direct or indirect stakes of up to 100 per cent. in such Special Purpose Vehicles, but may participate in joint ventures or minority interests where this approach enables the Group to gain exposure to assets within the Company's investment policy which the Group would not otherwise be able to acquire on a wholly-owned basis.

The Group may make use of non-recourse finance at the SPV level to provide leverage for specific solar energy infrastructure assets or portfolios provided that at the time of entering into (or acquiring) any new financing, total non-recourse financing within the portfolio will not exceed 50 per cent. of the prevailing Gross Asset Value. In addition, the Group may, at holding company level, make use of short-term debt finance to facilitate the acquisition of investments, but such short-term debt (when taken together with the SPV finance noted above) will also be limited so as not to exceed 50 per cent. of the Gross Asset Value.

No single investment in a solar energy infrastructure asset (excluding any third party funding or debt financing in such asset) will represent, on acquisition, more than 25 per cent. of the Net Asset Value. The portfolio will provide diversified exposure through the inclusion of not less than five individual solar energy infrastructure assets. Diversification will be achieved across various factors such as grid connection points, individual landowners and leases, providers of key components (such as PV panels and inverters) and assets being located across various geographical locations within the United Kingdom.

The Group will aim to derive a significant portion of its targeted return through a combination of RPI-linked FITs and the sale of Renewable Obligation certificates (or any such regulatory regimes that replace them from time to time). Both such regimes are currently underwritten by UK Government regulation providing a level of FITs or Renewable Obligation certificates fixed for 20 years and each regime benefits from an annual RPI escalation. The Group also intends, where appropriate, to enter into Power Purchase Agreements with appropriate counterparties, such as co-located industrial energy consumers or wholesale energy purchasers.

### **Listing Rule investment restrictions**

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

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole;
- the Company must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy; and

- not more than 10 per cent. of the Gross Asset Value at the time of investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

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

### **Revenue streams**

The assets to be invested by the Group are anticipated to benefit from revenue from two primary sources:

- regulated revenue from FITs or sale of ROCs; and
- sale of electricity to electricity suppliers, energy traders or on-site users.

Under support levels available on large scale installations commissioned in 2013, the regulated revenue is expected to comprise approximately 60 per cent. of total revenue for an individual solar project. The split of the Group's regulated revenue between FITs and the sale of ROCs will depend on the projects acquired by the Group. As ROC projects are not subject to the 5MWp size limit that applies to FIT projects, it is expected that a majority of the new built projects acquired by the Group will be under the ROC regime; any operating projects acquired by the Group could be under either the FIT or ROC regime. As described in Part II of this document, both the FIT and ROC regulatory regimes benefit from RPI linkage under regulation and are fixed under regulation at the point of a plant's commissioning for 20 years. To the extent the Group acquires assets installed under earlier regulatory regimes, such as plants installed in 2011 or 2012, the proportion of revenue coming from the regulated component may be significantly higher.

The remaining, unregulated revenue, will be derived from sale of electricity to market or on-site off-takers. The Investment Adviser will seek to support the Group in the management of its off-take arrangements in order to balance the Group's overall exposure to energy price uncertainty which may be achieved through either short or long-term PPAs. The Investment Adviser has a track record of funding industrially connected solar projects such as installations on-connected to Thames Water Utilities and to Toyota Manufacturing UK. Where installations are directly connected to on-site industrial energy users it may be possible to negotiate long term RPI-linked energy offtake agreements further increasing the linkage of the Group's income to RPI.

### **Group structure**

The Company will make its investments via a group structure which initially will comprise the Company and its wholly-owned UK subsidiary, Bluefield SIF Investments Limited. Holdco will invest either directly or indirectly in the SPVs which own the solar assets.

### **Investment Adviser and the Bluefield Group**

Under the Investment Advisory Agreement, Bluefield Partners LLP, the Investment Adviser, which is authorised and regulated in the UK by the Financial Conduct Authority, has been appointed by the Company as Investment Adviser and in such capacity acts as Investment Adviser to the Company within the strategic guidelines set out in the Company's investment policy and subject to the overall supervision of the Board. All decisions in respect of the acquisition of new investments and the disposal of assets in the Company's portfolio will be subject to the approval of the Board.

It is currently intended that James Armstrong, Mike Rand and Giovanni Terranova will lead the Investment Adviser in the identification and selection of the Group's pipeline of potential investments, including the provision of investment advisory and management services relating to acquisitions and the ongoing management of the assets. The asset management role encompasses the placing and managing of construction and operational contracts, management of operational risks, advising the Board on the management of power price exposure and preparation of reports for the Board. In addition, the Investment Adviser will seek to identify asset and portfolio efficiencies. The Investment Adviser also anticipates where appropriate providing directors to Special Purpose Companies within the Group.

Further details in relation to the Investment Adviser and the Investment Adviser's team are set out in Part IV of this Prospectus. A summary of the terms of the Investment Advisory Agreement is provided in paragraph 5 of Part VIII of this Prospectus.

In anticipation of establishing the Company, in 2012 the Investment Adviser initiated the establishment of Bluefield Energy, a specialist solar development company with a proven solar development team. The owners of the Investment Adviser will retain a 90 per cent. ownership interest in Bluefield Energy following Admission, and two of the Investment Adviser's managing members (James Armstrong and Giovanni Terranova) sit as non-executives on Bluefield Energy's board of directors.

In parallel to establishing Bluefield Energy, the Investment Adviser also supported the promotion of a new solar development fund, the Bluefield Development Fund, which is managed by an independent third party discretionary fund manager, Thompson Taraz Collectives Limited (TTCL). Bluefield Energy has been appointed by TTCL as its adviser in connection with the management of the Bluefield Development Fund and Bluefield Energy's services include sourcing investment opportunities, providing development consultancy services to take investments from inception to fully permitted status, and project management and other services to the SPVs in which the Bluefield Development Fund invests.

Bluefield Energy and the Bluefield Development Fund were established by the Investment Advisor with the aim of establishing a proprietary source of pipeline for the Company whilst avoiding the Company having to take direct risk investing in any projects prior to them being fully consented for construction and grid connection. The third party fund manager, TTCL, was appointed in order to ensure that investment and divestment decisions were clearly delinked from the control of the Investment Adviser.

The Investment Adviser's proprietary access to the Bluefield Development Fund pipeline has been achieved through the Investment Adviser entering into a pipeline agreement with TTCL (acting on behalf of the Bluefield Development Fund) and Bluefield Energy under which the Investment Adviser has the exclusive right, on behalf of any investment vehicle established, managed or advised by the Investment Adviser, to purchase and/or fund all DevCos from the Bluefield Development Fund at a capped price equal to the higher of £55,000/MWp per consented megawatt capacity or 1.5x of the value of the equity subscribed by the Bluefield Development Fund into the relevant DevCo. Bluefield Energy has no authority to take investment decisions on behalf the Bluefield Development Fund and any decision to sell a DevCo will be taken by TTCL.

Under the Investment Advisory Agreement the Investment Adviser has granted a right of first refusal to the Group in respect of any projects within the Company's investment policy to which the Investment Adviser gains any exclusivity or right of first refusal, subject to the value of investment being not less than £5.0 million (whether in terms of the amount to be funded or the purchase price for the relevant asset). For projects involving an investment of less than £5.0 million, the Investment Adviser shall exercise its discretion as to how those transactions are allocated between the Group and the Investment Adviser's other clients.

The Group will have no obligation to buy any DevCo from the Bluefield Development Fund and any decision to acquire a DevCo will be subject to the approval of the Company's Board of Directors, following a recommendation from both the Investment Adviser's Investment Committee and Holdco's Investment Committee, in accordance with the investment approval process described in Part IV of this document.

On any sale of a DevCo (whether to the Group or any other purchaser), Bluefield Energy will be entitled to 20 per cent. of the profits realised on the sale by the Bluefield Development Fund, such profit share to be payable by the DevCo. In view of James Armstrong and Giovanni Terranova acting as non-executive directors of Bluefield Energy and also as directors of the DevCos, they will not vote on any decision by the Investment Adviser's Investment Committee to recommend to the Group the proposed acquisition of any DevCo from the Bluefield Development Fund.

Further details of the arrangements between the Group and the Investment Adviser in relation to sourcing investments from the Bluefield Development Fund and the approval of any proposed acquisition under these arrangements are set out in Parts III and IV of this Prospectus.

### **Major Shareholders**

CCLA Investment Management Limited has committed to subscribe for such number of Ordinary Shares as shall represent 20.0 per cent. of the Company's issued share capital on Admission pursuant

to a deed of subscription, subject to a maximum of 25 million Ordinary Shares and conditional on a minimum of 100 million Ordinary Shares being subscribed under the Issue. The Subscription Deed is summarised in paragraph 5 of Part VIII of this document.

Members of the Investment Adviser have also committed to subscribe for 2.9 million Ordinary Shares under the Placing, as described in Part IV of this Prospectus under the heading “Investment Adviser’s Commitment”.

## **Distribution policy**

### ***General***

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

The Company is targeting an initial dividend in respect of the first financial year ending 30 June 2014 of 4 pence per Ordinary Share rising to 7 pence per Ordinary Share in respect of the second financial year ending 30 June 2015 and with the intention of this increasing annually thereafter in line with RPI<sup>(2)</sup>.

### ***Timing of distributions***

Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December, and are expected to be made by way of interim dividends to be declared in February and September. Following Admission the first interim dividend, if any, is expected to be declared in February 2014.

## **Capital structure**

The Company’s issued share capital at Admission will comprise the Ordinary Shares which will be issued pursuant to the Issue. The Ordinary Shares will be admitted to trading on the main market for listed securities of the London Stock Exchange and will be listed on the premium segment of the Official List.

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

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

The Company’s Articles contain provisions that permit the Directors to issue C Shares from time to time. C Shares are shares which convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company’s investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the Ordinary Shares). A C Share issue would therefore permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

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

## **Further issues**

The Board will have authority to allot further Ordinary Shares following Admission, representing up to 10 per cent. of the Company’s issued share capital immediately following Admission, such authority lasting until the first annual general meeting of the Company. Shareholders’ pre-emption rights as conferred by the Articles over this unissued share capital have been disapplied so that the Board will not be obliged to offer any new Ordinary Shares to Shareholders *pro rata* to their existing holdings. The reason for this is to retain flexibility, following Admission, to issue new Ordinary Shares to

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

investors. Except where authorised by Shareholders, no Ordinary Shares will be issued at a price which is less than the Net Asset Value per existing Ordinary Share at the time of their issue unless they are first offered *pro rata* to Shareholders on a pre-emptive basis.

Pursuant to the terms of the Investment Advisory Agreement, the Investment Adviser, or its nominees, may receive Ordinary Shares in respect of the variable fee payable to it, details of which are set out in Part IV of this Prospectus.

As noted under “Capital structure” above, the Articles contain provisions that permit the Directors to issue C Shares from time to time and a C Share issue would permit the Board to raise further capital for the Company whilst avoiding any immediate dilution of investment returns for existing Shareholders which may otherwise result.

### **Discount management**

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

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

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

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

### **Duration**

The Company has been established with an unlimited life. However, under the Articles the Directors are required to propose an ordinary resolution every five years that the Company should cease to continue as presently constituted (a **Discontinuation Resolution**). In addition, the Directors will also be required to propose a Discontinuation Resolution in the event that the aggregate distributions over three years (excluding the Company’s first financial year for these purposes) do not exceed the aggregate of the distribution targets over the same three year period. Such a Discontinuation Resolution will be put to Shareholders at the next annual general meeting of the Company following the requirement that it be put to Shareholders is triggered.

In the event that a Discontinuation Resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company’s underlying assets.

## PART II

### THE SOLAR MARKET AND THE INVESTMENT OPPORTUNITY

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

#### Market opportunity

The increased use of energy from renewable sources, including solar PV, constitutes an important part of the measures being implemented in the European Union and elsewhere to reduce greenhouse gas emissions in order to comply with international, EU and domestic targets.

The main driver for the promotion of renewable energy in the EU is the Renewable Energy Directive. Under the Renewable Energy Directive, the UK Government has a legally binding target for 15 per cent. of energy consumption to be from renewable sources by 2020<sup>(1)</sup>. The Renewable Energy Directive is a key part of the EU's climate change package which encompasses the "20-20-20" targets, being:

- a 20 per cent. reduction in EU greenhouse gas emissions from 1990 levels by 2020;
- raising the share of EU energy consumption produced from renewable resources to 20 per cent. by 2020; and
- a 20 per cent. improvement in the EU's energy efficiency by 2020<sup>(2)</sup>.

In addition, the EU ETS (which is applicable in the UK) incentivises low carbon generation of electricity by imposing a cost on emitting carbon dioxide.

Further, the UK's Climate Change Act 2008 establishes a legally binding target to reduce the UK's emissions of greenhouse gases to at least 80 per cent. below 1990 levels by 2050 and provides the framework for carbon budgets to be set in order to achieve this target.

The UK has implemented two regimes which specifically incentivise the deployment of solar PV technology, being the Renewables Obligation and FITs. In the future, CFD FITs will replace the Renewables Obligation in respect of new projects under EMR. Solar PV projects can also generate LECs. Funding for support of solar PV is now controlled under the Levy Control Framework.

The UK Renewable Energy Roadmap Update 2012<sup>(3)</sup>, published on 27 December 2012, identifies solar PV as a 'key technology' in delivering the objectives of the UK Renewable Energy Roadmap for 2020. In December 2012 DECC revised up its estimate of the maximum technical deployment potential for large scale solar energy to 4,600MWp by 2017<sup>(4)</sup>.

#### EU ETS

The EU ETS sits alongside the Renewable Energy Directive. Though solar PV installations are not regulated under the EU ETS, the EU ETS helps to support the growth of renewables by increasing the cost of generating electricity from non-renewable sources by requiring that operators of electricity generating stations purchase and surrender allowances in respect of the greenhouse gas emissions. This "carbon price" is further supported in the UK by the carbon floor price, which is described further below.

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(1) Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009.

(2) [http://ec.europa.eu/clima/policies/package/index\\_en.htm](http://ec.europa.eu/clima/policies/package/index_en.htm).

(3) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/80246/11-02-13\\_UK\\_Renewable\\_Energy\\_Roadmap\\_Update\\_FINAL\\_DRAFT.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/80246/11-02-13_UK_Renewable_Energy_Roadmap_Update_FINAL_DRAFT.pdf).

(4) DECC: Renewables Obligation Banding Review for the period 1 April 2013 to 31 March 2017, December 2012.

## Renewables Obligation

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

Suppliers source ROCs from generators of electricity from renewable sources. ROCs are awarded by Ofgem according to the generating station's metered output. Different technologies are awarded different amounts of ROCs for each MWh of generation. The value of ROCs fluctuates depending on the actual amount of renewable generation compared to the annual Renewables Obligation target.

Generating facilities accredited for support under the Renewables Obligation are accredited for 20 years. Levels of ROC support for newly accredited projects are adjusted according to pre-determined criteria pursuant to banding reviews. The policy commitment to "grandfathering" ensures that solar PV generating stations should continue to receive the number of ROCs per MWh of generation for which they were first accredited for the duration of their 20 year Renewables Obligation support.

In December 2012, DECC announced the result of the consultation on bandings for the Renewables Obligation for solar PV. DECC confirmed the level of Renewables Obligation support for large scale ground based and roof mounted installations for the period 2013-17.

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

## Feed-in Tariffs

FITs support renewable electricity generation by requiring certain licensed electricity suppliers to make generation and export payments in respect of certain kinds of renewable electricity generation up to 5MW. New small-scale electricity generating stations (including solar PV) above 50 kW and up to 5 MW in size have the option of choosing support from either the Renewables Obligation or the FITs scheme. Eligible technologies include solar PV. Generation payments are a fixed payment by the relevant electricity supplier to the FIT generator for every kWh generation by the installation. Export payments are a fixed payment by the relevant electricity supplier to the FIT generator for every kWh exported to the national grid (although electricity can alternatively be sold into the market).

Levels of FITs are determined by DECC and can only be adjusted pursuant to pre-determined criteria. FITs for solar PV are granted for either 20 or 25 years. Once an installation is FIT accredited, FIT payments are adjusted in accordance with RPI. The policy commitment to "grandfathering" ensures that solar PV generating stations should continue to receive the FIT for which they were first accredited for the duration of their FIT support. FIT payments for newly accredited FIT installations are reduced over time by a mechanism known as degeneration. DECC confirmed levels of FIT support for solar PV from August 2012 in May 2012<sup>(5)</sup>.

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

## Levy Exemption Certificates

Certain renewable generators are also eligible to receive transferable exemptions for the Climate Change Levy, which is a tax on the supply of energy products (including electricity) to non-domestic consumers. As such, the Climate Change Levy further supports renewable energy generation. The Climate Change Levy has been adjusted to provide carbon price support, which is discussed further below.

## Electricity Market Reform

The Government has introduced a number of measures to help achieve its goals in terms of energy supply and efficiency and the promotion of low-carbon energy under EMR. The main proposals in respect of EMR are:

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(5) [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/43085/5386-government-response-to-consultation-on-comprehensi.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43085/5386-government-response-to-consultation-on-comprehensi.pdf)

- reform of the support regime for new renewable generation by the introduction of a feed-in tariff by means of CFD FIT for new low carbon generation projects above 5MW (extending support to include nuclear and carbon capture and storage projects, as well as renewables projects);
- a capacity market to ensure that there is sufficient reliable capacity to meet demand; and
- an emissions performance standard for all new fossil fuel plants.

As part of EMR, legislation has already implemented the removal of the exemption for CCL on fossil fuels used for electricity generation and the imposition of a form of CCL on such fuel at the relevant “carbon price support rate” in the UK, to underpin the cost of emissions allowances under the EU ETS for fossil-fuelled plants at a pre-determined level. This “carbon price floor” or “carbon price support” aims to set a price floor for carbon over the long term to 2030.

The Energy Bill (when enacted) will legislate for a number of aspects of the UK Government’s current programme of EMR.

### **Future of the Renewables Obligation**

The UK Government has indicated that new renewable energy projects may continue to gain accreditation under the Renewables Obligation until 31 March 2017. From 31 March 2017, the UK Government intends to close the Renewables Obligation to new accreditation, from when a closed pool of RO-supported electricity capacity will be created which will decrease over time until the end date for the RO of 31 March 2037. ROCs issued after a date to be specified (expected to be 1 April 2027) will be replaced with “fixed price certificates” a new form of certificate. DECC has indicated that the intention is to maintain levels and length of support for existing participants under the Renewables Obligation with the long-term value of a fixed price certificate to be set at the prevailing buy-out price plus a fixed percentage, which the UK Government has said it intends to target as the long-term value of the ROC. However, this may not eventually be the case as details have still to be finalised.

### **Introduction of Contract for Differences Feed-in Tariffs**

The UK Government has chosen to implement CFD FITs as the mechanism to incentivise low-carbon generation in the future. The first CFD FITs could be signed from 2014. CFD FITs are expected to provide better long-term revenue certainty by guaranteeing a contract price for electricity. The CFD FIT counterparty is intended to be a single government-owned counterparty. A supplier obligation will be introduced to fund FIT CFDs.

The planned duration of CFD FITs is 15 years. Although the Energy Bill and supporting documents provide further details concerning CFD FITs, the final terms, such as the proposed renewables strike prices, which will determine subsidy payments, are expected to be consulted upon in July 2013 and are expected to be finalised by the end of 2013.

### **Levy Control Framework**

The “Control framework for DECC levy-funded spending” (**Levy Control Framework**) was first published in March 2011 and then updated in November 2012. The purpose of the Levy Control Framework is to make sure that DECC achieves its fuel poverty, energy and climate change goals in a way that is consistent with economic recovery and minimising the impact on consumer bills.

The Levy Control Framework sets an overall cap for DECC’s tax and spending through policies that entail levy-funded spending in the period to 2020-21. This includes spending relating to support schemes for renewable electricity generation. If forecasts or actual spend are greater than the agreed cap, the Treasury can request that DECC put in place a plan that will bring spending back down within the cap. DECC will need to set a policy such that the central forecast for DECC levy-funded spending is equal to or less than the agreed cap. Where the cap is exceeded, this could ultimately result in the Treasury refusing DECC permission to retain all or part of the tax income received above the agreed cap, which would leave DECC to fund all or part of the spending gap from within its Departmental Expenditure Limit. In due course the cost of CFD FITs will also fall within the Levy Control Framework.

## **Solar PV as a key technology**

DECC's announcement in the UK Renewable Energy Roadmap Update 2012 that solar PV would be added as a 'key technology' in the UK Renewable Energy Roadmap is potentially significant as the Roadmap sets out the renewable technologies that have the greatest potential to meet the UK's 2020 renewable energy target in a cost effective and sustainable way<sup>(6)</sup>.

One of the most significant changes to solar PV since regulatory support kick-started the solar PV industry in the UK in 2010 has been the reduction in installation costs. In the period between 2008 and 2012 the cost of solar PV modules fell from an estimated USD4 per watt to USD1 per watt<sup>(7)</sup>, making solar energy far more cost competitive relative to other renewable energy technologies than it had been previously. This has resulted in solar PV requiring far lower regulatory and legislative support in the form of ROCs or FITs than was previously the case.

## **Growth market**

The UK solar market saw its first significant growth phase as recently as 2010, when FITs were first introduced. The majority of the initial investment was focused on residential installations with large scale sites only making up a small percentage of the overall market (approximately 25 per cent. of the overall market by the end of 2012, based on an estimate of under 400MWp of existing installed non-domestic capacity). It is the view of the Board, having been so advised by Bluefield, that not only does the large scale market have considerable growth potential, but also that the market has few well established, experienced and well capitalised development businesses.

## **Increased Market Capacity**

DECC's announcement that large solar PV has a maximum technical deployment potential of 4,600MWp by 2017 has the scale to create a multi-billion pound development and investment market. This market is already growing. The first quarter of 2013 saw a further 400MWp of capacity, as estimated by the Investment Adviser, being installed<sup>(8)</sup>. At a pricing level of around £0.91 million per MW installed the Investment Adviser estimates that should the capacity of 4,600MWp be reached, the installation cost of the sites is approximately £3.5 billion<sup>(9)</sup>. DECC has also indicated that the solar energy market as a whole could have 20,000MWp of installed capacity by 2020<sup>(10)</sup>.

## **Long-term visibility of support**

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

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(6) DECC, UK Renewable Energy Roadmap, July 2011.

(7) McKinsey & Co., McKinsey on Sustainability and Resource Productivity, May 2012.

(8) [www.solarpowerportal.co.uk/guest\\_blog/uk\\_exceeds\\_0.5\\_gw\\_pv\\_demand\\_in\\_q113\\_grabs\\_almost\\_10\\_global\\_share](http://www.solarpowerportal.co.uk/guest_blog/uk_exceeds_0.5_gw_pv_demand_in_q113_grabs_almost_10_global_share).

(9) Assuming an average cost of £800,000 per MWp.

(10) DECC: Renewables Obligation Banding Review for the period 1 April 2013 to 31 March 2017, December 2012.

## PART III

### ORIGINATION AND PIPELINE ASSETS

#### Pipeline Origination

The Company anticipates investing its capital in a diverse base of solar PV assets located in the UK market. These assets are expected to generate revenue through a combination of electricity sale and the regulated, RPI-indexed, renewable energy support mechanisms: FITs and Renewable Obligation certificates, and their successors. Based on DECC's revised estimate of the maximum technical deployment for large scale solar of 4,600MWp by 2017, the UK solar market, which by the end of 2012 was approximately 400MW (non-domestic), has the potential to grow ten fold by the end of 2017 (source: DECC, Renewable Energy Roadmap, October 2012). Since 2011 the Investment Adviser has developed specific experience investing in a series of industrial and electricity grid connected solar PV projects in the UK market, working with a number of established solar contractors. This track record of originating, selecting and transacting assets, builds upon its team's existing experience of investing together in the European solar market dating to 2008/9.

Through its established presence and experience in UK and European solar markets the Investment Adviser's team has developed its deployment capability through established routes to market. The Company anticipates deploying its capital through both proprietary and market sourced dealflow in the first 12 months following Admission, with the expectation to continue to build out of its asset base thereafter through short-term acquisition debt and further equity fund raisings.

#### Established Routes to Market

The Investment Adviser is an established investor in the UK solar market having worked already with six solar contractors to construct over forty small, medium and large scale solar plants within its clients' existing portfolios. Through its active presence in the UK market it has developed proven access to new market based transaction opportunities, typically these are sourced through three primary sources:

- **Developers:** Developers are established in the solar market to identify properties suitable for solar installations, to secure landlord consents for installations and to secure planning approvals and authorised grid connection points. The Investment Adviser has access to a captive development business established by the Investment Adviser (Bluefield Energy). Upon projects reaching the fully permitted stage, the Investment Adviser works closely with contractors who are able to complete the installation of the permitted solar site using Special Purpose Companies to hold the relevant asset.
- **Contractors:** Solar energy contractors, responsible for designing, procuring and constructing solar PV plants typically work closely with developers or develop their own pipeline of permitted sites, for which they then seek investment funding in order to construct the relevant asset. The Investment Adviser intends to work with such contractors to negotiate terms for the construction and delivery of solar PV assets to the Company. The Investment Adviser has already undertaken six project acquisitions from construction contractors, in each case purchasing Special Purpose Companies from the contractor, such SPVs having entered into agreements, negotiated by the Investment Adviser, to construct the solar assets. Through this experience, the Investments Advisor has sourced an exclusive pipeline of potential solar assets for the Company.
- **Acquisitions:** As at 31 March 2013 there was approximately 800MW of large scale non-domestic solar PV capacity operational in the UK. The Investment Adviser estimates the market value of this capacity to be in excess of £1 billion. Although the Company's deployment expectation is not reliant upon acquisition of solar PV assets in the secondary market, the Company expects to gain access to such market opportunities as they arise and will review such opportunities in accordance with its investment policy.

Within the three key routes to market described above, the Investment Adviser has established two core proprietary sources of deal flow for the Company as described below. In addition, under the Investment Advisory Agreement the Investment Adviser has granted a right of first refusal to the Group in respect of any projects within the Company's investment policy to which the Investment

Adviser gains any exclusivity or right of first refusal (including its exclusivity arrangements with British Gas Solar and the Bluefield Development Fund described below in this Part III, and any future exclusivity arrangements it may secure), subject to the value of investment being not less than £5.0 million (whether in terms of the amount to be funded or the purchase price for the relevant asset).

#### **Exclusivity with British Gas Solar, the solar contracting arm of Centrica PLC**

The Investment Adviser has worked with British Gas Solar during 2012 and 2013 on the construction, acquisition and operation of 14 industrially connected solar plants, including plants constructed for Thames Water Utilities and Toyota Manufacturing UK. Based upon this established and proven investor/contractor relationship, the Investment Adviser has secured an exclusive co-operation agreement with British Gas Solar under which British Gas Solar has agreed to grant Bluefield exclusivity for the funding of all industrial and commercially connected solar PV assets it develops until April 2014 unless terminated at any time before then by British Gas Solar. Through this co-operation agreement, Bluefield and British Gas Solar have been working closely to develop an investment pipeline for the Group, both leveraging upon British Gas Solar's established track record in industrial solar installations and through Centrica PLC's wide high energy user customer base.

Whilst British Gas Solar has granted the Investment Adviser exclusivity over its industrial and commercial project pipeline, Bluefield is not tied to British Gas Solar as its exclusive contractor and there is no obligation on the Company to fund any of the projects made available under these arrangements. The Investment Adviser is developing similar relationships with a number of other established solar contractors.

#### **Exclusive access to development pipeline through captive development team**

In anticipation of establishing the Company, in 2012 the Investment Adviser initiated the establishment of Bluefield Energy, a specialist solar development company. It was launched following the recruitment of a proven solar development team comprising three individuals, two of whom have a track record of working together in one of Europe's leading solar energy development and investment businesses. The owners of the Investment Adviser will retain 90 per cent. ownership of Bluefield Energy Limited following Admission and two of Bluefield's managing partners (James Armstrong and Giovanni Terranova) sit as non-executives on Bluefield Energy's board of directors.

In parallel to establishing Bluefield Energy, the Investment Adviser also supported the promotion of a new solar development fund, the Bluefield Development Fund, which is managed by an independent third party discretionary fund manager, Thompson Taraz Collectives Limited (**TTCL**). Bluefield Energy has been appointed by TTCL as its adviser in connection with the management of the Bluefield Development Fund and Bluefield Energy's services include sourcing investment opportunities, providing development consultancy services to take investments from inception to fully permitted status, and project management and other services to the SPVs in which the Bluefield Development Fund invests.

Bluefield Energy and the Bluefield Development Fund were established by the Investment Adviser with the aim of establishing a proprietary source of pipeline for the Company whilst avoiding the Company having to take direct risk investing in any projects prior to them being fully consented for construction and grid connection. The third party fund manager, TTCL, was appointed in order to ensure that investment and divestment decisions were clearly delinked from the control of the Investment Adviser.

The Investment Adviser's proprietary access to the Bluefield Development Fund pipeline has been achieved through the Investment Adviser entering into a pipeline agreement with TTCL (acting on behalf of the Bluefield Development Fund) and Bluefield Energy under which the Investment Adviser has the exclusive right, on behalf of any investment vehicle established, managed or advised by the Investment Adviser, to purchase and/or fund all DevCos from the Bluefield Development Fund at a capped price equal to the higher of £55,000/MWp per consented megawatt capacity or 1.5x of the value of the equity subscribed by the Bluefield Development Fund into the relevant DevCo. The Investment Adviser believes this price to be highly attractive relative to other third party development sources. In addition, through its active participation, and its members' ownership of Bluefield Energy, the Investment Adviser is able to gain a direct route to expertise and influence within the solar project development market.

As described above, under the Investment Advisory Agreement the Investment Adviser has granted a right of first refusal to the Group in respect of any projects within the Company's investment policy to which the Investment Adviser gains any exclusivity or right of first refusal, subject to the value of investment being not less than £5.0 million (whether in terms of the amount to be funded or the purchase price for the relevant asset).

The Group will have no obligation to buy any DevCo from the Bluefield Development Fund and any decision to acquire a DevCo will be subject to the approval of the Company's Board of Directors, following a recommendation from both the Investment Adviser's Investment Committee and Holdco's Investment Committee, in accordance with the investment approval process described in Part IV of this Prospectus.

On any sale of a DevCo (whether to the Group or any other purchaser), Bluefield Energy will be entitled to 20 per cent. of the profits realised on the sale by the Bluefield Development Fund, such profit share to be payable by the DevCo. In view of James Armstrong and Giovanni Terranova acting as non-executive directors of Bluefield Energy and also as directors of the DevCos, they will not vote on any decision by the Investment Adviser's Investment Committee to recommend to the Group the proposed acquisition of any DevCo from the Bluefield Development Fund. In addition, Bluefield Energy has no authority to take investment decisions on behalf the Bluefield Development Fund and any decision to sell a DevCo will be taken by TCCL.

Whilst the proprietary access to project pipeline through Bluefield Energy and the Bluefield Development Fund is anticipated to be a key source of dealflow for the Company, the Company has no obligation to off-take projects from the Bluefield Development Fund and the Investment Adviser is actively working with other solar project developers as complimentary and potentially competing sources of deal flow.

In order to fully deploy the Company's initial funds based upon a capital raise of £150 million, the Investment Adviser would expect to invest in approximately 100MW to 150MW of solar capacity. Excluding the proprietary sources of project pipeline set out above, the Investment Adviser is currently reviewing an investment pipeline of over 250MW.

There can be no guarantee that the Group will be able to acquire all or any of the potential pipeline assets made available to it under the arrangements referred to in this Part III of this document and investors are referred to the risk factor "Risks relating to the acquisition of the pipeline assets" on pages 22 and 23.

## PART IV

### THE INVESTMENT ADVISER, INVESTMENT PROCESS AND STRATEGY

#### **The Investment Adviser**

The Investment Adviser is a limited liability partnership registered in England (registered number: OC348071) with its registered office at 40 Queen Anne Street, London, W1G 9EL and is authorised and regulated by the UK Financial Conduct Authority under number 507508.

The Investment Adviser has been appointed pursuant to the Investment Advisory Agreement, which is summarised in paragraph 5 of Part VIII of this Prospectus.

The Investment Adviser is led by its managing partners, James Armstrong, Mike Rand and Giovanni Terranova, who founded the business in 2009 following their prior work together in European solar energy.

The Investment Adviser's managing partners have a combined track record, prior to Bluefield, of investing in or project financing approximately £7 billion of renewable and conventional energy projects.

The managing partners have been involved in over £225 million of solar PV deals in both the UK and Europe since 2008, including over £40 million of solar PV transactions in the UK since December 2011.

Bluefield's non-executive team includes William Doughty, the founding CEO of Semperian; Dr. Anthony Williams, the former chair of the Risk Committee for the Fixed Income, Currencies & Commodities Division, and Partner, at Goldman Sachs & Co; and Jon Moulton, the current chairman of Better Capital and former managing partner and founder of Alchemy Partners.

#### **Investment Committee**

The Investment Adviser's Investment Committee comprises William Doughty (Chairman), Dr. Anthony Williams, Mike Rand, Giovanni Terranova and James Armstrong. The committee members have a combined experience of over £17 billion of large scale infrastructure investments and have extensive experience of the acquisition and disposal of large scale infrastructure. Key sector experience includes renewable energy, conventional energy and social infrastructure.

#### ***James Armstrong***

James Armstrong is a founder of the Investment Adviser and is one of the three managing partners. James has worked in renewable energy investment since 2006, and solar energy since 2007. From 2002 he worked in alternative asset investment and has been focussed on markets driven by government regulation. James has been involved in approximately £130 million of UK and European solar energy transactions at, and prior to founding, Bluefield.

Prior to founding Bluefield, James was a director at Foresight Group where, from 2006, he was involved in the establishment of its first renewable energy fund and its first specialised solar energy infrastructure fund. It was at Foresight that James first worked with the other founding partners of Bluefield, Mike Rand and Giovanni Terranova.

Before joining Foresight, James was a director at Invicta Capital, the energy and media investment company, and in the 4 years that he worked in their London office was part of a team that raised and invested approximately £1 billion.

James has served as Board Director on a number of UK based solar energy asset companies. James has a BA (Hons) in History from Newcastle University.

#### ***Mike Rand***

Mike Rand is a founder of the Investment Adviser and is one of the three managing partners. He has worked in investment and finance since 1999, with energy sector experience dating from 2002.

Mike has participated in the financing of energy and infrastructure transactions with a total value of over £1 billion across Europe, America and Africa, including a significant number of transactions in solar PV in the UK and Europe. Prior to founding Bluefield, Mike was investment director for Foresight

Group, taking leading roles in equity investment and project financing of the solar energy portfolio for the Foresight European Solar Fund. It was at Foresight that Mike first worked with the other founding partners of Bluefield, James Armstrong and Giovanni Terranova. Mike has been involved in approximately £130 million of UK and European solar energy transactions at, and prior to founding, Bluefield.

Mike previously worked as Principal Banker in the Energy Group at the European Bank for Reconstruction and Development, with a particular focus on renewable energy; and as Investment Associate at Actis Capital LLP, formerly CDC Group. During his career Mike has taken responsibility for the management of a number of equity portfolios in the energy sector and his experience includes project mergers, exits and restructurings.

Mike has served as Board Director on a number of UK based solar energy asset companies. Mike has an MA in Economics from Cambridge University and has presented at a number of international renewable energy conferences.

### ***Giovanni Terranova***

Giovanni Terranova is a founder of the Investment Adviser and is one of the three managing partners. He is an energy finance specialist having worked in banking, advisory and private equity since 2000, with a particular focus on energy and renewables since 2005. Giovanni has participated in the funding of over €8 billion of energy transactions globally. He has been involved in approximately £225 million of UK and European solar energy transactions at, and prior to founding, Bluefield.

Giovanni's previous responsibilities include investment director at Foresight Group, taking a leading role in the project financing of the solar energy portfolio for the Foresight European Solar Fund. It was at Foresight that Giovanni first worked with the other founding partners of Bluefield, James Armstrong and Mike Rand. Giovanni previously worked in the Energy Group at Fortis Bank where he focussed on renewable energies and was instrumental in establishing the Bank's competence centre in solar energy.

Giovanni has served as the President of the Board of Directors on two Italian solar energy companies. He has an MBA from Luiss School of Management, Rome, and an MSc in Power Engineering. Giovanni has presented at a number of international renewable energy conferences and published research on the solar energy sector in 1998.

### ***William Doughty***

William Doughty is a partner in Bluefield and is chairman of the Bluefield Partners LLP investment committee. He is an infrastructure and fund management specialist. He is the former founding executive chairman of Semperian Group, one of the largest PPP (**Public Private Partnership**) investor in Europe at that time, managing a £1.4 billion infrastructure fund, with 106 projects under management.

William was a former board director of Land Securities Trillium, responsible for its Infrastructure and PPP activities. He was personally responsible for the establishment, management and sale of the Secondary Market Infrastructure Fund (**SMIF**) to Land Securities. He was previously responsible for the management and realisation of a £3 billion infrastructure portfolio for Abbey National.

William's previous board positions include Land Securities Trillium, Sydney Airport, Macquarie's Airport Group and Portsmouth Water. He has been an investor in solar energy funds managed by Bluefield's Managing Partners prior to, and since, Bluefield was established.

### ***Dr. Anthony Williams***

Anthony Williams is a partner in Bluefield and the chairman of Bluefield Partners LLP. He is a financial risk management specialist.

He was formerly a partner and managing director at Goldman Sachs & Co. where he worked for over 10 years. During his time at Goldman Sachs, he was responsible for building the firm's Fixed Income Arbitrage and Swaps businesses. In addition to his positions as Global Head of Fixed Income Arbitrage and Global Co-Head of Swaps, during his tenure Anthony took responsibility for managing risk across the firm's global Fixed Income, Currency and Commodities trading activities as Chair of the Risk Committee for the Fixed Income, Currency and Commodities Division.

Previously, he held a Research Fellowship in Radio Astronomy at St John's College Cambridge where he was Director of Studies in Mathematics for Natural Sciences. Anthony has a BA, MA and PhD from Cambridge University where he studied Physics.

### ***Jon Moulton***

Jon Moulton is a partner in Bluefield Partners LLP and brings over 30 years' specialist experience in private equity investing. He is currently the Chairman of Better Capital, founded in 2009. This followed 13 years as the founding managing partner of Alchemy Partners, where he was responsible for building the business to become a leading UK private equity investor, and investing over £2 billion with a focus on turnaround and distressed assets.

Jon's prior responsibilities included his role as director at Apax Partners, managing partner at Schroder Ventures, and managing director at Citicorp Venture Capital. He is a qualified Chartered Accountant and is a well known representative of the private equity industry and has been a source of government and media consultation on wide ranging private equity and tax issues. He is chairman of FinnCap, the stockbrokers and chairman of the Channel Island Stock Exchange.

He has also been appointed a member of the advisory board for the £2.8 billion UK Regional Growth Fund.

### **Track Record**

The Investment Adviser has been operating in the UK market since its establishment in 2009 and in 2011 acquired one of the first large scale solar plants to be developed and constructed in the UK market which was grid connected in July 2011 under the UK's first solar PV feed-in tariff legislation. Since its early entry to UK solar investment, the Investment Adviser has invested under successor feed-in tariff regimes as the Government has sought to adapt support levels to accommodate the falling prices for solar PV installations. The following projects are examples of transactions closed by the Investment Adviser for its existing funds. Each of these was approved by Bluefield's Investment Committee on the basis of return hurdles in line with or exceeding those which would be required by the Company to meet its return targets.

#### ***Durrants Farm, Isle of Wight***

4.997 MWp solar PV plant grid connected in July 2011. The plant was constructed under an Engineer, Procure Construct contract with the systems integration arm of the leading European solar manufacturer, REC Group. The plant benefits from FITs fixed RPI-indexed for 25 years.

#### ***Staples Distribution Centre, Corby***

0.466 MWp solar PV plant constructed on the rooftop of the stationary distributor, Staples, distribution warehouse in Corby, Northamptonshire. When constructed the plant was one of the largest rooftop installations in the UK. It is connected directly to Staples electricity connection and supplies energy for Staples consumption on-site under a long-term fixed price RPI-indexed PPA. The plant also benefits from FITs fixed RPI-indexed for 25 years. The plant is operated and maintained by Centrica PLC's solar contracting arm.

#### ***Thames Water Utilities, South/South East England***

39 solar installations contracted and constructed by three solar energy contractors during 2012 on sites leased from Thames Water Utilities, principally water treatment plants. The plants range from 20kW to 250kW in size and are each connected directly to Thames Water supplying power for on-site usage under a long term fixed price RPI-indexed PPA. The plants also benefit from FITs fixed RPI-indexed for 20-25 years.

#### ***Toyota Manufacturing, Derby***

4.116MWp solar PV plant connected to Toyota Manufacturing UK's Burnaston based manufacturing plant. The plant supplies power to Toyota in return for lease of the site and benefits from FITs fixed RPI-indexed for 25 years. The Investment Adviser arranged and executed the acquisition of the plant as part of the takeover of a portfolio of four operational plants in December 2012. The plant was constructed by Centrica PLC's solar contracting arm.

## ***Langlands, Devon***

2.082MWp solar PV plant grid connected in March 2013. The plant was constructed under an Engineer, Procure Construct contract with Belgium's second largest solar contractor, Ikaros Solar NV. The plant will receive revenues through qualification for ROCs which it sells to an energy supply company under an offtake contract in addition to its sale of electricity via the grid under a PPA.

The transactions undertaken by the Investment Adviser have included both secondary market acquisitions through a competitive sale process and working directly with contractors in the selection of project sites and construction of the solar assets to an agreed specification. The Company expects to source dealflow through both such routes in addition to the proprietary sources of project pipeline developed by the Investment Adviser.

### **Investment Adviser's commitment**

Members of the Investment Adviser have committed to subscribe for 2.9 million Ordinary Shares under the Placing. The Ordinary Shares subscribed by the Investment Adviser and/or connected persons will be subject to a one year lock in, subject to customary exceptions.

### **Investment process and strategy**

Through its track record of investment in the UK solar energy market the Investment Adviser has developed a rigorous approach to investment selection, appraisal and commitment. This investment process is based upon repeat transaction experience with specialist advisors; application of standardised terms which have been developed and refined based upon direct experience of operating solar assets; and through a rigorous internal approval process prior to issuing investment recommendations. All investment recommendations by the Investment Adviser (including investment and divestment recommendations) will be subject to review and approval by the Company's experienced Board of Directors.

#### ***Repeat transaction experience with specialist advisors***

The Investment Adviser has worked with legal, technical, insurance and accounting advisors in each of the transactions it has executed in the UK market. This direct experience has enabled it to develop an understanding of key areas of competence to address specific issues; for example, identifying specific individuals who are expert in advising in specific detailed technical aspects of a project. Through this direct specialist experience the Investment Adviser is able to source relevant expertise to address project issues both during and following a transaction.

#### ***Application of standardised terms developed based upon direct experience***

The Investment Adviser has developed standardised terms which have been specifically tested by reference to real transaction and project operational experience. Whilst contract terms are specifically negotiated and tailored for each individual project, solar project contracts applied by the Investment Adviser typically have specific protections from the construction contractor regarding recovery of revenue losses for underperformance and obligations for correction of defects. Both such provisions have been specifically exercised by Bluefield giving it direct experience in activating contractual protections.

#### ***Rigorous internal approval process***

All investment recommendations issued to the Company, and all investment recommendations made in relation to previous transactions of the Investment Adviser will be made following the formalised review process described below:

(1) *Investment origination and review by Managing Partners*

Before incurring costs in relation to the preparation of a transaction a project is concept reviewed by the Bluefield's Managing Partners, following which a letter of interest or memorandum of understanding is issued and project exclusivity is agreed.

(2) *Due diligence*

In addition to applying its direct commercial experience in executing solar PV project acquisitions and managing operational solar plants, the Investment Adviser engages legal,

technical and, where required, insurance and accounting advisors to undertake independent due diligence in respect of a project. Where specialist expertise is required due to project specificities, Bluefield has experience in identifying relevant experts.

(3) *Bluefield Investment Committee*

Investment recommendations issued by the Investment Adviser are made following the submission of a detailed investment paper to Bluefield's Investment Committee which has a combined experience of over £17 billion energy and infrastructure transactions. The Investment Committee operates on the basis of unanimous consent and has a track record of making detailed evaluation into project risks. The investment paper submitted to Bluefield's Investment Committee will disclose all interests which the Investment Adviser and any of its affiliates may have in the proposed transaction and in the case of any investment proposal concerning an asset sourced from the Bluefield Development Fund, neither James Armstrong nor Giovanni Terranova (both of whom are non-executive Directors of Bluefield Energy and may act as directors of the DevCo's offered for sale to the Group), will vote on any decision to recommend the proposed transaction.

(4) *Holdco Investment Committee*

If the investment recommendation is approved by Bluefield's Investment Committee, the proposal will then be referred to the Investment Committee of Holdco, comprising John Rennocks and John Scott, acting in their capacity as directors of Holdco. Holdco's Investment Committee will have no authority to approve any investment decision, but will decide whether or not the proposal should be referred to the Board of the Company for its consideration. The decision of Holdco's Investment Committee to refer the recommendation to the Board of the Company will require unanimity.

(5) *Board Approval*

The Board of Directors of the Company, or a duly appointed sub-committee, will be responsible for approving investment decisions of the Company, including those relating to new investments and disposal of existing investments, following receipt of the Investment Adviser's recommendation (provided Holdco's Investment Committee has approved its submission to the Board). If the Board approves the relevant transaction, the Investment Adviser will be authorised to execute the transaction in accordance with the Investment Adviser's recommendation and the Board's approval (including any parameters within which the Investment Adviser has certain discretions to act on behalf of the Group).

(6) *Closing Memorandum*

Prior to executing the transaction the Investment Adviser's responsible investment manager will be required to complete a Closing Memorandum confirming that the final transaction is in accordance with the terms presented in the investment paper to the Investment Committee, detailing any material variations and outlining how any conditions to the approval of the Investment Committee and/or Board approval have been addressed. This Closing Memorandum will be required to be countersigned by an appointed member of the Investment Committee prior to closing of the transaction.

### **Conflicts of interest**

The Investment Adviser and any of its members, directors, officers, employees, agents and connected persons, and any person or company with whom they are affiliated or by whom they are employed (**Interested Parties**) may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with the Company and its investments. Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. In particular, Bluefield Energy, a company which is under common control with the Investment Adviser, provides project management and other services to Special Purpose Companies in which the Bluefield Development Fund invests.

The Special Purpose Companies owning the solar PV assets developed by the Bluefield Development Fund may be sold to, or funded by, the Company in accordance with the pipeline

arrangements, further details of which are set out in Part III of this document, and on any sale of shares in the Special Purpose Companies, Bluefield Energy will be entitled to 20 per cent. of the profits realised on the sale by the Bluefield Development Fund.

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

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

The Directors have noted that the Investment Adviser has other clients and have satisfied themselves that the Investment Adviser has procedures in place to address potential conflicts of interest.

## PART V

### DIRECTORS, MANAGEMENT AND ADMINISTRATION

#### Directors

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

#### **John Rennocks** (*Chairman*)

John Rennocks is non-executive chairman of Diploma plc, a non-executive deputy chairman of Inmarsat Ventures plc and a non-executive director of Greenko Group plc, a developer and operator of hydro and wind power plants in India. He has broad experience in emerging energy sources, support services and manufacturing. Mr Rennocks previously served as a non-executive director of Foreign & Colonial Investment Trust plc, and as Executive Director-Finance for British Steel plc/Corus Group plc, Powergen plc and Smith & Nephew plc. Mr Rennocks is a Fellow of the Institute of Chartered Accountants of England and Wales.

#### **Mark Huntley**

Mark Huntley has over 30 years' experience in the fund and fiduciary sector and much of his involvement in the fund and private asset sectors has involved private equity and real estate investments. Mark is an associate of the Institute of Financial Services (Trustee Diploma). He is the Head of the Financial Services Division of Heritage Group, one of the largest independently owned financial services businesses in Guernsey. He is managing director of the Administrator. Prior to establishing the Administrator, he was Head of Business Development & Communications for the Baring Financial Services Group. At Barings, he was also Deputy Managing Director of Guernsey International Fund Managers Limited, where he was responsible for alternative investments and emerging market funds until April 2000. He has over 30 years' experience in funds established in multiple jurisdictions, trust and fiduciary services and private banking, with particular focus on the specialist and alternative fund sectors gained whilst at Barings over 19 years and, prior to that, with The First National Bank of Chicago and National Westminster Guernsey Trust Company. He holds board appointments for a number of listed and unlisted funds and fund related companies. He was a founding director of the Channel Island Stock Exchange LBG.

#### **Paul Le Page**

Paul Le Page is responsible for managing hedge fund portfolios at Financial Risk Management (FRM), a subsidiary of Man Group PLC, and is a director of a number of FRM funds. He is currently a director of, and audit committee chairman for, Thames River Multi Hedge PCC Limited a London Stock Exchange listed investment company. Mr Le Page was formerly a director of, and audit committee chairman for, Cazenove Absolute Equity Limited prior to the company's closure with an innovative open ended conversion last year. He has extensive knowledge of, and experience in, the fund management and the hedge fund industry. Prior to joining FRM, he was an associate director at Collins Stewart Asset Management from January 1999 to July 2005, where he was responsible for managing the firm's hedge fund portfolios and reviewing fund managers. He joined Collins Stewart in January 1999 where he completed his MBA in July 1999. He originally qualified as a Chartered Electrical Engineer after a 12-year career in industrial research and development, latterly as the research and development director for Dynex Technologies (Guernsey) Limited, having graduated from University College London in Electrical and Electronic Engineering in 1987.

#### **John Scott**

John Scott is a former investment banker who spent 20 years with Lazard and is currently a director of several investment trusts. Mr Scott has been Chairman of Scottish Mortgage Investment Trust PLC since December 2009 and is a non-executive director of Impax Environmental Markets plc, where he is expected to assume the role of Chairman at the next AGM. Until the company's sale in March 2013 he was Deputy Chairman of Endace Ltd. of New Zealand and in November 2012 he retired after 12 years as a non-executive director of Miller Insurance. He has an MA in Economics from Cambridge University and an MBA from INSEAD; he is also a Fellow of the CII and of the CISI.

The business address of the Directors is the registered office of the Company.

## **Management**

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles and the investment policy and have overall responsibility for the Company's activities including its investment activities and reviewing the performance of the Company's portfolio.

The Directors may delegate certain functions to other parties such as the Investment Adviser, the Administrator and the Registrar. In particular, the Directors have delegated responsibility for day to day management of the assets comprised in the Company's portfolio to the Investment Adviser, but all investment decisions will be taken by the Board, having regard to advice from the Investment Adviser. The Directors also have responsibility for exercising overall control and supervision of the Investment Adviser.

## **Corporate Governance**

The GFSC issued a Corporate Governance Code (the **GFSC Code**) which came into effect on 1 January 2012 and which applies to Guernsey regulatory licensees and collective investment schemes. The Company has voluntarily committed to comply with the UK Corporate Governance Code (the **UK Code**) and the AIC Code (as defined below). Companies which report against the UK Code or the AIC Code are deemed to meet the requirements of the GFSC Code.

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

As a newly incorporated company, the Company does not comply with the UK Code or the AIC Code as at the date of this Prospectus. However, the Directors recognise the value of the UK Code and have taken appropriate measures to ensure that from Admission the Company will comply, so far as is possible given the Company's size and nature of business, with the UK Code. The areas of non-compliance by the Company with the UK Code will be as follows:

There is no chief executive position within the Company, which is not in accordance with provision A.2.1 of the UK Code. As an investment company the Company has no employees and therefore no requirement for a chief executive.

The Company has not established a nomination committee or a remuneration committee, which is not in accordance with provisions B.2.1 and D.2.1 respectively of the UK Code. As all of the Directors are independent and non-executive, the Company considers that the Board as a whole can fulfil the role otherwise undertaken by such committees.

### **AIC Code**

The Board has agreed to comply with the AIC Code of Corporate Governance (the **AIC Code**) produced by the Association of Investment Companies (**AIC**). The Company intends to become a member of the AIC following Admission.

### **Audit Committee**

The Company's Audit Committee, comprising all the Directors will meet formally at least twice a year for the purpose, amongst other things, of considering the appointment, independence and remuneration of the auditor and to review the annual accounts, interim reports and interim management statements. Where non-audit services are to be provided by the auditor, full consideration of the financial and other implications on the independence of the auditor arising from any such engagement will be considered before proceeding. Mr Le Page will act as chairman of the Audit Committee. The principal duties of the Audit Committee will be to consider the appointment of external auditors, to discuss and agree with the external auditors the nature and scope of the audit, to keep under review the scope, results and cost effectiveness of the audit and the independence and objectivity of the auditor, to review the external auditors' letter of engagement and management letter and to analyse the key procedures adopted by the Company's service providers.

### **Other committees**

As noted above, the Board will fulfil the responsibilities typically undertaken by a nomination committee and a remuneration committee. The Board as a whole will also fulfil the functions of a

management engagement committee and will review the actions and judgments of the Investment Adviser and also the terms of the Investment Advisory Agreement.

### ***Directors' Share dealings***

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

### **Administrator and secretary**

Heritage International Fund Managers Limited has been appointed as Administrator to the Company pursuant to the Administration Agreement (further details of which are set out in paragraph 5 of Part VIII of this Prospectus) and will also provide company secretarial services and a registered office to the Company. For the purposes of the Rules, the Administrator is the designated manager of the Company.

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

### **Registrar, UK transfer agent and receiving agent**

Capita Registrars (Guernsey) Limited has been appointed as the Company's Registrar and Capita Registrars will act as the Company's UK transfer agent and receiving agent.

### **Auditor**

KPMG Channel Islands Limited will provide audit services to the Group. The annual report and accounts will be prepared in accordance with IFRS, as adopted by the EU.

### **Fees and expenses**

#### ***Initial expenses***

The initial expenses of the Company are those which are necessary for the Issue and are not expected to exceed 2 per cent. of the Gross Issue Proceeds.

These expenses will be paid on or around Admission and will include, without limitation, placing fees and commissions; registration, listing and admission fees; printing, advertising and distribution costs; legal fees, and any other applicable expenses. All such expenses will be immediately written off.

On the assumption that the Company achieves its target issue size of £150 million, the Net Asset Value of the Company immediately following Admission is expected to increase by £147 million (in other words, 98 per cent. of the Gross Issue Proceeds).

#### ***Ongoing expenses***

##### *Investment Adviser's fees*

- *Base Fee*

The Investment Adviser will be entitled to an annual base fee which shall accrue daily and will be calculated on a sliding scale as follows:

- 1.00 per cent. of NAV up to and including £100 million;
- 0.80 per cent. of NAV above £100 million and up to and including £200 million; and
- 0.60 per cent. of NAV above £200 million.

The base fee will be payable quarterly in arrears in cash, and will be calculated on the NAV reported in the most recent quarterly NAV calculation as at the date of payment. The base fee shall be subject to clawback as described below under “Variable Fee”.

- *Variable Fee*

If in any year (excluding the Company’s first financial year), the Company fails to achieve its distribution target of 7 pence per Ordinary Share per year (as increased annually in line with RPI), the Investment Adviser will repay its base fee in the proportion by which the actual annual distribution per Ordinary Share is less than the target distribution, subject to a maximum repayment in any year equal to 35 per cent. of the base fee calculated prior to any deduction being made. The repayment will be split equally across the four quarters in the following financial year and will be set off against the quarterly management fee payable to the Investment Adviser in that following financial year.

If in any year (excluding the Company’s first financial year), the Company exceeds its distribution target of 7 pence per Ordinary Share per year (as increased annually in line with RPI), the Investment Adviser will be entitled to a variable fee equal to 30 per cent. of the excess, subject to a maximum variable fee in any year equal to 1.00 per cent. of the NAV as at the end of the relevant financial year. The variable fee shall be satisfied by the issue of Ordinary Shares to the Investment Adviser at the end of the relevant financial year at an issue price equal to the prevailing NAV per Ordinary Share at the financial year end. The Ordinary Shares issued to the Investment Adviser in satisfaction of the variable fee will be subject to a three year lock-up period, with one-third of the relevant Ordinary Shares becoming free from the lock-up on each anniversary of their issue (subject to certain usual exceptions which are summarised in paragraph 5(b) of Part VIII of this document). The Board may, at its discretion, satisfy such issue of Ordinary Shares to the Investment Adviser by way of a new issue of Ordinary Shares, a sale of Ordinary Shares out of treasury or through Ordinary Shares purchased in the market.

The Base Fee and the Variable Fee will be borne by the members of the Group to reflect the extent to which the services provided by the Investment Adviser are provided to the relevant member of the Group. It is expected that the majority of the Investment Adviser’s fees will be borne by Holdco as most of the Investment Adviser’s services will be provided to it in respect of the special purpose companies in which the Group invests.

The Investment Adviser may, at its sole discretion, and in respect of subscriptions under the Issue which exceed £15 million, elect to rebate part of its Base Fee to such subscriber.

#### *Other fees and expenses*

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

- *Administrator*

Under the terms of the Administration Agreement, the Administrator is entitled to an annual fee in respect of administration, accounting, corporate secretarial, corporate governance, regulatory compliance and Listing Rule continuing obligations calculated on a sliding scale based on the Net Asset Value subject to a minimum fee of £100,000 per annum. In addition, the Administrator will receive an annual fee of £5,000 and £2,500 for the provision of a compliance officer and MLRO respectively. The Administrator will, in addition, be entitled to recover third party expenses and disbursements.

- *Registrar*

The Registrar will be entitled to an annual fee from the Company equal to £1.65 per Shareholder per annum or part thereof; with a minimum of £7,500 per annum. Other registrar activity will be charged for in accordance with the Registrar’s normal tariff as published from time to time.

- *Directors*

The Directors will be remunerated for their services at a fee of £30,000 per annum (£50,000 for the Chairman). In addition, the chairman of the Audit Committee will receive an additional

£5,000 per annum for his services in this role. Further information in relation to the remuneration of the Directors is set out in Part VIII of this Prospectus.

The Company has agreed that in relation to their first two years' fees, the Directors may elect to receive some or all of such fees through an issue of Ordinary Shares at the Issue Price, with such issue to take place immediately following Admission. All of the Directors have informed the Company that some or all of their first two years' fee should be satisfied in this way.

- *Other operational expenses*

All other ongoing operational expenses (excluding fees paid to service providers as detailed above) of the Company will be borne by the Company including, without limitation, the incidental costs of making its investments and the implementation of its investment objective and policy; travel, accommodation and printing costs; the cost of directors' and officers' liability insurance and website maintenance; audit and legal fees; and annual listing fees. All out of pocket expenses that are reasonably and properly incurred, of the Investment Adviser, the Administrator, the Registrar and the Directors relating to the Company will be borne by the Company or Holdco.

### **Meetings and reports**

All general meetings of the Company shall be held in Guernsey. The Company expects to hold its first annual general meeting in Guernsey in the fourth quarter of 2014. The Company's audited annual report and accounts will be prepared to 30 June each year, commencing in 2014, and it is expected that copies will be sent to Shareholders in October each year, or earlier if possible. Shareholders will also receive an unaudited interim report each year commencing in respect of the period to 31 December, expected to be despatched in February each year, or earlier if possible. The Company's audited annual report and accounts will be available on the Company's website, [www.bluefieldsif.com](http://www.bluefieldsif.com).

The Company's accounts and the annual report will be drawn up in sterling and in accordance with IFRS, as adopted by the EU.

### **Valuations**

The Investment Adviser will produce fair market valuations of the Group's investments on a semi-annual basis as at 30 June and 31 December each year (with the first such calculation being as at 31 December 2013), which will form the basis of the Net Asset Value calculation prepared by the Administrator. In every third year, commencing not later than the financial year ending 30 June 2016, the Board intends to instruct an independent third party to value the Group's investments as at the end of the relevant financial year.

The Administrator, in conjunction with the Investment Adviser, will calculate the Net Asset Value and the Net Asset Value per Ordinary Share as at the end of each quarter of the Company's financial year (the first such calculation being as at 30 September 2013) and report such calculation to the Board.

The Board will approve each quarterly Net Asset Value calculation. These calculations will be reported quarterly to Shareholders and reconciled in the Company's annual report. The Net Asset Value will also be announced as soon as possible on a Regulatory Information Service, by publication on the Company's website, [www.bluefieldsif.com](http://www.bluefieldsif.com), and on [www.londonstockexchange.com](http://www.londonstockexchange.com). The Company may delay public disclosure of the Net Asset Value to avoid prejudice to its legitimate interests, provided that such delay would not be likely to mislead the public and the Company has put in place appropriate measures to ensure confidentiality of that information.

All calculations will be based, in part, on valuation information provided by the SPVs. Although the Administrator and the Investment Adviser, as appropriate, will evaluate the information and data provided by the SPVs, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data, nor may such information be up to date by the time it has been received by the Company. Shareholders should bear in mind that the actual Net Asset Values may be materially different from the quarterly estimates.

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

## PART VI

### ISSUE ARRANGEMENTS

#### The Issue

The total number of Ordinary Shares issued under the Placing and the Offer will be determined by the Company, Numis and the Investment Adviser after taking into account demand for the Ordinary Shares, subject to a maximum of 150 million<sup>(1)</sup> Ordinary Shares being issued under the Placing and Offer in aggregate.

The actual number of Ordinary Shares to be issued pursuant to the Issue, and therefore the Gross Issue Proceeds, are not known as at the date of this document but will be notified by the Company via an RIS announcement and the Company's website [www.bluefieldsif.com](http://www.bluefieldsif.com), prior to Admission.

The Issue will not proceed if the Gross Issue Proceeds would be less than £75 million. If the Issue does not proceed, subscription monies received will be returned without interest at the risk of the applicant.

The target issue size should not be taken as an indication of the number of Ordinary Shares to be issued. The actual number of Ordinary Shares issued pursuant to the Issue will be announced via an RIS announcement shortly following the deadline for receipt of placing commitments under the Placing.

The Directors have determined that the Ordinary Shares under the Issue will be issued at a price equal to £1.00 per Ordinary Share.

The Issue is not being underwritten.

#### Proceeds of the Issue

All of the net proceeds of the Issue will be invested in accordance with the Company's investment policy save to the extent some of the net proceeds will be retained for working capital purposes and subject to the availability of sufficient investment opportunities.

#### The Placing

The Company, the Directors, the Investment Adviser and Numis have entered into the Sponsor and Placing Agreement pursuant to which Numis has agreed, as agent for the Company, to use its reasonable endeavours to procure subscribers (in certain jurisdictions outside the United States) for the Ordinary Shares under the Placing at the Issue Price in return for the payment by the Company of placing commission. A summary of the terms of the Sponsor and Placing Agreement is set out in paragraph 5 of Part VIII of this Prospectus.

The terms and conditions which shall apply to any subscriber for Ordinary Shares procured by Numis pursuant to the Placing are contained in Appendix 1 to this document.

Applications under the Placing must be for a minimum subscription amount of £50,000.

#### The Offer

The Company is also offering the Ordinary Shares to investors in the United Kingdom pursuant to the Offer. The Terms and Conditions of Application relating to the Offer are set out in Appendix 2 to this document and an Application Form and notes on how to complete such Application Form are set out at the end of this document. The Terms and Conditions of Application should be read carefully before an application is made. Application Forms must be posted or delivered by hand (during normal business hours) to Capita Registrars Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to arrive by no later than 12.00 noon on 8 July 2013. The Offer will, unless extended, be closed at that time.

Applications under the Offer must be for a minimum subscription amount of £1,000.

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(1) If commitments and applications are received for more than 150 million Ordinary Shares pursuant to the Placing and Offer for Subscription, the Directors reserve the right to increase the maximum number of Ordinary Shares that may be issued pursuant to the Placing and Offer for Subscription on the basis set out in Part VI of this document, provided that the maximum number of Ordinary Shares that may be issued is 175 million Ordinary Shares.

Payment for Ordinary Shares pursuant to the Offer may be made by cheque, banker's draft or building society cheque and must accompany the Application Form. The Directors reserve the right to refuse applications for any reason.

### **Major shareholders**

CCLA Investment Management Limited has committed to subscribe for such number of Ordinary Shares as shall represent 20.0 per cent. of the Company's issued share capital on Admission pursuant to a deed of subscription, subject to a maximum of 25 million Ordinary Shares and conditional on a minimum of 100 million Ordinary Shares being subscribed under the Issue. The Subscription Deed is summarised in paragraph 5 of Part VIII of this document.

In addition, members of the Investment Adviser have committed to subscribe for 2.9 million Ordinary Shares under the Placing, as described in Part IV of this Prospectus under the heading "Investment Adviser's commitment".

### **Scaling back and allocation**

The Directors are authorised to issue up to 150 million<sup>(1)</sup> Ordinary Shares pursuant to the Issue. To the extent that applications under the Offer and commitments under the Placing exceed 150 million Ordinary Shares, Numis reserves the right, at its sole discretion, but after consultation with the Company, to scale back applications in such amounts as it considers appropriate. The Company reserves the right to decline in whole or in part any application for Ordinary Shares pursuant to the Issue. Accordingly, applicants for Ordinary Shares may, in certain circumstances, not be allotted the number of Ordinary Shares for which they have applied.

The Company will notify investors of the number of Ordinary Shares in respect of which their application has been successful and the results of the Issue will be announced by the Company on or around 11 July 2013 via an RIS announcement.

Subscription monies received in respect of unsuccessful applications (or to the extent scaled back) will be returned without interest at the risk of the applicant to the bank account from which the money was received.

### **General**

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

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

The Directors (in consultation with Numis) may in their absolute discretion waive the minimum application amounts in respect of any particular application for Ordinary Shares under the Offer and/or Placing.

Should the Issue be aborted or fail to complete for any reason (including as a result of the Gross Issue Proceeds being less than £75 million), monies received will be returned without interest at the risk of the applicant.

Definitive certificates in respect of Ordinary Shares in certificated form will be dispatched by post in the week commencing 22 July 2013. Temporary documents of title will not be issued.

### **Clearing and settlement**

Payment for the Ordinary Shares, in the case of the Placing, should be made in accordance with settlement instructions to be provided to placees by Numis. Payment for the Ordinary Shares, in the case of the Offer, should be made in accordance with the Terms and Conditions of Application under the Offer set out in Appendix 2 to this document and in the Application Form. To the extent that any application for Ordinary Shares is rejected in whole or in part (whether by scaling back or otherwise), monies received will be returned without interest at the risk of the applicant.

Ordinary Shares will be issued in registered form and may be held in either certificated or uncertificated form and settled through CREST from Admission. In the case of Ordinary Shares to be issued in uncertificated form pursuant to the Issue, these will be transferred to successful applicants through the CREST system. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if any Shareholder so wishes.

Ordinary Shares issued under the Offer will be issued to successful applicants in accordance with the Terms and Conditions of Application under the Offer set out in Appendix 2 to this document.

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

It is expected that the Company will arrange for Euroclear to be instructed on 12 July 2013 to credit the appropriate CREST accounts of the subscribers concerned or their nominees with their respective entitlements to Ordinary Shares. The names of subscribers or their nominees investing through their CREST accounts will be entered directly on to the share register of the Company.

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

## **Dealings**

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

It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8.00 a.m. on 12 July 2013. Dealings in Ordinary Shares in advance of the crediting of the relevant stock account shall be at the risk of the person concerned.

The ISIN number of the Ordinary Shares is GG00BB0RDB98 and the SEDOL code is BB0RDB9.

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

## **Purchase and transfer restrictions**

This document does not constitute an offer to sell, or the solicitation of an offer to acquire or subscribe for, Ordinary 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 or the Investment Adviser.

The Company has elected to impose the restrictions described below on the Issue and on the future trading of the Ordinary Shares so that the Company will not be required to register the offer and sale of the Ordinary 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 Ordinary Shares to trade such securities. The Company and its agents will not be obligated to recognise any resale or other transfer of the Ordinary 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 Ordinary 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 Ordinary Shares may not be offered, sold, exercised, resold, transferred or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S under the Securities Act). There will be no public offer of the Ordinary Shares in the United States. The Ordinary Shares are being offered and sold outside the United States to non-US Persons in reliance on the exemption from registration provided by Regulation S under the Securities Act.

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

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

**Subscriber warranties**

Each subscriber of Ordinary Shares in the Issue and each subsequent investor in the Ordinary Shares will be deemed to have represented, warranted, acknowledged and agreed to the representations, warranties, acknowledgments and agreements set out in paragraphs 4 and 5 in Appendix 1 to this document.

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

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

## PART VII

### TAXATION

#### General

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

#### Guernsey taxation

##### *The Company*

The Directors of the Company intend that the Company will apply for and obtain exempt status for Guernsey tax purposes. In return for the payment of a fee, currently £600, a registered closed-ended collective investment scheme such as the Company 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 Shares.

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

##### *Shareholders*

Shareholders not resident in Guernsey for tax purposes will not be subject to income tax in Guernsey and will receive dividends without deduction of Guernsey income tax. Any Shareholders who are resident for tax purposes in the Islands of Guernsey, Alderney or Herm will be subject to income tax in Guernsey on any dividends paid on Shares owned by them but will suffer no deduction of tax by

the Company from any such dividends payable by the Company where the Company is granted exempt status.

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

The Director of Income Tax can require the Company to provide the name and address of every Guernsey resident who, on a specified date, has a beneficial interest in 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 Shares or either participating or choosing not to participate in a redemption of Shares.

### ***Implementation of the EU Savings Directive in Guernsey***

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

The operation of the EU Savings Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company being required to comply with the EU Savings Directive in the future.

### ***FATCA – US-Guernsey Intergovernmental Agreement***

On 29 May 2013, the Chief Minister of Guernsey made a statement to Guernsey's parliament that the States of Guernsey is engaged in final negotiations with the US to conclude an intergovernmental agreement regarding the implementation of FATCA and that it is anticipated that the agreement would be ready to sign in June 2013. Once signed, an intergovernmental agreement would be subject to ratification by Guernsey's parliament and implementation of the agreement would be through Guernsey's domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2015 at the earliest. The impact of such an agreement on the Company and the Company's reporting and withholding responsibilities (if any) pursuant to FATCA as implemented in Guernsey is not currently known.

### ***UK-FATCA – UK-Guernsey Intergovernmental Agreement***

On 15 March 2013 the Chief Minister of Guernsey announced that Guernsey was in the process of finalising a draft intergovernmental agreement with the UK (**UK-Guernsey IGA**) under which potentially obligatory disclosure requirements may be imposed in respect of certain Investors in the Fund who may have a UK connection. On 29 May 2013, the Chief Minister made a statement to Guernsey's Parliament that discussions regarding the UK-Guernsey IGA were still ongoing. As at the date of this Admission document details of the finalised terms and effective date of the UK-Guernsey IGA have yet to be published. Once signed, the UK-Guernsey IGA would be subject to ratification by Guernsey's parliament and implementation of the agreement would be through Guernsey's domestic legislative procedure. It is currently anticipated that any such legislation will not come into effect until 2016 at the earliest. The impact of the UK-Guernsey IGA on the Company and the Company's reporting responsibilities pursuant to the UK-Guernsey IGA is not currently known.

## **United Kingdom taxation**

The following paragraphs are intended only as a general guide and are based on current legislation and HM Revenue & Customs (**HMRC**) published practice, which is subject to change at any time (possibly with retrospective effect). They are of a general nature and do not constitute tax advice and apply only to Shareholders who are resident in the UK, who are the absolute beneficial owners of their Ordinary Shares and who hold their Ordinary Shares as an investment. They do not address the position of certain classes of Shareholders such as dealers in securities, insurance companies or collective investment schemes.

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

### ***The Company***

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

Certain interest and other income received by the Company which has UK source may be subject to withholding taxes in the UK.

### ***Holdco***

Holdco will be liable to UK corporation tax on its income, although dividend income may be exempt from tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates, but double taxation relief may be available. Holdco will also be liable to UK corporation tax on chargeable gains, however in certain cases these may be exempt under the Substantial Shareholding Exemption subject to meeting the relevant qualifying criteria.

### ***Shareholders***

#### ***Income***

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

UK resident or ordinarily resident individual Shareholders who are additional rate taxpayers will be liable to income tax at 37.5 per cent., higher rate taxpayers will be liable to income tax at 32.5 per cent. and other individual taxpayers will be liable to income tax at 10 per cent. A tax credit equal to 10 per cent. of the gross dividend (also equal to one-ninth of the cash dividend received) should be available to set off against a Shareholder's total income tax liability. The effect of the tax credit is that a basic rate taxpayer will have no further tax to pay, a higher rate taxpayer will have to account for additional tax equal to 22.5 per cent. of the gross dividend (which also equals 25 per cent. of the net dividend received) and an additional rate taxpayer will have to account for additional tax equal to 27.5 per cent. of the gross dividend (or 30.56 per cent. of the cash dividend received). The tax credit will not be available to any individual who owns (together with connected persons) 10 per cent. or more of the class of issued share capital of the Company in respect of which the dividend is made.

A UK resident corporate Shareholder will be liable to UK corporation tax (currently 23 per cent. but falling to 21 per cent. in April 2014 and 20 per cent. in April 2015 on the assumption that the UK government implements announcements made in the 2013 Budget) unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009. It is likely that dividends will fall within one of such exempt classes but Shareholders within the charge to UK corporation tax are advised to consult their independent professional tax advisers to determine whether dividends received will be subject to UK corporation tax.

#### ***Chargeable gains***

Any gains on disposals by UK resident Shareholders or Shareholders who carry on a trade in the UK through a permanent establishment with which their investment in the Company is connected may, depending on their circumstances, give rise to a liability to UK tax on capital gains.

UK resident Shareholders who are individuals (or otherwise not within the charge to UK corporation tax) and who are basic rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 18 per cent. Individuals who are higher or additional rate taxpayers are currently subject to tax on their chargeable gains at a flat rate of 28 per cent. No indexation allowance will be available to such Shareholders but they may be entitled to an annual exemption from capital gains (this is £10,900 for the year 2013/2014).

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

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

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

### ***Other UK tax considerations***

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

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

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

### ***Stamp duty and stamp duty reserve tax (SDRT)***

The 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. UK stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5, of the amount of the value of the consideration for the transfer) is payable on any instrument of transfer of Ordinary Shares executed within, or in certain cases brought into, the UK. 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, any agreement to transfer Ordinary Shares should not be subject to SDRT and any instrument of transfer of shares which is executed and retained outside the UK should not be subject to stamp duty.

### ***ISAs and SIPPs***

It is expected that the Ordinary Shares will be eligible for inclusion in an ISA (except where they are allotted under the Placing). The subscription limit for an ISA account is £11,520 (for the tax year 2013/2014). Where the Ordinary Shares are held in an ISA, income and gains arising in respect of them will be exempt from UK taxation.

The Ordinary Shares should also qualify as a permissible asset for inclusion in a SIPP.

## PART VIII

### ADDITIONAL INFORMATION

#### 1. Incorporation and administration

- (a) The Company was incorporated with liability limited by shares in Guernsey under the Companies Law on 29 May 2013 with registered number 56708 as a closed-ended investment company registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the GFSC. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. The Company is not regulated by the Financial Conduct Authority or any other regulator.
- (b) The registered office and principal place of business of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY, and the telephone number is +44 (0)1481 716000. The statutory records of the Company will be kept at this address. The Company operates under the Companies Law and ordinances and regulations made thereunder and has no employees.
- (c) The Directors confirm that the Company has not traded or commenced operations and that, as at the date of this Prospectus, no accounts of the Company have been made up since its incorporation on 29 May 2013. The Company's accounting period will end on 30 June of each year, with the first year end on 30 June 2014.
- (d) KPMG Channel Islands Limited has been the only auditor of the Company since its incorporation. KPMG Channel Islands Limited is a member of the Institute of Chartered Accountants of England & Wales.
- (e) The annual report and accounts will be prepared according to IFRS, as adopted by the EU.
- (f) Save for its entry into the material contracts summarised in paragraph 5 of this Part VIII and certain non-material contracts, since its incorporation the Company has not carried on business, incurred borrowings, issued any debt securities, incurred any contingent liabilities or made any guarantees, nor granted any charges or mortgages.
- (g) As at the date of this document, there have been no changes to the issued share capital of the Company since incorporation.

#### 2. Share Capital

- (a) The share capital of the Company consists of an unlimited number of shares of no par value which upon issue the Directors may classify into such classes as they may determine. Notwithstanding this, a maximum number of 175 million Ordinary Shares will be issued pursuant to the Issue. The Directors may also issue C Shares.
- (b) C Shares are shares which convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's investment policy (prior to which the assets of the Company attributable to the C Shares are segregated from the assets of the Company attributable to the other classes of shares). The issue of C Shares would therefore permit the Board to raise further capital for the Company whilst limiting any dilution of investment returns for existing Shareholders which might otherwise result.
- (c) As at the date of incorporation and as at the date of this Prospectus, the Company's issued share capital comprises one Ordinary Share issued at a price of £1.00.
- (d) As at the date of this Prospectus, the entire issued share capital of the Company, comprising one Ordinary Share, is held by the subscriber to the memorandum of incorporation of the Company, HG Nominees 1 Limited (a nominee company owned by the Administrator).
- (e) The Directors have absolute authority to allot the Ordinary Shares under the Articles and are expected to resolve to do so shortly prior to Admission in respect of the Ordinary Shares to be issued pursuant to the Issue.

- (f) The Ordinary Shares will be issued and created in accordance with the Articles and the Companies Law. The Ordinary Shares are denominated in sterling.
- (g) By written ordinary and extraordinary resolutions of the Company's sole Shareholder passed on 24 June 2013:
  - (i) the Directors have authority to issue up to 175 million Ordinary Shares in connection with the Issue;
  - (ii) the Directors have authority to issue such number of Ordinary Shares equal to 10 per cent. of the number of Ordinary Shares issued pursuant to the Issue, without being obliged to first offer any Ordinary Shares to Shareholders *pro rata* basis, such authority extending until the conclusion of the first annual general meeting of the Company; and
  - (iii) the Directors have authority to sell such number of treasury shares as is equal to the number of Ordinary Shares held in treasury at any time following Admission without being obliged to first offer any treasury shares sold to Shareholders on a *pro rata* basis, such authority extending until the conclusion of the first annual general meeting of the Company.
- (h) Pursuant to a written ordinary resolution of the Company's sole Shareholder passed on 24 June 2013, the Directors are authorised to make market purchases of up to 14.99 per cent. of the Ordinary Shares in issue immediately following Admission. The maximum price which may be paid for an Ordinary Share must not be more than the higher of: (i) five per cent. above the average of the mid-market values of Ordinary Shares taken from The London Stock Exchange Daily Official List for the five Business Days before the purchase is made; and (ii) the higher of the last independent trade or the highest current independent bid for Ordinary Shares. Such authority will expire on the earlier of the conclusion of the first annual general meeting of the Company and the date 18 months after the date on which the resolution was passed.
- (i) The Ordinary Shares are in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Ordinary Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Ordinary Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer, as the case may be, of the Ordinary Shares. Where Ordinary Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar, whose registered address is set out on page 33 of this Prospectus, maintains a register of Shareholders holding their Ordinary Shares in CREST.
- (j) None of the actions specified in paragraph 2(i) above shall be deemed an action requiring the approval of Shareholders pursuant to the rights attached to those Ordinary Shares.
- (k) No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

### **3. Directors' and other Interests**

- (a) As at the date of this document, none of the Directors or any person connected with any of the Directors has a shareholding or any other interest in the share capital of the Company. As described in Part V of this document, the Directors may elect to receive some or all of their fees through the issue of Ordinary Shares. The Directors currently intend to subscribe for under the Issue and/or elect to receive in lieu of their respective fees approximately 350,000 Ordinary Shares in aggregate.
- (b) As at the date hereof, insofar as is known to the Company, other than as described in this paragraph, no person is or will, immediately following the Issue, be directly or indirectly interested in 3 per cent. or more of the Company's issued share capital. Under the Subscription Deed CCLA has agreed to subscribe for such number of Ordinary Shares as shall represent 20.0 per cent. of the Company's issued share capital on Admission, subject to a maximum of 25 million Ordinary Shares and conditional on a minimum of 100 million Ordinary Shares being subscribed under the Issue. Assuming that 150 million Ordinary Shares are issued pursuant to the Issue and CCLA subscribes for 25 million Ordinary Shares, CCLA will be interested in 16.7 per cent. of the Company's issued share capital at Admission.

- (c) The Company is not aware of any person who, immediately following Admission, could, directly or indirectly, jointly or severally, exercise control over the Company.
- (d) The Company knows of no arrangements, the operation of which may result in a change of control of the Company
- (e) All Shareholders of the same class have the same voting rights in respect of the share capital of the Company.
- (f) There are no outstanding loans from the Company to any of the Directors or any outstanding guarantees provided by the Company in respect of any obligation of any of the Directors.
- (g) The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 30 June 2014 which will be payable out of the assets of the Company are not expected to exceed £145,000. Each of the Directors will be entitled to receive £30,000 per annum other than the Chairman who will be entitled to receive £50,000 per annum and the chairman of the Audit Committee who will be entitled to receive an additional fee of £5,000 per annum. No amount has been set aside or accrued by the Company to provide pension, retirement or other similar benefits.
- (h) Each of the Directors has been appointed pursuant to a letter of appointment dated 24 June 2013. No Director has a service contract with the Company, nor are any such contracts proposed. The Directors' appointments can be terminated in accordance with the Articles and without compensation. There is no notice period specified in the Articles for the removal of Directors. The Articles provide that the office of Director shall be terminated by, among other things: (i) written resignation; (ii) unauthorised absences from board meetings for 12 months or more; (iii) written request of the other Directors; and (iv) a resolution of the Shareholders.
- (i) No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- (j) None of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.
- (k) Pursuant to an instrument of indemnity entered into between the Company and each Director, the Company has undertaken, subject to certain limitations, to indemnify each Director out of the assets and profits of the Company against all costs, charges, losses, damages, expenses and liabilities arising out of any claims made against him in connection with the performance of his duties as a Director of the Company.
- (l) In addition to their directorships of the Company, the Directors hold or have held the directorships and are or were members of the partnerships, as listed in the table below, over or within the past five years.

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships</b>
John Rennocks	Diploma plc Inmarsat plc Greenko Group plc	JP Morgan Fleming Overseas Investment Trust plc Babcock International Group plc Wagon plc Nestor Healthcare Group plc Intelligent Energy Holdings plc Composite Energy Ltd Foss Securities Limited
Mark Huntley	Aile Limited Collingwood Holdings Limited Heritage Administration Services Limited Heritage Corporate Services (Malta) Limited Heritage Corporate Services Limited Heritage Corporate Trustees Limited	BC Partners Holdings Limited BC Partners Investment Holdings Limited Bream Limited Cannonball Limited Celadon Management Limited CIE Holdings Limited

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships</b>
Mark Huntley <i>continued</i>	Heritage Group Limited	CIE Management Holdings Limited
	Heritage International Fund Managers (Malta) Limited	CIE Management II Limited
	Heritage International Fund Managers Limited	CIE Management IX Limited
	Heritage Partners GP Limited	Civet Limited
	Heritage Partners Limited	Crystal Amber Fund Limited
	Heritage Depository Company (UK) Limited	DCB Investments Limited
	Hologram Holdings Limited	Eidos Investments (Guernsey) Limited
	Pietersen Holdings Limited	Enigmatic Investments Limited
	Plein Limited	Falcon Carry (GP) Limited
	AAC Capital NEBO Carry GP Limited	Fund Capital Limited
	AAC Capital NEBO Feeder Limited	Genesis Administration Limited
	BECAP GP Limited	Genesis Taihei Investments, LLC
	BECAP12 GP Limited (formerly BECAP11 GP Limited)	GLC Limited
	Better Capital PCC Limited (formerly Better Capital Limited)	GTU Limited
	Collateral 1 Limited	HAT Limited
	Collateral 2 Limited	Heritage Management Holdings Limited
	Collateral 3 Limited	HFL Limited
	Crystal Amber Asset Management (Guernsey) Limited	IMP Limited
	Devco Property Advisors Limited	Japan Leisure Hotels Limited
	Healthcare Investments Limited	Lehman Brothers Merchant Banking Europe Capital Partners Management Limited (in voluntary liquidation)
	ICG-Longbow Senior Secured UK Property Debt Investments Limited	MPOF (10A) Limited
	International Hospitals Network (GP) Limited	MPOF (10B) Limited
	Macau Sniper Fund Limited	MPOF (6A) Limited
	Mediterra Capital Management Limited	MPOF (6B) Limited
	NB PEP GP Limited	MPOF (7A) Limited
	NEBO 1 Carry GP Limited	MPOF (7B) Limited
	NEBO 1 GP Limited	MPOF (8A) Limited
	P25 (GP) Limited	MPOF (8B) Limited
	P25 Investments Limited	MPOF (9A) Limited
	Passivity Investments Limited	MPOF (9B) Limited
	Stirling Mortimer (Channel Islands) Limited	MPOF (Antonio) Limited
	Stirling Mortimer (Guernsey) Limited	MPOF (Domingos) Limited
	Stirling Mortimer (St Peter Port) Limited	MPOF (Guia) Limited
	Stirling Mortimer Global Property Fund PCC Limited	MPOF (Jose) Limited
	Stirling Mortimer No. 8 Fund UK Land Limited	MPOF (Monte) Limited
	Stirling Mortimer No. 9 Fund UK 2 Land Limited	MPOF (Paulo) Limited
	Stirling Mortimer Property Fund PCC Limited	MPOF (Penha) Limited
	The Coratina Fund Limited	MPOF (Senado) Limited
	Trilantic Capital Management GP (Guernsey) Limited	MPOF (Sun) Limited
	Trilantic Capital Partners Management Limited	MPOF (Taipa) Limited
	Baring Coller Secondaries Fund Limited	MPOF Mainland Company 1 Limited
	Baring Coller Secondaries Fund II Limited	Phoenix Logistics (Guernsey) Limited
	DF Investments Limited	Praetorian Capital GP Limited
	Guernsey Sailing Trust LBG	RMSQUARED (Guernsey) Limited
	Yucatan Devco 2 Limited	SM EBC JVCO Limited
	Yucatan Devco 2 Limited	SM EBC South African Development Financing Limited
		Stirling Mortimer Bond Issue Company Limited (in liquidation)
		Therium Holdings Limited
		Therium Litigation Funding Limited
		China Growth Fund Limited (formerly London Asia Chinese Private Equity Fund Limited)
		Channel Island Stock Exchange LBG

<b>Name</b>	<b>Current directorships/partnerships</b>	<b>Past directorships/partnerships</b>
Paul Le Page	Thames River Multi Hedge PCC Limited Global Managed Futures Fund Limited FRM Premium Portfolio Liquidity Pass Through Holdings SPC FRM Conduit Fund FRM Idiosyncratic Alpha SPC FRM Selection Fund Limited ARK Masters Management Limited FRM Global Equity Fund SPC FRM Global Equity Master Fund SPC Financial Risk Management Matrio Fund Limited FRM Tail Hedge Limited	Prospect Finance Limited FRM Equity Alpha Fund Limited Cazenove Absolute Equity Limited The Da Vinci Fund Limited Financial Risk Management Academy Fund Limited Searock Plus Fund Limited
John Scott	Scottish Mortgage Investment Trust PLC Martin Currie Pacific Trust plc Schroder Japan Growth Fund plc JP Morgan Claverhouse Investment Trust plc Alternative Asset Opportunities PCC The Tweed Foundation The Abbotsford Trust Oundle School Services Co. Ltd. Impax Environmental Markets plc Alpha Insurance Analysts Limited	The Grocers' Trust Company Ltd Xaar plc Dunedin Income Growth Investment Trust PLC Miller Insurance Investments Limited Miller E.T. Limited PH (Dawson) Ltd Miller Insurance Holdings Limited Miller 2012 Limited Endace Limited

(m) Mr Huntley, a Director of the Company, is also the Managing Director of the Administrator. Accordingly, Mr Huntley has interests in a service provider to the Company. Save as disclosed above, there are no potential conflicts of interest between any duties to the Company of any of the Directors and their private interests and/or other duties. There are no lock-up provisions regarding the disposal by any of the Directors of any Ordinary Shares.

(n) At the date of this document:

- (i) none of the Directors has had any convictions in relation to fraudulent offences for at least the previous five years;
- (ii) save as detailed above, none of the Directors was a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company within the previous five years which has entered into any bankruptcy, receivership or liquidation proceedings;
- (iii) none of the Directors has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years; and
- (iv) none of the Directors are aware of any contract or arrangement subsisting in which they are materially interested and which is significant to the business of the Company which is not otherwise disclosed in this document.

(o) The Company intends to maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

#### **4. Memorandum and Articles**

(a) ***Objects***

The memorandum of incorporation of the Company provides that the objects of the Company are unrestricted.

(b) **Dividends and other distributions**

- (i) Subject to the rights of any Ordinary Shares which may be issued with special rights or privileges, the Ordinary Shares carry the right to receive all income of the Company attributable to the Ordinary Shares, and to participate in any distribution of such income made by the Company, such income shall be divided *pari passu* among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.
- (ii) The Directors may from time to time authorise dividends and distributions to be paid to Shareholders in accordance with the procedure set out in the Companies Law and subject to any Shareholder's rights attaching to their shares.
- (iii) The Directors may from time to time authorise dividends and distributions to be paid to holders of C Shares out of the assets attributable to the C Shares in accordance with the procedure set out in the Companies Law and subject to any rights attaching to such C Shares.
- (iv) All unclaimed dividends and distributions may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed on the earlier of (i) a period of six years after the date when it first became due for payment and (ii) the date on which the Company is wound-up, shall be forfeited and shall revert to the Company without the necessity for any declaration or other action on the part of the Company.

(c) **Voting**

- (i) Subject to any special rights, restrictions or prohibitions as regards voting for the time being attached to any Ordinary Shares, holders of Ordinary Shares shall have the right to receive notice of and to attend and vote at general meetings of the Company.
- (ii) Each Shareholder being present in person or by proxy or by a duly authorised representative (if a corporation) at a meeting shall upon a show of hands have one vote and upon a poll each such holder present in person or by proxy or by a duly authorised representative (if a corporation) shall, in the case of a separate class meeting, have one vote in respect of each share held by him and, in the case of a general meeting of all Shareholders, have one vote in respect of each Ordinary Share held by him.
- (iii) Save in certain limited circumstances, C Shares will not carry the right to attend or receive notice of general meetings of the Company nor will they carry the right to vote at such meetings.

(d) **Capital**

- (i) As to 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 provisions 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 *pari passu* among the holders of Ordinary Shares in proportion to the number of Ordinary Shares held by them.
- (ii) The manner in which distributions of capital proceeds realised from investments (net of fees and expenses) and attributable to the Ordinary Shares (**Capital Proceeds**) shall be effected shall, subject to compliance with the Companies Law, be determined by the Directors in their absolute discretion and, once determined, shall be notified to Shareholders by way of an RIS announcement.
- (iii) Without restricting the discretion of the Directors described in paragraph 4(d)(ii), the Directors may effect distributions of Capital Proceeds by:
  - (A) compulsorily redeeming a proportion of each Shareholder's holding of Ordinary Shares and paying the redemption proceeds to Shareholders on such terms and in such manner as the Directors may determine; or
  - (B) in such other manner as may be lawful.

(e) **Pre-emption rights**

There are no provisions of Guernsey law which confer rights of pre-emption in respect of the allotment of the Ordinary Shares. However, the Articles of Incorporation provide that the Company is not permitted to allot (for cash) equity securities (being Ordinary Shares or C Shares or rights to subscribe for, or convert securities into, Ordinary Shares or C Shares) or sell (for cash) any Ordinary Shares or C Shares held in treasury, unless it shall first have offered to allot to each existing holder of Ordinary Shares and C Shares on the same or more favourable terms a proportion of those Ordinary Shares or C Shares the aggregate value of which (at the proposed issue price) is as nearly as practicable equal to the proportion of the total Net Asset Value of the Company represented by the Ordinary Shares or C Shares held by such shareholder. These pre-emption rights may be excluded and disapplied or modified by special resolution of the Shareholders.

(f) **Variation of rights**

- (i) Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue of the shares of that class) be varied or abrogated:
  - (A) with the consent in writing of the holders of more than half in number of the issued shares of that class; or
  - (B) with the sanction of an ordinary resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) The necessary quorum at any separate class meeting shall be two persons present holding or representing by proxy at least one-third of the voting rights of the issued shares of that class (provided that if any such meeting is adjourned for lack of a quorum, the quorum at the reconvened meeting shall be one person present holding shares of that class or his proxy) provided always that where the class has only one member, that member shall constitute the necessary quorum and any holder of shares of the class in question may demand a poll.
- (iii) The special rights conferred upon the holders of any shares or class of shares issued with preferred, deferred or other rights shall (unless otherwise expressly provided by the conditions of issue of such shares) be deemed not to be varied by (a) the creation or issue of further shares ranking *pari passu* therewith or (b) the purchase or redemption by the Company of any of its shares (or the holding of such shares as treasury shares).

(g) **Disclosure of interests in Ordinary Shares**

- (i) The Directors shall have power by notice in writing (a **Disclosure Notice**) to require a Shareholder to disclose to the Company the identity of any person other than the Shareholder (an **interested party**) who has any interest (whether direct or indirect) in the Ordinary Shares held by the Shareholder and the nature of such interest or has been so interested at any time during the 3 years immediately preceding the date on which the Disclosure Notice is issued. Any such Disclosure Notice shall require any information in response to such Disclosure Notice to be given in writing to the Company within 28 days of the date of service (or 14 days if the Ordinary Shares concerned represent 0.25 per cent. or more of the number of Ordinary Shares in issue of the class of Ordinary Shares concerned).
- (ii) If any member is in default in supplying to the Company the information required by the Company within the prescribed period (which is 28 days after service of the notice or 14 days if the Ordinary Shares concerned represent 0.25 per cent. or more in number of the issued Ordinary Shares of the relevant class), or such other reasonable period as the Directors may determine, the Directors in their absolute discretion may serve a direction notice on the member (a **Direction Notice**). The Direction Notice may direct that in respect of the Ordinary Shares in respect of which the default has occurred (the **Default Shares**) and any other Ordinary Shares held by the member shall not be entitled to vote in general meetings or class meetings. Where the Default Shares represent at least 0.25 per cent. in number of the class of Ordinary Shares concerned, the Direction Notice may additionally direct that dividends on such Default Shares will be retained by the

Company (without interest) and that no transfer of the Default Shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

- (iii) The Directors may be required to exercise their power to require disclosure of interested parties on a requisition of Shareholders holding not less than 1/10th of the total voting rights attaching to the Ordinary Shares in issue at the relevant time.
- (iv) In addition to the rights referred to above, the Board may serve notice on any Shareholder requiring that Shareholder to promptly provide the Company with any information, representations, certificates or forms relating to such Shareholder (or its direct or indirect owners or account holders) that the Board determines from time to time are necessary or appropriate for the Company to:
  - (A) satisfy any account or payee identification, documentation or other diligence requirements and any reporting requirements imposed under FATCA and any agreement relating thereto (including, any amendments, modification, consolidation, re-enactment or replacement thereof made from time to time) or the requirements of any similar laws or regulations to which the Company may be subject enacted from time to time by any other jurisdiction (**Similar Laws**); or
  - (B) avoid or reduce any tax otherwise imposed by FATCA or Similar Laws (including any withholding upon any payments to such Shareholder by the Company); or
  - (C) permit the Company to enter into, comply with, or prevent a default under or termination of, an agreement of the type described in section 1471(b) of the US Internal Revenue Code of 1986 or under Similar Laws.

If any Shareholder (a Defaulting Shareholder) is in default of supplying to the Company the information referred to above within the prescribed period (which shall not be less than 28 days after the service of the notice), the Defaulting Shareholder shall be deemed to be a Non-Qualified Holder.

(h) **Transfer of Ordinary Shares**

- (i) Subject to the Articles (and the restrictions on transfer contained therein), a Shareholder may transfer all or any of his Ordinary Shares in any manner which is permitted by the Companies Law or in any other manner which is from time to time approved by the Board.
- (ii) A transfer of a certificated Share shall be in the usual common form or in any other form approved by the Board. 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.
- (iii) The Articles of Incorporation provide that the Board has power to implement such arrangements as it may, in its absolute discretion, think fit in order for any class of Ordinary Shares or C Shares to be admitted to settlement by means of the CREST UK system. If the Board implements any such arrangements, provision of the Articles will apply or have effect to the extent that it is in any respect inconsistent with:
  - (A) the holding of shares of the relevant class in uncertificated form;
  - (B) the transfer of title to shares of the relevant class by means of the CREST UK system; or
  - (C) the CREST Guernsey Requirements.
- (iv) Where any class of Ordinary Shares or C Shares is, for the time being, admitted to settlement by means of the CREST UK system such securities may be issued in uncertificated form in accordance with and subject to the CREST Guernsey Requirements. Unless the Board otherwise determines, shares held by the same holder or joint holders in certificated form and uncertificated form will be treated as separate holdings. Shares may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject to the CREST Guernsey Requirements. Title to such of the shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST UK system.

- (v) 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 subject to the Articles which is not fully paid or on which the Company has a lien provided that this would not prevent dealings in the shares from taking place on an open and proper basis on the London Stock Exchange.
- (vi) In addition, the Board may decline to transfer, convert or register a transfer of any share in certificated form or (to the extent permitted by the CREST Guernsey Requirements) uncertificated form: (a) if it is in respect of more than one class of shares, (b) if it is in favour of more than four joint transferees, (c) if applicable, if it is delivered for registration to the registered office of the Company or such other place as the Board may decide, not accompanied by the certificate for the shares to which it relates and such other evidence of title as the Board may reasonably require, or (d) the transfer is in favour of any Non-Qualified Holder.
- (vii) If any shares are owned directly, indirectly or beneficially by a person believed by the Board to be a Non-Qualified Holder, the Board may give notice to such person requiring him either: (i) to provide the Board within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Board that such person is not a Non-Qualified Holder, or (ii) to sell or transfer his Ordinary Shares to a person who is not a Non-Qualified Holder within 30 days and within such 30 days to provide the Board with satisfactory evidence of such sale or transfer and pending such sale or transfer, the Board may suspend the exercise of any voting or consent rights and rights to receive notice of or attend any meeting of the Company and any rights to receive dividends or other distributions with respect to such shares. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited his shares. If the Board in its absolute discretion so determines, the Company may dispose of the shares at the best price reasonably obtainable and pay the net proceeds of such disposal to the former holder.
- (viii) The Board of Directors may decline to register a transfer of an uncertificated share which is traded through the CREST UK system in accordance with the CREST rules where, in the case of a transfer to joint holders, the number of joint holders to whom uncertificated shares is to be transferred exceeds four.

(i) **General meetings**

- (i) The first general meeting (being an annual general meeting) of the Company shall be held within such time as may be required by the Companies Law and thereafter general meetings (which are annual general meetings) shall be held at least once in each calendar year and in any event, no more than 15 months since the last annual general meeting. All general meetings (other than annual general meetings) shall be called extraordinary general meetings. Extraordinary general meetings and annual general meetings shall be held in Guernsey or such other place outside the United Kingdom as may be determined by the Board from time to time.
- (ii) The notice must specify the date, time and place of any general meeting and the text of any proposed special and ordinary resolution. Any general meeting shall be called by at least ten clear days' notice. A general meeting may be deemed to have been duly called by shorter notice if it is so agreed by all the members entitled to attend and vote thereat. The accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any person entitled to receive such notice shall not invalidate the proceedings at the meeting.
- (iii) The Shareholders may require the Board to call an extraordinary general meeting in accordance with the Companies Law.

(j) **Restrictions on voting**

Unless the Board otherwise decides, no member shall be entitled to vote at any general meeting or at any separate meeting of the holders of any class of shares in the Company, either in person or by proxy, in respect of any share held by him unless all calls and other sums presently payable by him in respect of that share have been paid. No member of the

Company shall, if the Directors so determine, be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company or to exercise any other right conferred by membership in relation to any such meeting if he or any other person appearing to be interested in such shares has failed to comply with a Disclosure Notice (see paragraph 4(g)(i) above) within 14 days, in a case where the shares in question represent at least 0.25 per cent. of their class, or within 28 days, in any other case, from the date of such Disclosure Notice.

These restrictions will continue until the information required by the notice is supplied to the Company or until the shares in question are transferred or sold in circumstances specified for this purpose in the Articles.

(k) ***Appointment, retirement and disqualification of Directors***

- (i) Unless otherwise determined by the Shareholders by ordinary resolution, the number of Directors shall not be less than two and there shall be no maximum number. At no time shall a majority of the Board be resident in the UK for UK tax purposes.
- (ii) A Director need not be a Shareholder. A Director who is not a Shareholder shall nevertheless be entitled to attend and speak at Shareholders' meetings.
- (iii) Subject to the Articles, Directors may be appointed by the Board (either to fill a vacancy or as an additional Director). No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless not less than seven and not more than 42 clear days before the date appointed for the meeting there shall have been left at the Company's registered office (or, if an electronic address has been specified by the Company for such purposes, sent to the Company's electronic address) notice in writing signed by a Shareholder who is duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected, specifying his tax residency status and containing a declaration that he is not ineligible to be a Director in accordance with the Companies Law.
- (iv) No person shall be or become incapable of being appointed a Director, and no Director shall be required to vacate that office, by reason only of the fact that he has attained the age of 70 years or any other age.
- (v) Subject to the Articles, at each annual general meeting of the Company, any Director (i) who has been appointed by the Board since the last annual general meeting, (ii) who held office at the time of the two preceding annual general meetings and who did not retire at either of them, or (iii) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting, shall retire from office and may offer himself for election or re-election by the Shareholders.
- (vi) A Director who retires at an annual general meeting may, if willing to continue to act, be elected or re-elected at that meeting. If he is elected or re-elected he is treated as continuing in office throughout. If he is not elected or re-elected, he shall remain in office until the end of the meeting or (if earlier) when a resolution is passed to appoint someone in his place or when a resolution to elect or re-elect the Director is put to the meeting and lost.
- (vii) A Director may resign from office as a Director by giving notice in writing to that effect to the Company at its registered office, which notice shall be effective upon delivery to the registered office.
- (viii) The office of a Director shall be vacated: (i) if he (not being a person holding for a fixed term an executive office subject to termination if he ceases from any cause to be a Director) resigns his office by one month's written notice signed by him sent to or deposited at the Company's registered office; (ii) if he dies; (iii) if he shall have absented himself (such absence not being absence with leave or by arrangement with the Board on the affairs of the Company) from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated; (iv) if he becomes

bankrupt or makes any arrangements or composition with his creditors generally; (v) if he ceases to be a Director by virtue of, or becomes prohibited from being a Director by reason of, an order made under the provisions of any law or enactment; (vi) if he is requested to resign by written notice signed by a majority of his co-Directors (being not less than two in number); (vii) if the Company by ordinary resolution shall declare that he shall cease to be a Director; (viii) if he becomes resident in the United Kingdom for tax purposes and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be resident in the United Kingdom for tax purposes; or (ix) if he becomes ineligible to be a Director in accordance with the Companies Law.

- (ix) Any Director may, by notice in writing, appoint any other person (subject to the provisions in paragraph 4(k)(x) below), who is willing to act as his alternate and may remove his alternate from that office.
- (x) Each alternate Director shall be either (i) resident for tax purposes in the same jurisdiction as his appointor, or (ii) resident outside the UK for UK tax purposes, in each case for the duration of the appointment of that alternate Director and in either case shall also be eligible to be a Director under the Companies Law and signs a written consent to act. Every appointment or removal of an alternate Director shall be by notice in writing signed by the appointor and served upon the Company.

(l) ***Proceedings of the Board***

- (i) The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The quorum necessary for the transaction of the business of the Board may be fixed by the Board and unless so fixed shall be two. Subject to the Articles, a meeting of the Board at which a quorum is present shall be competent to exercise all the powers and discretion exercisable by the Board.
- (ii) All meetings of the Board are to take place outside the United Kingdom and any decision reached or resolution passed by the Directors at any meeting of the Board held within the United Kingdom or at which no majority of Directors resident outside the UK (and not within the UK) for UK tax purposes is present shall be invalid and of no effect.
- (iii) The Board may elect one of their number as chairman. If no chairman is elected or if at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.
- (iv) Questions arising at any meeting shall be determined by a majority of votes.
- (v) The Board may delegate any of its powers to committees consisting of one or more Directors as they think fit with a majority of such Directors being resident outside of the United Kingdom for United Kingdom tax purposes. Committees shall only meet outside the United Kingdom. Any committee so formed shall be governed by any regulations that may be imposed on it by the Board and (subject to such regulations) by the provisions of the Articles that apply to meetings of the Board.

(m) ***Remuneration of Directors***

The Directors shall be entitled to receive fees for their services, such sums not to exceed in aggregate £300,000 in any financial year in aggregate (or such sum as the Company in general meeting shall from time to time determine). The Directors may be paid all reasonable travelling, hotel and other out of pocket expenses properly incurred by them in attending board or committee meetings or general meetings, and all reasonable expenses properly incurred by them seeking independent professional advice on any matter that concerns them in the furtherance of their duties as a Director.

(n) ***Interests of Directors***

- (i) Subject to and in accordance with the Companies Law, a Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose that fact to the Directors (including, if the monetary value of the Director's interest is quantifiable, the nature and monetary value of

that interest, or if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest).

- (ii) Subject to the provisions of the Companies Law, and provided that he has disclosed to the Directors the nature and extent of any interests of his, a Director notwithstanding his office:
  - (A) may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as to the tenure of office and otherwise as the Directors may determine;
  - (B) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested;
  - (C) may be a director or other officer of, or employed by, or a party to any transaction or arrangement with, a shareholder of or otherwise interested in, any body corporate promoted by the Company or in which the Company is otherwise interested;
  - (D) shall not, by reason of his office, be accountable to the Company for any remuneration or benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit;
  - (E) may act by himself or his firm in a professional capacity for the Company, other than as auditor, and he or his firm shall be entitled to remuneration for professional services as though he were not a Director of the Company; and
  - (F) may be counted in the quorum present at any meeting in relation to any resolution in respect of which he has declared an interest (but he may not vote thereon).

(o) ***Winding-up***

- (i) If the Company shall be wound up, the liquidator may, with the sanction of an extraordinary resolution and any other sanction required by the Companies Law, divide the whole or any part of the assets of the Company among the members entitled to the same in specie and the liquidator or, where there is no liquidator, the Directors may for that purpose value any assets as he or they deem fair and determine how the division shall be carried out as between the members or different classes of members and, with the like sanction, may vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he or they may determine, but no member shall be compelled to accept any assets upon which there is a liability.
- (ii) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company, the liquidator may, with the sanction of an ordinary resolution, receive in compensation shares, policies or other like interests for distribution or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

(p) ***Borrowing powers***

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

(q) ***Discontinuation Resolution***

The Directors are required to propose an ordinary resolution every five years that the Company should cease to continue as presently constituted (a **Discontinuation Resolution**). In addition, the Directors will also be required to propose a Discontinuation Resolution in the event that the

aggregate distributions over three years (excluding the Company's first financial year for these purposes) do not exceed the aggregate of the distribution targets over the same three year period. Such a Discontinuation Resolution will be put to Shareholders at the next annual general meeting of the Company following the requirement that it be put to Shareholders is triggered. In the event that a Discontinuation Resolution is passed, the Directors will be required to formulate proposals to be put to Shareholders within four months to wind up or otherwise reconstruct the Company, bearing in mind the illiquid nature of the Company's underlying assets.

## **5. Material Contracts**

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

### **(a) Sponsor and Placing Agreement**

Pursuant to the Sponsor and Placing Agreement dated 25 June 2013 between the Company, the Investment Adviser, the Directors and Numis, and subject to certain conditions, Numis has agreed to use its reasonable endeavours to procure subscribers for the Ordinary Shares at the Issue Price pursuant to the Placing. In addition, under the Sponsor and Placing Agreement, Numis has been appointed as sponsor and financial adviser in connection with the proposed applications for Admission and the Issue. The Issue is not being underwritten.

The obligations of the Company to issue the Ordinary Shares and the obligations of Numis to use its reasonable endeavours to procure subscribers for Ordinary Shares is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others: (i) Admission occurring and becoming effective by 8.00 a.m. on or prior to 12 July 2013 (or such later time and/or date, not being later than 26 July 2013 as Company, Numis and the Investment Adviser may agree); and (ii) the Sponsor and Placing Agreement not having been terminated in accordance with its terms.

Numis has agreed to pay some of its placing commissions to introduction agents in relation to such Ordinary Shares that may be subscribed for by those subscribers who are introduced to the Issue by that introduction agent. An introduction agent may elect at its discretion to retain this commission, in whole or in part, for its own account, or to pay all or any part of such commission to the underlying subscribers.

The Company and the Investment Adviser have given warranties to Numis concerning, *inter alia*, the accuracy of the information contained in this document. The Directors have given certain warranties to Numis as to the accuracy of certain information in this document and as to themselves. The Company and the Investment Adviser have also given indemnities to Numis. The warranties and indemnities given by the Company, the Investment Adviser and the Directors are standard for an agreement of this nature.

The Sponsor and Placing Agreement may be terminated by Numis in certain customary circumstances prior to Admission.

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

### **(b) Investment Advisory Agreement**

Pursuant to an agreement dated 25 June 2013 made between the Company, Holdco and the Investment Adviser, the Investment Adviser has been appointed to provide investment advisory services to the Company and Holdco, to identify and source potential investments for the Company in accordance with the investment policy and to undertake the day to day management of the Company's investment portfolio, subject to the overall supervision of the Board. The Investment Adviser does not have authority to make investment decisions on behalf of the Company and all investment decisions (including in respect of new investments and the realisation of existing investments) will be subject to the approval of the Board.

The Investment Adviser will be entitled to the base fee and variable fee described in Part V of this Prospectus.

The Investment Advisory Agreement is terminable by either the Investment Adviser or the Company giving to the other not less than 12 months' written notice, such notice not to be given before the fourth anniversary of Admission.

The Investment Advisory Agreement may be terminated by the Company with immediate effect, *inter alia*, if:

- (i) an order has been made or an effective resolution passed for the liquidation of the Investment Adviser;
- (ii) the Investment Adviser ceases to carry on business;
- (iii) the Investment Adviser has committed a material breach of the Investment Advisory Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so or is guilty of wilful default, fraud or gross negligence or if the Investment Adviser fails to comply with any reasonable direction of the Board;
- (iv) the Investment Adviser ceases to hold any required authorisation to carry out its services under the Investment Advisory Agreement;
- (v) the Company is required to do so by a relevant regulatory authority and this is a final decision with no right of appeal; or
- (vi) a Key Executive Event occurs (as defined in the agreement) and if only one Key Executive (initially being any of James Armstrong, Giovanni Terranova or Mike Rand) remains and a replacement is not nominated and approved by the Board within 3 months or if no Key Executives remain following such Key Executive Event.

The Investment Advisory Agreement may be terminated by the Investment Adviser with immediate effect if an order has been made or an effective resolution passed for the winding up of the Company or the Company has committed a material breach of the Investment Advisory Agreement and fails to remedy such breach within 30 days of receiving notice requiring it to do so.

The Company has given certain market standard indemnities in favour of the Investment Adviser in respect of the Investment Adviser's potential losses in carrying on its responsibilities under the Investment Advisory Agreement.

The Ordinary Shares acquired by the Investment Adviser in respect of the variable fee payable to it will be subject to a three year lock-up period, with one-third of the relevant Ordinary Shares becoming free from the lock-up on each anniversary of their issue. These restrictions will not prevent the Investment Adviser disposing of the relevant Ordinary Shares in the following circumstances: (i) pursuant to the acceptance of any general, partial or tender offer by any third party or the Company; (ii) in connection with a scheme of arrangement; (iii) to another member of the Investment Adviser's group or to any of its members or employees provided that the transferee continues to be bound by the lock-in; (iv) pursuant to an order of a court with competent jurisdiction; (v) on a winding-up of the Company; or (vi) a disposal of such number of Ordinary Shares (as agreed with the Board) in order to enable any member of the Investment Adviser to pay any taxation or similar levy payable by that member which is referable to the variable fee.

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

(c) ***Administration Agreement***

The Company and the Administrator have entered into an administration agreement dated 24 June 2013, pursuant to which the Company has appointed the Administrator to act as its administrator and company secretary.

Under the terms of the Administration Agreement, the Administrator is entitled to the fees described in Part V of this Prospectus. The Administrator will, in addition, be entitled to recover third party expenses and disbursements.

The Company has given certain market standard indemnities in favour of the Administrator in respect of the Administrator's potential losses in carrying out its responsibilities under the Administration Agreement.

The Administration Agreement is terminable by either party on three months' notice in writing (given so as to expire on the last day of the calendar month), and may be terminated immediately by either party in the event of insolvency or material breach of the other party.

The Administration Agreement is governed by the laws of the Island of Guernsey.

(d) ***Subscription Deed***

The Company, Numis the Investment Adviser and CCLA has entered into a deed of subscription under which CCLA has agreed to subscribe for such number of Ordinary Shares as shall represent 20.0 per cent. of the Company's issued share capital on Admission, subject to a maximum of 25 million Ordinary Shares and conditional on a minimum of 100 million Ordinary Shares being subscribed under the Issue.

The Subscription Deed contains standard representations and warranties from the Company and the Investment Adviser to CCLA and standard representations and warranties from CCLA to the Company and to Numis. CCLA's liability for such representations and warranties is limited to the consideration payable under the Subscription Deed.

In consideration of CCLA entering into the Subscription Deed, the Investment Adviser has agreed to pay CCLA an amount equal to the amount by which the Blended Base Fee Rate (as defined in the Subscription Deed) exceeds 0.80 per cent. per annum multiplied by the Net Asset Value attributable to the Ordinary Shares held by CCLA as at the relevant quarter date on which the base management fee is payable in arrears to the Investment Adviser. The Investment Adviser shall pay the fee rebate to CCLA within five business days of the Investment Adviser receiving payment of the base fee to which the fee rebate is attributable. For the avoidance of doubt no fee rebate will be payable in the event that the Blended Base Fee Rate is less than 0.80 per cent. per annum.

The Subscription Deed is governed by the laws of England and Wales.

(e) ***Registrar Agreement***

The Company and the Registrar entered into a registrar agreement dated 25 June 2013, pursuant to which the Company appointed the Registrar to act as registrar of the Company.

The Registrar will be entitled to an annual fee from the Company equal to £1.65 per shareholder per annum or part thereof; with a minimum of £7,000 per annum. Other registrar activity will be charged for in accordance with the Registrar's normal tariff as published from time to time.

The Registrar Agreement may be terminated by either the Company or the Administrator giving to the other not less than three months' written notice at any time but not to expire earlier than the first anniversary of the date of the agreement.

The Registrar Agreement contains certain standard indemnities from the Company in favour of the Registrar and from the Registrar in favour of the Company. The Registrar's liability under the Registrar Agreement is subject to a financial limit.

(g) ***Receiving Agent's Agreement***

The Company and the Registrar entered into a receiving agent agreement dated 25 June 2013, pursuant to which the Company appointed Capita Registrars to act as receiving agent to the Offer for Subscription. The Receiving Agent is entitled to receive various fees for services provided, including a minimum aggregate advisory fee of £2,500 and a minimum aggregate processing fee in relation to the offer for subscription of £5,000, as well as reasonable out-of-pocket expenses. The agreement contains certain standard indemnities from the Company in favour of the Receiving Agent and from the Receiving Agent in favour of the Company. The Receiving Agent's liability under the Receiving Agent's Agreement is subject to a financial limit.

## **6. Litigation**

There are no governmental, legal or arbitration proceedings nor, so far as the Directors are aware, are there any governmental, legal or arbitration proceedings pending or threatened which may have, or have since incorporation had, a significant effect on the Company's financial position or profitability.

## **7. No significant change**

There has been no significant change in the financial or trading position of the Company since its incorporation.

## **8. Related Party Transactions**

Except with respect to the appointment letters entered into between the Company and each director and as set out in paragraphs 3(k) and 5(b) of this Part VIII of this Prospectus, the Company has not entered into any related party transaction since incorporation.

## **9. General**

- (a) The Placing of the Ordinary Shares is being carried out on behalf of the Company by Numis which is authorised and regulated in the UK by the Financial Conduct Authority.
- (b) The Investment Adviser may be a promoter of the Company. Save as disclosed in paragraph 5 above no amount or benefit has been paid, or given, to the promoter or any of its subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- (c) The address of the Investment Adviser is 45 Queen Anne Street, London W1G 9EL and its telephone number is +44 (0)20 7078 0020.
- (d) The Issue will represent a significant gross change to the Company. At the date of this document and until Admission, the assets of the Company are £1.00. Under the Issue, on the basis that 150 million Ordinary Shares are to be issued, the net assets of the Company would increase by approximately £147 million immediately after Admission assuming that the expenses of the Issue do not exceed 2.00 per cent. of the Gross Issue Proceeds. Since the Company has not commenced operations and therefore not generated any earnings; following completion of the Issue, the net proceeds of the Issue will be invested in accordance with the Company's investment policy and pending investment will be held on deposit or invested in near cash instruments and consequently it is expected that the Company will derive earnings from its gross assets in the form of dividends and interest.
- (e) None of the Ordinary Shares available under the Issue are being underwritten.
- (f) CREST is a paperless settlement procedure enabling securities to be evidenced other than by certificates and transferred other than by written instrument. The Articles of the Company permit the holding of the Ordinary Shares under the CREST system. The Directors intend to apply for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly it is intended that settlement of transactions in the Ordinary Shares following Admission may take place within the CREST system if the relevant Shareholders so wish. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so upon request from the Registrar.
- (g) Applications will be made to each of the Financial Conduct Authority and the London Stock Exchange for such Ordinary Shares to be admitted to listing and trading on the premium segment of the Official List and the London Stock Exchange's main market for listed securities respectively. It is expected that Admission will become effective, and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 12 July 2013. No application is being made for the Ordinary Shares to be dealt with in or on any stock exchanges or investment exchanges other than the London Stock Exchange.
- (h) The Directors confirm that the Company was incorporated and registered on the date referred to in paragraph 1(a) of this Part VIII and that since the incorporation and registration of the Company the Company has not traded nor prepared any financial statements or accounts.
- (i) The Company does not own any premises and does not lease any premises.

## **10. Third party sources**

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

- (b) The Investment Adviser has given and not withdrawn its written consent to the issue of this Prospectus with references to its name in the form and context in which such references appear. The Investment Adviser accepts responsibility for information attributed to it in this Prospectus and declares that, having taken all reasonable care to ensure that such is the case, the information attributed to it in this Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

## 11. Working capital

The Company is of the opinion that, provided that at least the Minimum Net Proceeds are raised, the working capital available to it is sufficient for the Group's present requirements, that is for at least the next 12 months from the date of this document.

## 12. Capitalisation and indebtedness

The following table shows the Company's gross indebtedness as at 29 May 2013 (being the date of incorporation):

	29 May 2013 (unaudited) £'000
<b>Total Current Debt (£)</b>	
Guaranteed/secured	Nil
Unguaranteed/unsecured	Nil
<b>Total Non-Current Debt (£)</b>	
Guaranteed	Nil
Secured	Nil
Unguaranteed/unsecured	Nil

The following table shows the capitalisation of the Company as at 29 May 2013 (being the date of incorporation):

	29 May 2013 (unaudited) (£)
<b>Shareholders' equity (£)</b>	
Share capital	1
Legal reserves	–
Other reserves	–
Total	<u>1</u>

As at the date of this document, the Company has nil net indebtedness.

## 13. Mandatory Bids, Squeeze Out and Sell Out Rights Relating to the Shares

- (a) The Takeover Code applies to the Company. Under the Takeover Code, if an acquisition of Ordinary Shares were to increase the aggregate holding of the acquirer and its concert parties to Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company, the acquirer (and depending on the circumstances, its concert parties) would be required, except with the consent of the Panel, to make a cash offer for the outstanding Ordinary Shares in the Company at a price not less than the highest price paid for any interests in the Ordinary Shares by the acquirer or its concert parties during the previous 12 months. This requirement would also be triggered by an acquisition of Ordinary Shares by a person holding (together with its concert parties) Ordinary 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.
- (b) Ordinary 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.
- (c) In order for a takeover offer to satisfy the requirements of Part XVIII of the Companies Law, the prospective purchaser must prepare a scheme or contract (in this paragraph, the "Offer") relating to the acquisition of the Ordinary Shares and make the Offer to some or all of the Shareholders. If, at the end of a four month period following the making of the Offer, the Offer has been accepted by Shareholders holding 90 per cent. in value of the Ordinary Shares

affected by the Offer, the purchaser has a further two months during which it can give a notice (in this paragraph, a “Notice to Acquire”) to any Shareholder to whom the Offer was made but who has not accepted the Offer (in this paragraph, the “Dissenting Shareholders”) explaining the purchaser’s intention to acquire their Ordinary 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 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 Ordinary Shares belonging to the Dissenting Shareholders by paying the consideration payable under the Offer to the Company, which it will hold on trust for the Dissenting Shareholders.

- (d) 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 Ordinary 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.
- (e) 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 Ordinary Shares would then be shares in the capital of the combined entity.

#### **14. AIFM Directive**

The AIFM Directive, which is due to be transposed by EU member states into national law by July 2013, seeks to regulate alternative investment fund managers and imposes obligations on managers who manage alternative investment funds in the EU or who market shares in such funds to EU investors. In order to obtain authorisation under the AIFM Directive, an AIFM would need to comply with various organisational, operational and transparency obligations, which may create significant additional compliance costs, some of which may be passed to investors in the AIF.

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

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

#### **15. Documents available for inspection**

Copies of the Articles and the Directors letters of appointment will be available for inspection at the registered office of the Company during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until the date of Admission.

This Prospectus is dated 25 June 2013.

## PART IX

### NOTICES TO OVERSEAS INVESTORS

If you receive a copy of this document in any territory other than the United Kingdom you may not treat it as constituting an invitation or offer to you. It is your responsibility, if you are outside the United Kingdom and wishing to make an application for Ordinary Shares, to satisfy yourself that you have fully observed the laws of any relevant territory or jurisdiction in connection with your application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory. The Company reserves the right, in its absolute discretion, to reject any application received from outside the United Kingdom.

This document does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this document and the offering of Ordinary Shares in certain jurisdictions may be restricted and accordingly persons into whose possession this document is received are required to inform themselves about and to observe such restrictions.

None of the Ordinary Shares have been or will be registered under the laws of Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States or to any US Person (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person or a resident of Australia, Canada, Japan, the Republic of Ireland 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, the Republic of Ireland or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Australia, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or to any US Person or resident in Australia, Canada, Japan, the Republic of Ireland 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, the Republic of Ireland or the Republic of South Africa.

This document 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, the Republic of Ireland or the Republic of South Africa.

Any persons (including, without limitation, custodians, nominees and trustees) who would or otherwise intend to, or may have a contractual or other legal obligation to forward this document or any accompanying documents in or into the United States, Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or any other jurisdiction outside the United Kingdom should seek appropriate advice before taking any action.

#### **For the attention of United States Residents**

The Ordinary Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any State securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed

upon or endorsed the merits of the offering of Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States and any re-offer or resale of any of the Ordinary Shares in the United States or to US Persons may constitute a violation of US law or regulation. Applicants for Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for Ordinary Shares on behalf of US Persons. Any person in the United States who obtains a copy of this document is requested to disregard it.

### **Notice to prospective investors in the European Economic Area**

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive other than the United Kingdom (each, a **Relevant Member State**), an offer to the public of the Ordinary Shares may only be made once a prospectus has been passported in accordance with the Prospectus Directive as implemented by the Relevant Member State. This document has not been passported into any Relevant Member State; therefore, an offer of the Ordinary Shares to the public in a Relevant Member State may only be made pursuant to the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than “qualified investors” as defined in the Prospectus Directive) in such Relevant Member State, subject to obtaining the prior consent of Numis for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the Prospectus Directive. Each person who initially acquires Ordinary Shares pursuant to the Placing or to whom any offer of Ordinary Shares is made under the Placing will be deemed to have represented, warranted and agreed with Numis and the Company that it is a “**qualified investor**” within the meaning of the law of the Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any offer of shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, and the expression **Prospectus Directive** means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any implementing measure in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it under the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined or in circumstances in which the prior consent of Numis has been obtained to each such proposed offer or resale. The Company, Numis and their respective affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified Numis of such fact in writing may, with the consent of Numis, be permitted to subscribe for or purchase Ordinary Shares pursuant to the Placing.

During the period up to but excluding the date on which the Prospectus Directive is implemented in member states of the European Economic Area, this Prospectus may not be used for, or in connection with, and does not constitute, any offer of Ordinary Shares or an invitation to purchase or subscribe for any Ordinary Shares in any member state of the European Economic Area in which such offer or invitation would be unlawful or would impose any unfilled registration, qualification, publication or approval requirements or any undue burden on the Company, Numis or the Investment Adviser.

## DEFINITIONS

<b>Administration Agreement</b>	the administration agreement between the Company and the Administrator, a summary of which is set out in paragraph 5 of Part VIII of this Prospectus
<b>Administrator</b>	Heritage International Fund Managers Limited
<b>Admission</b>	admission to trading on the London Stock Exchange's main market for listed securities of the Ordinary Shares becoming effective in accordance with the LSE Admission Standards and admission of the Ordinary Shares to listing on the premium segment of the Official List
<b>Aggregate Group Debt</b>	the debt incurred by the Group and the Group's proportionate share of the outstanding third party borrowings of non-subsidiary companies in which the Group holds an interest
<b>AIC</b>	the Association of Investment Companies
<b>AIC Code</b>	the AIC Code of Corporate Governance
<b>AIF</b>	an Alternative Investment Fund, as defined in the AIFM Directive
<b>AIFM</b>	an Alternative Investment Fund Manager, as defined in the AIFM Directive
<b>AIFM Directive</b>	the EU Directive on Alternative Investment Fund Managers
<b>Application Form</b>	the application form under the Offer set out at the end of this document
<b>Articles</b>	the articles of incorporation of the Company
<b>Auditors</b>	KPMG Channel Islands Limited
<b>Bluefield</b>	Bluefield Partners LLP
<b>Bluefield Development Fund</b>	Bluefield Energy Solar Development Fund
<b>Bluefield Energy</b>	Bluefield Energy Limited, a company under common control with the Investment Adviser
<b>Board</b>	the board of directors of the Company
<b>Business Day</b>	a day on which the London Stock Exchange and banks in Guernsey are normally open for business
<b>C Shares</b>	redeemable ordinary shares of no par value in the capital of the Company issued as "C Shares" and having the rights and being subject to the restrictions set out in the Articles, which will convert into Ordinary Shares as set out in the Articles
<b>Capita Registrars</b>	a trading name of Capita Registrars Limited
<b>CCLA</b>	CCLA Investment Management Limited
<b>certificated or certificated form</b>	not in uncertificated form
<b>CFD FITs</b>	Contract for Differences for FITS
<b>Climate Change Levy or CCL</b>	the tax imposed by the UK Government to encourage reduction in gas emissions and greater efficiency of energy used for business or non-domestic purposes
<b>Commission or GFSC</b>	the Guernsey Financial Services Commission
<b>Companies Law</b>	the Companies (Guernsey) Law, 2008, as amended
<b>Company</b>	Bluefield Solar Income Fund Limited
<b>CREST Guernsey Requirements</b>	Rule 8 and such other rules and requirements of Euroclear as may be applicable to issuers as from time to time specified in the CREST Manual

<b>CREST Manual</b>	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
<b>CREST Regulations</b>	the Uncertificated Securities Regulations 2001 (SI No. 2001/3755) and the CREST Guernsey Requirements
<b>CREST</b>	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/3755) of the United Kingdom
<b>DECC</b>	the Department of Energy and Climate Change
<b>DevCo</b>	a development SPV owned by the Bluefield Development Fund
<b>Directors or Board</b>	the directors of the Company
<b>Disclosure and Transparency Rules or DTRs</b>	the disclosure rules and transparency rules made by the FCA under Part VI of the FSMA
<b>Discontinuation Resolution</b>	has the meaning given in the section headed “Duration” in Part I of this Prospectus as to the discontinuation of the Company as currently constituted
<b>EEA</b>	the European Economic Area
<b>EMR</b>	Electricity Market Reform
<b>ERISA</b>	the US Employee Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
<b>EU</b>	the European Union
<b>EU ETS</b>	the EU Emissions Trading Scheme
<b>Euroclear</b>	Euroclear UK & Ireland Limited
<b>Exchange Act</b>	the US Securities Exchange Act of 1934, as amended
<b>Excluded Territory</b>	the United States of America, Canada, Australia, Japan, the Republic of Ireland and the Republic of South Africa and any other jurisdiction where the extension or availability of the Issue would breach any applicable law
<b>FATCA</b>	the U.S. Foreign Account Tax Compliance Act of 2010
<b>Financial Conduct Authority or FCA</b>	the Financial Conduct Authority of the United Kingdom and, where applicable, acting as the competent authority for listing in the United Kingdom
<b>FIT</b>	feed-in tariff
<b>FSMA</b>	the Financial Services and Markets Act 2000, as amended
<b>GWh</b>	gigawatt hour, a measure of energy
<b>Gross Asset Value</b>	the aggregate of: (i) the fair value of the Group’s underlying investments (whether or not subsidiaries) valued on an unlevered, discounted cashflow basis as described in the International Private Equity and Venture Capital Valuation Guidelines (latest edition December 2012); (ii) the Group’s proportionate share of the cash balances and cash equivalents of Group Companies and non-subsidiary companies in which the Group holds an interest; and (iii) the other relevant assets or liabilities of the Group valued at fair value (other than third party borrowings) to the extent not included in (i) and (ii) above

<b>Gross Issue Proceeds</b>	the aggregate value of the Shares issued under the Issue at the Issue Price
<b>Group</b>	the Company, Holdco and any other direct or indirect subsidiaries of either of them
<b>Guernsey AML Requirements</b>	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)
<b>Holdco</b>	Bluefield SIF Investments Limited, a wholly-owned subsidiary of the Company incorporated and registered under the UK Companies Act 2006
<b>Holdco Investment Committee</b>	the investment committee of Holdco described in Part IV of this document
<b>IFRS</b>	International Financial Reporting Standards
<b>Internal Revenue Code</b>	the U.S. Internal Revenue Code of 1986, as amended
<b>Investment Adviser</b>	Bluefield Partners LLP
<b>Investment Advisory Agreement</b>	the Investment Advisory agreement between the Company and the Investment Adviser, a summary of which is set out in paragraph 5 of Part VIII of this Prospectus
<b>Investment Committee</b>	the investment committee of the Investment Adviser, details of which are set out in Part IV of this Prospectus
<b>Investment Company Act</b>	the US Investment Company Act of 1940, as amended
<b>IRS</b>	the US Internal Revenue Service
<b>ISA</b>	an individual savings account
<b>ISIN</b>	International Securities Identification Number
<b>Issue Price</b>	£1.00 per Ordinary Share
<b>Issue</b>	the Placing and Offer
<b>KW</b>	kilowatt, equal to one thousand watts, a measure of power
<b>KWh</b>	kilowatt hour, a measure of energy
<b>LEC</b>	levy exemption certificate
<b>Listing Rules</b>	the listing rules made by the Financial Conduct Authority pursuant to Part VI of the FSMA
<b>London Stock Exchange or LSE</b>	the London Stock Exchange plc
<b>LSE Admission Standards</b>	the rules issued by the London Stock Exchange in relation to the admission to trading of, and continuing requirements for, securities admitted to the main market for listed securities
<b>Managing Partners</b>	the managing partners of the Investment Adviser, being James Armstrong, Mike Rand and Giovanni Terranova
<b>Memorandum</b>	the memorandum of incorporation of the Company
<b>Minimum Gross Proceeds</b>	£75 million
<b>Minimum Net Proceeds</b>	being the Minimum Gross Proceeds less the costs of the Issue
<b>MW</b>	megawatt, equal to one million watts, a measure of power
<b>MWh</b>	megawatt hour, a measure of energy
<b>MWp</b>	megawatt peak, being the power produced when a solar project is at peak operating performance with the sun shining strongly at midday

<b>Net Asset Value or NAV</b>	the Gross Asset Value less the Aggregate Group Debt
<b>Net Asset Value per Share or NAV per Share</b>	the Net Asset Value of the Company divided by the number of Ordinary Shares in issue at the relevant time
<b>Net Issue Proceeds</b>	the Gross Issue Proceeds less the fees and expenses of the Issue
<b>NGET</b>	National Grid Electricity Transmission plc
<b>Non-Qualified Holder</b>	any person whose ownership of Ordinary Shares may: (i) cause the Company's assets to be deemed "plan assets" for the purposes of the Internal Revenue Code; (ii) cause the Company to be required to register as an "investment company" under the Investment Company Act (including because the holder of the shares is not a "qualified purchaser" as defined in the Investment Company Act); (iii) cause the Company to register under the Exchange Act, the Securities Act or any similar legislation; (iv) cause the Company not being considered a "Foreign Private Issuer" as such term is defined in rule 3b-4(c) under the Exchange Act; (v) result in a person holding Ordinary Shares in violation of the transfer restrictions put forth in any prospectus published by the Company, from time to time; or (vi) cause the Company to be a "controlled foreign corporation" for the purposes of the Internal Revenue Code, or may cause the Company to suffer any pecuniary disadvantage (which will include any excise tax, penalties or liabilities under ERISA or the Internal Revenue Code, including as a result of the Company's failure to comply with FATCA as a result of the Non-Qualified Holder failing to provide information concerning itself as requested by the Company in accordance with its Articles)
<b>Numis</b>	Numis Securities Limited
<b>Offer or Offer for Subscription</b>	the offer for subscription of Ordinary Shares at the Issue Price pursuant to the terms of this Prospectus
<b>Ofgem</b>	The Office of Gas and Electricity Markets
<b>Ordinary Shares</b>	redeemable ordinary shares of no par value in the capital of the Company
<b>Pipeline Agreement</b>	the agreement between the Investment Adviser, Bluefield Energy and the Bluefield Development Fund, details of which are set out in Part I and III of this Prospectus
<b>Placee</b>	a person subscribing for Ordinary Shares under the Placing
<b>Placing</b>	the placing of Ordinary Shares at the Issue Price as described in this document
<b>Plan Asset Regulations</b>	the regulations promulgated by the U.S. Department of Labor at 29 CFR 2510.3-101, as modified by section 3(42) of ERISA
<b>Plan Investor</b>	(i) an "employee benefit plan" as defined in section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Code; or (iii) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in the preceding clause (i) or (ii) in such entity pursuant to the Plan Asset Regulations
<b>Plan Threshold</b>	ownership by benefit plan investors, as defined under section 3(42) of ERISA, in the aggregate of 25 per cent. or more of the value of any class of equity in the Company (calculated by excluding the value of any equity interest held by any person

(other than a benefit plan investor, as defined under section 3(42) of ERISA) that has discretionary authority or control with respect to the assets of the Company or that provides investment advice for a fee (direct or indirect) with respect to such assets, or any affiliate of such a person); the term shall be amended to reflect such new ownership threshold that may be established by a change in the Plan Asset Regulations or other applicable law

<b>PPA</b>	Power Purchase Agreement
<b>Prospectus Directive</b>	Directive 2003/71/EC of the European Parliament and Council on the prospectus to be offered when transferable securities are offered to the public or admitted to trading
<b>PV</b>	photovoltaic – a photovoltaic panel, usually made from silicon, turns solar radiation into electricity
<b>Prospectus Rules</b>	the prospectus rules made by the Financial Conduct Authority under section 73(A) of the FSMA
<b>Receiving Agent</b>	Capita Registrars
<b>Receiving Agent Agreement</b>	the receiving agent agreement between the Company and the Receiving Agent, a summary of which is set out in paragraph 5 of Part VIII of this Prospectus
<b>Registrar</b>	Capita Registrars (Guernsey) Limited or such other person or persons from time to time appointed by the Company to act as its registrar
<b>Registrar Agreement</b>	the registrar agreement between the Company and the Registrar, a summary of which is set out in paragraph 5 of Part VIII of this Prospectus
<b>Regulation S</b>	Regulation S promulgated under the Securities Act
<b>Renewable Energy Action Plan</b>	the plan required by each Member State of the EU pursuant to Article 4 of the European Renewable Energy Directive (2009/28/EC) setting out measures to enable the UK to reach its target for 15 per cent. of energy consumption in 2020 to be from renewable sources
<b>Renewable Energy Directive</b>	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
<b>Renewables Obligation</b>	the financial mechanism by which the UK Government incentivises the deployment of large-scale renewable electricity generation by placing a mandatory requirement on licensed UK electricity suppliers to source a specified and annually increasing proportion of electricity they supply to customers from eligible renewable sources or pay a penalty
<b>ROCs</b>	Renewable Obligation certificates
<b>Regulatory Information Service or RIS</b>	a regulatory information service
<b>RPI</b>	the Retail Prices Index as published by the Office for National Statistics or any comparable index which may replace it for all items
<b>Rules</b>	the Registered Collective Investment Scheme Rules 2008 issued by the Commission under The Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended
<b>SEC</b>	the US Securities and Exchange Commission

<b>Securities Act</b>	the US Securities Act of 1933, as amended
<b>SEDOL</b>	Stock Exchange Daily Official List
<b>Shareholder</b>	a holder of Ordinary Shares
<b>Shareholding</b>	a holding of Ordinary Shares
<b>SIPP</b>	a self-invested personal pension
<b>Special Purpose Company</b> or <b>SPV</b>	a special purpose vehicle, being a company or other entity whose sole purpose is the holding of a particular asset
<b>Sponsor and Placing Agreement</b>	the conditional agreement between the Company, the Directors, the Investment Adviser, and Numis, a summary of which is set out in paragraph 5 of Part VIII of this document
<b>Sterling</b>	the lawful currency of the United Kingdom
<b>Subscription Deed</b>	the subscription deed between the Company, Numis, the Investment Adviser and CCLA, a summary of which is set out in paragraph 5 of Part VIII of this Prospectus
<b>Terms and Conditions of Application</b>	the terms and conditions of application set out in Appendix 2 to this document in connection with the Offer
<b>US Persons</b>	has the meaning given to it in Regulation S under the Securities Act
<b>UK Corporate Governance Code</b>	the UK Corporate Governance Code as published by the Financial Reporting Council
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>uncertificated</b> or <b>in uncertificated form</b>	recorded on the register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<b>United States</b> or <b>US</b>	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

## APPENDIX 1

### TERMS AND CONDITIONS OF THE PLACING

#### 1. Introduction

Each Placee which confirms its agreement to Numis to subscribe for Ordinary Shares under the Placing will be bound by these terms and conditions and will be deemed to have accepted them.

The Company and/or Numis may require any Placee to agree to such further terms and/or conditions and/or give such additional warranties and/or representations as it (in its absolute discretion) sees fit and/or may require any such Placee to execute a separate placing letter (a Placing Letter).

#### 2. Agreement to Subscribe for Ordinary Shares

Conditional on: (i) Admission occurring and becoming effective by 8.00 a.m. (London time) on or prior to 12 July 2013 (or such later time and/or date, not being later than 26 July 2013, as the Company, the Investment Adviser and Numis may agree); (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects and not having been terminated on or before 12 July 2013 (or such later time and/or date, not being later than 26 July 2013 as the Company, the Investment Adviser and Numis may agree); and (iii) Numis confirming to the Placees their allocation of Ordinary Shares, a Placee agrees to become a member of the Company and agrees to subscribe for those Ordinary Shares allocated to it by Numis 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.

Applications under the Placing must be for a minimum subscription amount of £50,000.

#### 3. Payment for Ordinary Shares

Each Placee undertakes to pay the Issue Price for the Ordinary Shares issued to the Placee in the manner and by the time directed by Numis. In the event of any failure by any Placee to pay as so directed and/or by the time required by Numis, the relevant Placee shall be deemed hereby to have appointed Numis or any nominee of Numis as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Ordinary Shares in respect of which payment shall not have been made as directed, and to indemnify Numis 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 Ordinary Shares shall not release the relevant Placee from the obligation to make such payment for relevant Ordinary Shares to the extent that Numis or its nominee has failed to sell such Ordinary 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, exceeds the Issue Price per Ordinary Share.

#### 4. Representations and Warranties

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

- (a) in agreeing to subscribe for Ordinary Shares under the Placing, it is relying solely on this document 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 Ordinary Shares or the Placing. It agrees that none of the Company, the Investment Adviser, Numis 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;
- (b) if the laws of any territory or jurisdiction outside the United Kingdom are applicable to its agreement to subscribe for Ordinary Shares under the Placing, 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 Adviser, Numis or the Registrar 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 the United Kingdom in connection with the Placing;

- (c) it has carefully read and understands this document in its entirety and acknowledges that it is acquiring Ordinary Shares on the terms and subject to the conditions set out in this Appendix 1 and the Articles as in force at the date of Admission;
- (d) it has not relied on Numis or any person affiliated with Numis in connection with any investigation of the accuracy of any information contained in this document;
- (e) it acknowledges that the content of this document is exclusively the responsibility of the Company and its Directors and neither Numis nor any person acting on its behalf nor any of its affiliates are responsible for or shall have any liability for any information, representation or statement contained in this document or any information published by or on behalf of the Company and will not be liable for any decision by a placee to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- (f) it acknowledges that no person is authorised in connection with the Placing to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by Numis, the Company or the Investment Adviser;
- (g) 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;
- (h) it accepts that none of the Ordinary Shares have been or will be registered under the laws of any Excluded Territory. Accordingly, the Ordinary 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;
- (i) 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 Ordinary 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 Ordinary Shares may be lawfully offered under that other jurisdiction's laws and regulations;
- (j) if it is a resident in the EEA (other than the United Kingdom), it is a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive;
- (k) in the case of any Ordinary Shares acquired by an investor as a financial intermediary within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive; (i) the Ordinary Shares acquired by it in the Placing 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 Numis has been given to the offer or resale; or (ii) where Ordinary Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Ordinary Shares to it is not treated under the Prospectus Directive as having been made to such persons;
- (l) if it is outside the United Kingdom, neither this document nor any other offering, marketing or other material in connection with the Placing constitutes an invitation, offer or promotion to, or arrangement with, it or any person whom it is procuring to subscribe for Ordinary Shares pursuant to the Placing unless, in the relevant territory, such offer, invitation or other course of conduct could lawfully be made to it or such person and such documents or materials could lawfully be provided to it or such person and Ordinary Shares could lawfully be distributed to and subscribed and held by it or such person without compliance with any unfulfilled approval, registration or other regulatory or legal requirements;

- (m) it does not have a registered address in, and is not a citizen, resident or national of, any jurisdiction in which it is unlawful to make or accept an offer of the Ordinary Shares and it is not acting on a non-discretionary basis for any such person;
- (n) 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 Ordinary Shares under the Placing and will not be any such person on the date any such Placing is accepted;
- (o) it has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other offering materials concerning the Issue or the Ordinary Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- (p) it acknowledges that none of Numis nor any of their respective affiliates nor any person acting on its or their behalf is making any recommendations to it, advising it regarding the suitability of any transactions it may enter into in connection with the Placing or providing any advice in relation to the Placing and participation in the Placing is on the basis that it is not and will not be a client of Numis and that Numis does not have any duties or responsibilities to it for providing protection afforded to their respective clients or for providing advice in relation to the Placing nor, if applicable, in respect of any representations, warranties, undertaking or indemnities contained in the Placing Letter;
- (q) that, save in the event of fraud on the part of Numis, none of Numis, its 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 Numis' role as sponsor, broker and financial adviser or otherwise in connection with the Placing 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;
- (r) it acknowledges that where it is subscribing for Ordinary Shares for one or more managed, discretionary or advisory accounts, it is authorised in writing for each such account: (i) to subscribe for the Ordinary Shares for each such account; (ii) to make on each such account's behalf the representations, warranties and agreements set out in this Prospectus; and (iii) to receive on behalf of each such account any documentation relating to the Placing in the form provided by the Company and/or Numis. It agrees that the provision of this paragraph shall survive any resale of the Ordinary Shares by or on behalf of any such account;
- (s) it irrevocably appoints any Director of the Company and any director of Numis to be its agent and on its behalf (without any obligation or duty to do so), to sign, execute and deliver any documents and do all acts, matters and things as may be necessary for, or incidental to, its subscription for all or any of the Ordinary Shares for which it has given a commitment under the Placing, in the event of its own failure to do so;
- (t) it accepts that if the Placing does not proceed or the conditions to the Sponsor and Placing Agreement are not satisfied or the Ordinary 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 Numis or the Company, 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;
- (u) in connection with its participation in the Placing 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;

- (v) it acknowledges that due to anti-money laundering requirements, Numis 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, Numis and the Company may refuse to accept the application and the subscription monies relating thereto. It holds harmless and will indemnify Numis 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;
- (w) 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 Ordinary 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);
- (x) that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the Proceeds of Crime Act 2002;
- (y) 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:
  - (i) process its personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on it;
  - (ii) communicate with it as necessary in connection with its affairs and generally in connection with its holding of Ordinary Shares;
  - (iii) 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 Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
  - (iv) without limitation, provide such personal data to the Company, Numis 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
  - (v) process its personal data for the Administrator's internal administration.
- (z) 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 (w) above). For the purposes of this Prospectus, "data subject", "personal data" and "sensitive personal data" shall have the meanings attributed to them in the Data Protection Law;
- (aa) Numis and the Company are entitled to exercise any of their rights under the Sponsor and Placing Agreement or any other right in their absolute discretion without any liability whatsoever to them;
- (bb) the representations, undertakings and warranties contained in this document are irrevocable. It acknowledges that Numis 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 Ordinary Shares are no longer accurate, it shall promptly notify Numis and the Company;

- (cc) where it or any person acting on behalf of it is dealing with Numis, any money held in an account with Numis 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 Numis to segregate such money, as that money will be held by Numis under a banking relationship and not as trustee;
- (dd) any of its clients, whether or not identified to Numis, will remain its sole responsibility and will not become clients of Numis for the purposes of the rules of the Financial Conduct Authority or for the purposes of any other statutory or regulatory provision;
- (ee) it accepts that the allocation of Ordinary Shares shall be determined by Numis and the Company in their absolute discretion and that such persons may scale down any Placing commitments for this purpose on such basis as they may determine;
- (ff) time shall be of the essence as regards its obligations to settle payment for the Ordinary Shares and to comply with its other obligations under the Placing; and
- (gg) authorises Numis to deduct from the total amount subscribed under the Placing the aggregation commission (if any) (calculated at the rate agreed with the Placee) payable on the number of Ordinary Shares allocated under the Placing.

## 5. United States Purchase and Transfer Restrictions

By participating in the Placing, each Placee acknowledges and agrees that it will (for itself and any person(s) procured by it to subscribe for Ordinary Shares and any nominee(s) for any such person(s)) be further deemed to represent and warrant to each of the Company, the Investment Adviser and Numis that:

- (a) it is not a US Person, is not located within the United States, is acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and is not acquiring the Ordinary Shares for the account or benefit of a US Person;
- (b) it acknowledges that the Ordinary Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, US Persons absent registration or an exemption from registration under the Securities Act;
- (c) it acknowledges that the Company has not registered under the Investment Company Act and that the Company has put in place restrictions for transactions not involving any public offering in the United States, and to ensure that the Company is not and will not be required to register under the Investment Company Act;
- (d) unless the Company expressly consents in writing otherwise, no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (e) that if any Ordinary Shares offered and sold pursuant to Regulation S are issued in certificated form, then such certificates evidencing ownership will contain a legend substantially to the following effect unless otherwise determined by the Company in accordance with applicable law:

**"BLUEFIELD SOLAR INCOME FUND LIMITED (THE "COMPANY") HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). IN ADDITION, THE SECURITIES OF THE COMPANY REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN AND WILL NOT**

**BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES. ACCORDINGLY, THIS SECURITY MAY NOT BE OFFERED, SOLD, PLEDGED, EXERCISED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, US PERSONS EXCEPT IN ACCORDANCE WITH THE SECURITIES ACT OR AN EXEMPTION THEREFROM AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE COMPANY TO REGISTER UNDER THE INVESTMENT COMPANY ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS."**

- (f) if in the future the investor decides to offer, sell, transfer, assign or otherwise dispose of the Ordinary Shares, it will do so only in compliance with an exemption from the registration requirements of the Securities Act and under circumstances which will not require the Company to register under the Investment Company Act. It acknowledges that any sale, transfer, assignment, pledge or other disposal made other than in compliance with such laws and the above stated restrictions will be subject to the compulsory transfer provisions as provided in the Articles;
- (g) it is purchasing the Ordinary Shares for its own account or for one or more investment accounts for which it is acting as a fiduciary or agent, in each case for investment only, and not with a view to or for sale or other transfer in connection with any distribution of the Ordinary Shares in any manner that would violate the Securities Act, the Investment Company Act or any other applicable securities laws;
- (h) it acknowledges that the Company reserves the right to make inquiries of any holder of the Ordinary Shares or interests therein at any time as to such person's status under the US federal securities laws and to require any such person that has not satisfied the Company that holding by such person will not violate or require registration under the US securities laws to transfer such Ordinary Shares or interests in accordance with the Articles
- (i) it acknowledges and understand the Company is required to comply with FATCA and that the Company will follow FATCA's extensive reporting and withholding requirements. The Placee agrees to furnish any information and documents which the Company may from time to time request, including but not limited to information required under FATCA;
- (j) it is entitled to acquire the Ordinary Shares under the laws of all relevant jurisdictions which apply to it, it has fully observed all such laws and obtained all governmental and other consents which may be required thereunder and complied with all necessary formalities and it has paid all issue, transfer or other taxes due in connection with its acceptance in any jurisdiction of the Ordinary Shares and that it has not taken any action, or omitted to take any action, which may result in the Company, the Investment Adviser, Numis or their respective directors, officers, agents, employees and advisers being in breach of the laws of any jurisdiction in connection with the Issue or its acceptance of participation in the Placing;
- (k) it has received, carefully read and understands this document, and has not, directly or indirectly, distributed, forwarded, transferred or otherwise transmitted this document or any other presentation or offering materials concerning the Ordinary Shares to or within the United States or to any US Persons, nor will it do any of the foregoing; and
- (l) if it is acquiring any Ordinary Shares as a fiduciary or agent for one or more accounts, the investor has sole investment discretion with respect to each such account and full power and authority to make such foregoing representations, warranties, acknowledgements and agreements on behalf of each such account.

## **6. Supply and Disclosure of Information**

If Numis, the Registrar or the Company or any of their agents request any information about a Placee's agreement to subscribe for Ordinary Shares under the Placing, such Placee must promptly disclose it to them.

## **7. Miscellaneous**

The rights and remedies of Numis, the Registrar, the Investment Adviser and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be

available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, if a Placee is an individual, that Placee may be asked to disclose in writing or orally, his nationality. If a Placee is a discretionary fund manager, that Placee may be asked to disclose in writing or orally the jurisdiction in which its funds are managed or owned. All documents provided in connection with the Placing 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 Ordinary Shares, which the Placee has agreed to subscribe for pursuant to the Placing, have been acquired by the Placee. The contract to subscribe for Ordinary Shares under the Placing and the appointments and authorities mentioned in this document will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of Numis, the Company, the Investment Adviser and the Registrar, each Placee irrevocably submits to the jurisdiction of the courts of England and Wales and waives any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum. This does not prevent an action being taken against Placee in any other jurisdiction.

In the case of a joint agreement to subscribe for Ordinary Shares under the Placing, 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.

Numis and the Company expressly reserve the right to modify the Placing (including, without limitation, their timetable and settlement) at any time before allocations are determined. The Placing is subject to the satisfaction of the conditions contained in the Sponsor and Placing Agreement and the Sponsor Placing Agreement not having been terminated. Further details of the terms of the Sponsor and Placing Agreement are contained in paragraph 5 of Part VIII of this Prospectus.

## APPENDIX 2

### TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER

#### 1. Introduction

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

#### 2. Offer to acquire Ordinary Shares

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

- (a) offer to subscribe for such number of Ordinary Shares at £1.00 per Ordinary Share as may be purchased by the subscription amount specified in Box 1 on your Application Form (being a minimum of £1,000 or any smaller number for which such application is accepted at £1.00 per Ordinary Share on the terms, and subject to the conditions, set out in this Prospectus, including these Terms and Conditions of Application and the Articles;
- (b) agree that, in consideration of the Company agreeing that it will not, prior to the date of Admission, offer for subscription any Ordinary Shares to any person other than by means of the procedures referred to in this document, your application may not be revoked 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;
- (c) 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 Ordinary Shares applied for in certificated form or be entitled to commence dealing in the Ordinary Shares applied for in uncertificated form or to enjoy or receive any rights in respect of such Ordinary Shares unless and until you make payment in cleared funds for such Ordinary 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 Ordinary 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);
- (d) agree that where on your Application Form a request is made for Ordinary Shares to be deposited into a CREST Account: (i) the Receiving Agent may in its absolute discretion amend the form so that such Ordinary 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 Ordinary 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;
- (e) agree, in respect of applications for Ordinary Shares in certificated form (or where the Receiving Agent exercises its discretion pursuant to paragraph 2(d) above to issue Ordinary 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(d) 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 purpose of The Criminal Justice (Proceeds of Crime) (Bailiwick of Guernsey) Law, 1999 (as amended), and the 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) (the **Guernsey AML Requirements**); and
  - (D) and any interest accruing on such retained monies shall accrue to and for the benefit of the Company;
- (f) 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;
  - (g) 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 Ordinary Shares and, in such case, the Ordinary 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;
  - (h) agree that you are not applying on behalf of a person engaged in money laundering, drug trafficking or terrorism;
  - (i) 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;
  - (j) undertake to pay interest at the rate described in paragraph 3(c) below if the remittance accompanying your Application Form is not honoured on first presentation;
  - (k) authorise the Receiving Agent to procure that there be sent to you definitive certificates in respect of the number of Ordinary Shares for which your application is accepted or if you have completed Box 7 on your Application Form, but subject to paragraph 2(d) above, to deliver the number of Ordinary 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;
  - (l) confirm that you have read and complied with paragraph 8 of this Appendix 2;
  - (m) agree that all subscription cheques and payments will be processed through a bank account (the **Acceptance Account**) in the name of "Capita Registrars re BSIF Limited OFS A/c" opened with the Receiving Agent;
  - (n) 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 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:
    - (i) process your personal data (including sensitive personal data) as required by or in connection with its holding of Ordinary Shares, including processing personal data in connection with credit and money laundering checks on you;
    - (ii) communicate with you as necessary in connection with your affairs and generally in connection with your holding of Ordinary Shares;

- (iii) 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 Ordinary Shares or as the Data Protection Law may require, including to third parties outside the Bailiwick of Guernsey or the European Economic Area;
- (iv) without limitation, provide such personal data to the Company, Numis 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
- (v) process your personal data for the Administrator's internal administration;
- (o) agree that your Application Form is addressed to the Company and the Receiving Agent; and
- (p) acknowledge that the Issue will not proceed if the net proceeds of the Issue would be less than £75 million.

Any application may be rejected in whole or in part at the sole discretion of the Company.

### **3. Acceptance of your Offer**

- (a) 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.
- (b) The basis of allocation will be determined by Numis 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.
- (c) 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.
- (d) 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**

- (a) The contracts created by the acceptance of applications (in whole or in part) under the Offer will be conditional upon:
  - (i) Admission occurring by not later than 8.00 a.m. on 12 July 2013 (or such later time or date, not being later than 26 July 2013, as the Company, the Investment Adviser and Numis may agree);
  - (ii) the Sponsor and Placing Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and
  - (iii) the Minimum Gross Proceeds having been raised.
- (b) You will not be entitled to exercise any remedy of rescission for innocent misrepresentation (including precontractual 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:

- (a) 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;
- (b) warrant that you are a resident of, and are located for the purposes of the Offer in the United Kingdom and no other jurisdiction;
- (c) warrant that you are not a US Person, you are not located within the United States, you are acquiring the Ordinary Shares in an offshore transaction meeting the requirements of Regulation S and are not acquiring the Ordinary Shares for the account or benefit of a US Person;
- (d) 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, Numis or the Receiving Agent, or any of their respective officers, agents, employees or affiliates, acting in breach of the regulatory or legal requirements, directly or indirectly, of any territory or jurisdiction outside Guernsey or the United Kingdom in connection with the Offer in respect of your application;
- (e) confirm that in making an application you are not relying on any information or representations in relation to the Company other than those contained in this document (on the basis of which alone your application is made) and accordingly you agree that no person responsible solely or jointly for this Prospectus or any part thereof shall have any liability for any such other information or representation;
- (f) agree that, having had the opportunity to read this document, you shall be deemed to have had notice of all information and representations contained therein;
- (g) acknowledge that no person is authorised in connection with the Offer to give any information or make any representation other than as contained in this document and, if given or made, any information or representation must not be relied upon as having been authorised by the Company, Numis or the Receiving Agent;
- (h) warrant that you are not under the age of 18 on the date of your application;
- (i) 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;
- (j) confirm that you have reviewed the restrictions contained in paragraph 8 of this Appendix 2 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;

- (k) agree that, in respect of those Ordinary 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;
- (l) agree that all applications, acceptances of applications and contracts resulting therefrom under the Offer (including any non-contractual obligations arising under or in connection therewith) shall be governed by and construed in accordance with English Law and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (m) irrevocably authorise the Company, or the Receiving Agent 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/or the Receiving Agent to execute any documents required therefore and to enter your name on the register of members of the Company;
- (n) 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;
- (o) agree that the Receiving Agent is acting for the Company in connection with the Offer and for no-one else and that they will not treat you as their customer by virtue of such application being accepted or owe you any duties or responsibilities concerning the price of Ordinary Shares or concerning the suitability of Ordinary Shares for you or be responsible to you for providing the protections afforded to their customers;
- (p) no portion of the assets used to purchase, and no portion of the assets used to hold, the Ordinary Shares or any beneficial interest therein constitutes or will constitute the assets of: (i) an "employee benefit plan" as defined in Section 3(3) of ERISA that is subject to Title I of ERISA; (ii) a "plan" as defined in Section 4975 of the Internal Revenue Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the Internal Revenue Code; or (iii) an entity which is deemed to hold the assets of any of the foregoing types of plans, accounts or arrangements that is subject to Title I of ERISA or Section 4975 of the Internal Revenue Code. In addition, if an investor is a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the Internal Revenue Code, its purchase, holding, and disposition of the Ordinary Shares must not constitute or result in a non-exempt violation of any such substantially similar law;
- (q) warrant that you are not subscribing for the Ordinary 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 Ordinary Shares;
- (r) warrant that the information contained in your Application Form is true and accurate; and
- (s) agree that if you request that Ordinary Shares are issued to you on a date other than Admission and such Issue Ordinary Shares are not issued on such date that the Company and its agents and Directors will have not liability to you arising from the issue of such Ordinary Shares on a different date.

## **7. Money Laundering**

- (a) 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.
- (b) 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.

- (c) 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 re BSIF Limited OFS A/C" 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 in paragraph 7(g) below.
- (d) The name on the bank account must be the same as that stated on the Application Form.
- (e) 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.
- (f) Failure to provide the necessary evidence of identity may result in application(s) being rejected or delays in the dispatch of documents.
- (g) 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.
- (h) 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(a) to 8(e) below:

- (a) The offer of Ordinary Shares under the Offer is only being made in the UK. Persons who are resident in, or citizens of, countries other than the United Kingdom (**Overseas Investors**) who wish to subscribe for Ordinary Shares under the Offer may be affected by the law of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for Ordinary Shares under the Offer. It is the responsibility of all Overseas Investors receiving this document and/or wishing to subscribe for the Ordinary Shares under the Offer, to satisfy themselves as to full observance of the laws of any relevant territory or jurisdiction in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities requiring to be observed and paying any issue, transfer or other taxes due in such territory.
- (b) No person receiving a copy of this document 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.
- (c) The Ordinary Shares have not been and they will not be registered under the Securities Act, or with any securities regulatory authority of any State or any other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (as defined in Regulation S). In addition, the Company has not been and will not be registered under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act.
- (d) None of the Ordinary Shares have been or will be registered under the laws of Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or under the Securities Act or with any securities regulatory authority of any State or other political subdivision of the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa. Accordingly, unless an exemption under such Act or laws is applicable, the Ordinary Shares may not be offered, sold or delivered, directly or indirectly, within Australia, Canada, Japan, the Republic of Ireland, the Republic of South Africa or the United States (as the case may be). If you subscribe for Ordinary Shares you will, unless the Company agrees otherwise in writing, be deemed to represent and warrant to the Company that you are not a US Person

or a resident of Australia, Canada, Japan, the Republic of Ireland 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, the Republic of Ireland or the Republic of South Africa and that you are not subscribing for such Ordinary Shares for the account of any US Person or resident of Australia, Canada, Japan, Australia, the Republic of Ireland or the Republic of South Africa and will not offer, sell, renounce, transfer or deliver, directly or indirectly, any of the Ordinary Shares in or into the United States, Australia, Canada, Japan, the Republic of Ireland or the Republic of South Africa or to any US Person or resident in Australia, Canada, Japan, the Republic of Ireland 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, the Republic of Ireland or the Republic of South Africa.

- (e) Persons (including, without limitation, nominees and trustees) receiving this prospectus should not distribute or send it to any US person or in or into the United States, Canada, Australia, Japan, the Republic of Ireland 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.
- (f) The Company reserves the right to treat as invalid any agreement to subscribe for Ordinary Shares pursuant to the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

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

- (a) Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001, (the **DP Law**) the Company and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- (b) 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.
- (c) The countries referred to above include, but need not be limited to, those in the European Economic Area 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.
- (d) By becoming registered as a holder of Ordinary Shares in the Company a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company or its Registrar of any personal data relating to them in the manner described above.

#### **10. Miscellaneous**

- (a) 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 Ordinary Shares and the Offer.
- (b) 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.
- (c) The Company reserves the right to shorten or extend the closing time of the Offer from 12 noon on 8 July 2013 (provided that if the closing time is extended this document remains valid at the closing time as extended) by giving notice to the London Stock Exchange. The Company will notify investors via an RIS and any other manner, having regard to the requirements of the London Stock Exchange.

- (d) The Company may terminate the Offer in its absolute discretion at any time prior to Admission. If such right is exercised, the Offer will lapse and any monies will be returned as indicated without interest.
- (e) 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 Sponsor and Placing Agreement (as the same may be altered from time to time in accordance with its terms).
- (f) Save where the context requires otherwise, terms used in these Terms and Conditions of Application bear the same meaning as use elsewhere in this Prospectus.

# APPLICATION FORM

## BLUEFIELD SOLAR INCOME FUND LIMITED

### Application Form for the Offer for Subscription

If you wish to apply for Ordinary Shares, please complete, sign and return this Application Form, by post or (during normal business hours only) by hand to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than 12 noon on 8 July 2013.

**IMPORTANT:** Before completing this Application Form, you should read the notes set out under the section entitled "*Notes on how to complete the Application Form*" at the back of this Application Form. All applicants must complete Boxes 1 to 3. Joint applicants should also complete Box 4.

If you have a query concerning completion of this Application Form, please call Capita Registrars on 0871 004 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 004 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,

Bluefield Solar Income Fund Limited (the "Company")

#### 1. Application

I/We offer to subscribe for such number of Ordinary Shares of £1.00 as may be purchased by the subscription amount set out in the box immediately below (the minimum being £1,000), fully paid subject to the Terms and Conditions of Application under the Offer set out in Appendix 2 to the prospectus published by the Company dated 25 June 2013 and subject to the Memorandum and Articles, and I/we enclose a cheque for the amount payable (the "**Application Amount**").

Ordinary Shares	
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#### 2. Personal Details (please use block capitals)

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

#### 3. Signature

Dated:	Signature:
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**4. Joint Applicants (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:	

**5. Cheque/Banker's Draft Details**

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

**6. Identity Information**

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

6.1 For each holder being an individual enclose:

- 6.1.1 a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport – Government or Armed Forces identity card – driving licence; and
- 6.1.2 certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, council rates bill or similar document issued by a recognised authority; and
- 6.1.3 if none of the above documents show their date and place of birth, enclose a note of such information; and
- 6.1.4 details of the name and address of their personal bankers from which Receiving Agent may request a reference, if necessary.

6.2 For each holder being a company (a “holder company”) enclose:

- 6.2.1 a certified copy of the certificate of incorporation of the holder company; and
- 6.2.2 the name and address of the holder company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and
- 6.2.3 a statement as to the nature of the holder company’s business, signed by a director; and
- 6.2.4 a list of the names and residential addresses of each director of the holder company; and
- 6.2.5 for each director provide documents and information similar to that mentioned in 6.1.1 to 6.1.4 above; and
- 6.2.6 a copy of the authorised signatory list for the holder company; and
- 6.2.7 a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete 6.3 below and, if another company is named (hereinafter a “beneficiary company”), also complete 6.4 below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

6.3 For each person named in 6.2.7 as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6.1.1 to 6.1.4.

6.4 For each beneficiary company named in 6.2.7 as a beneficial owner of a holder company enclose:

- 6.4.1 a certified copy of the certificate of incorporation of that beneficiary company; and
- 6.4.2 a statement as to the nature of that beneficiary company’s business signed by a director; and
- 6.4.3 the name and address of that beneficiary company’s principal bankers from which the Receiving Agent may request a reference, if necessary; and
- 6.4.4 enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.



- 6.5 If the payor is not a holder and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 5 on how to complete this form) enclose:
  - 6.5.1 if the payor is a person, for that person the documents mentioned in 6.1.1 to 6.1.4; or
  - 6.5.2 if the payor is a company, for that company the documents mentioned in 6.2.1 to 6.2.7; and
  - 6.5.3 an explanation of the relationship between the payor and the holder(s).

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

**7. CREST details (only complete this section if you wish to register your application directly into your CREST Account which should be in the same name(s) as the applicants in boxes 2 and 4 above)**

CREST Participant ID:	
CREST Member Account ID:	

**8. Reliable Introducer Certificate**

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

**CERTIFICATE: To the Company and the Receiving Agent**

By completing and stamping Box 8 below you are deemed to have given the warranties and undertakings set out in Clause 6 of the accompanying Terms and Conditions of Application under the Offer.

IFA STAMP

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<b>Name of Firm</b>	
<b>FSA Number</b>	
<b>Signature</b>	
<b>Print Name</b>	
<b>Position</b>	
<b>Date</b>	
<b>Telephone No</b>	

**9. Contact Details**

To ensure the efficient and timely processing of this Application Form please enter below the contact details of a person that the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the person signing in Box 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name:	Telephone no:
	Fax no:
Contact address:	Email address:

**Signature of Applicant**

Signed ..... Date ..... 2013  
 Authorised Signatory



## Notes on how to complete the Application Form

Applications should be returned so as to be received no later than 12 noon on 8 July 2013.

If you have a query concerning completion of the Application Form please call Capita Registrars on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute plus any other network providers' costs. Lines are open from 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday (excluding public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Receiving Agent cannot provide any advice on the offer or any tax, financial or legal advice.

### 1. Application

Fill in Box 1 with the amount of money being subscribed for Ordinary Shares. The amount being subscribed must be for a minimum of £1,000. Financial intermediaries who are investing on behalf of clients should make separate applications or, if making a single application for more than one client, provide details of all clients in respect of whom application is made in order to benefit most favourably from the scaling back process should this be required.

### 2. Personal Details

Fill in (in block capitals) the full name(s) and address of the sole first applicant. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form at sections 3 and 4 (where applicable).

### 3. Signature

All holders named in sections 2 and 4 (where applicable) must sign sections 3 and 4 (where applicable) and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### 4. Cheque/Banker's Draft Details

Payment may be made by a cheque or banker's draft accompanying your application. If payment is by cheque or banker's draft such payment must accompany your Application Form and be for the exact amount shown in Box 1 of your Application Form. Your cheque or banker's draft must be made payable to Capita Registrars "re. BSIF Limited OFS A/C" and crossed "A/C Payee". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being debited on the reverse of the banker's draft or cheque and adds its stamp. Your cheque or banker's draft must be drawn in sterling on an account at a bank branch in the United Kingdom or the Channel Islands and must bear a United Kingdom bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers draft. The funds must be drawn from an account where you have sole or joint title to them.

### 5. Identity Information

Applicants need only consider section 6 of the Application Form if the declaration in section 8 cannot be completed. Notwithstanding that the declaration in section 8 has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed in section 6 and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your application might be rejected or revoked. Where certified copies of documents are requested in section 6, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

### 6. CREST

If you wish your Shares to be deposited in a CREST Account in the name of the holder(s) given in sections 2 and 4 (where applicable), enter in section 7 the details of that CREST Account. Where it is requested that Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such Shares might be allotted and issued. It is not possible for an applicant to request that Shares be deposited in their CREST Account on an against payment basis. Any Application Form received containing such a request will be rejected.

### 7. Reliable Introducer Certificate

Applications will be subject to Guernsey's anti-money laundering requirements. This will involve you providing the verification of identity documents listed in section 6 of the Application Form UNLESS you can have the certificate provided at section 8 of the Application Form given and signed by a firm acceptable to the Receiving Agent. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the certificate provided in section 8 of the Application Form completed and signed by a suitable firm.

#### **8. Contact Details**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

#### **Instructions for delivery of completed Application Forms**

**Completed Application Forms should be returned, by post or by hand (during normal business hours), to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Kent BR3 4TU so as to be received no later than 12 noon on 8 July 2013, together in each case with payment in full in respect of the application. If you post your Application Form, you are recommended to use first class post and to allow at least two days for delivery. Application Forms received after this date may be returned.**

