

INVESTMENT POLICY

The Company seeks to achieve its investment objective by investing exclusively in solar PV plants.

The Company invests in solar PV assets primarily in the UK. Not more than 15% of the Company's gross asset value ("Gross Asset Value") (calculated at the time of investment) may be invested in solar PV assets that are located outside the UK. Investments outside the UK will be made only in OECD countries that the Investment Manager and Investment Adviser believe have a stable solar energy regulatory environment and provide investment opportunities with similar, or better, investment characteristics and returns relative to investments in the UK.

The Company intends to continue to acquire solar PV plants that are primarily ground-based and utility-scale and which are on sites that may be agricultural, industrial or commercial. The Company may also acquire portfolios of residential or commercial building-integrated installations. The Company targets solar PV plants that are anticipated to generate stable cash flows over their asset lifespan.

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

The Company has built up a diversified portfolio of solar PV plants and its investment policy contains restrictions to ensure risk diversification. No single investment (or, if an additional stake in an existing investment is acquired, the combined value of both the existing and the additional stake) by the Company in any one solar PV plant will constitute (at the time of investment) more than 30% of the Gross Asset Value. In addition, the four largest solar PV plants will not constitute (at the time of investment) more than 75% of the Gross Asset Value.

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

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

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

A significant proportion of the Group's income is expected to result from the sale of the entirety of the electricity generated by the solar PV plants within the terms of power purchase agreements ("PPA") to be executed from time to time. These are expected to include the monetisation of ROCs and other regulated benefits and the sale of electricity generated by the plants to energy consumers and energy suppliers 9 (Brown Power). Within this context, the Company expects to execute PPAs with creditworthy counterparties at the appropriate time.

The Company will continue to diversify its third party suppliers, service providers and other commercial counterparties, such as developers, engineering and procurement contractors, technical component manufacturers, PPA providers and landlords.

In pursuit of the Company's investment objective, the Company may employ leverage, which will not exceed (at the time the relevant arrangement is entered into) 50% of the Gross Asset Value in aggregate. Such leverage will be deployed for the acquisition of further solar PV plants in accordance with the Company's investment policy. The Company may seek to raise leverage at any of the SPV, UK Holdco or Company level. The Company has a preference for medium- to long-term amortising debt financing.

The Company invests with a view to holding its solar PV plants until the end of their useful life. However, assets may be disposed of or otherwise realised where the Investment Manager determines, in its discretion, that such realisation is in the best interests of the Company. Such circumstances may include (without limitation) disposals for the purposes of realising or preserving value, or of realising cash resources for reinvestment or otherwise. The Company will seek to optimise and extend the lifespan of its assets and may invest in their repowering and/or integration of ancillary technologies (e.g. energy storage) on its solar PV plants to fully utilise grid connections and balance the electricity grid with a view to generating greater revenues. The Company expects to re-invest any cash surplus (in excess of that required to meet the Company's dividend target and ongoing operating expenses) in further investments, thereby supporting its long-term net asset value.

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

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

Where investments are made in currencies other than sterling, currency hedging may be carried out to seek to provide protection to the level of sterling dividends and other distributions that the Company aims to pay on its shares and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of forward foreign exchange contracts to hedge the income from assets that are exposed to exchange rate risk against sterling and foreign currency borrowings to finance foreign currency assets.

Hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to protect or enhance returns from the Company's portfolio and will not be carried out for speculative purposes.

As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of the FCA and of its Shareholders by ordinary resolution.

In the event of any breach of the Company's investment policy, Shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to Shareholders at their registered addresses in accordance with the Articles.