

# GCP Infrastructure Investments Limited

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Open Offer, Placing and  
Offer for Subscription of  
C Shares and  
Placing Programme  
in respect of  
Ordinary Shares 2014

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Investment Adviser

**GCP**

Sponsor and Joint Bookrunner  
Oriental Securities Limited

Joint Bookrunner  
Cenkos Securities plc

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, you should consult immediately a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) (“FSMA”) who specialises in advising on the acquisition of shares and other securities.**

**A copy of this document, which comprises a prospectus relating to GCP Infrastructure Investments Limited (the “Company”), prepared in accordance with the Prospectus Rules of the Financial Conduct Authority made pursuant to section 85 of FSMA, has been delivered to the Financial Conduct Authority and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.**

Application will be made to the UK Listing Authority for all of the C Shares to be issued pursuant to the Issue to be admitted to the Standard Listing segment of the Official List and for all such C Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. It is expected that such admission will become effective and that dealings in such C Shares will commence at 8.00 a.m. on 18 March 2014.

Application will be made to the UK Listing Authority for all of the Placing Programme Shares to be issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and for all such Placing Programme Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities. Admission of such Placing Programme Shares will become effective and dealings in such Placing Programme Shares will commence not later than 11 February 2015.

The C Shares and Ordinary Shares are not dealt in on any other recognised investment exchanges and no applications for the C Shares and Ordinary Shares to be traded on any such other exchanges have been made or are currently expected to be made.

The Directors of the Company, whose names and functions appear in the “Directors, Agents and Advisers” section of this Prospectus, and the Company itself, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and of the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Investment Adviser accepts responsibility for the information contained in this document attributed or pertaining to it. To the best of the knowledge of the Investment Adviser, who has taken all reasonable care to ensure that such is the case, the information contained in this document attributed or pertaining to it is in accordance with the facts and contains no omission likely to affect its import.

Although the whole text of this document should be read, the attention of persons receiving this document and of prospective investors in the Company are drawn to the section headed “Risk Factors” contained on pages 17 to 27 of this document.

The latest time and date for applications under the Open Offer is 11.00 a.m. on 7 March 2014 and the latest time and date for applications under the Offer for Subscription is 4.30 p.m. on 10 March 2014.

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## **GCP Infrastructure Investments Limited**

*(a company incorporated in Jersey under The Companies (Jersey) Law, 1991 (as amended)  
with registered no. 105775)*

**Open Offer, C Share Placing and Offer for Subscription with a target size in excess of  
75 million C Shares of £0.01 each at an issue price of £1.00 per C Share**

**and**

**Placing Programme in respect of up to 100 million Ordinary Shares**

**Oriel Securities Limited**

*Sponsor and Joint Bookrunner*

**Cenkos Securities plc**

*Joint Bookrunner*

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Each of Oriel Securities Limited (“**Oriel**”) and Cenkos Securities plc (“**Cenkos**”) is authorised and regulated in the United Kingdom by the Financial Conduct Authority and is acting for the Company and no-one else in connection with the Issue and the Placing Programme and the contents of this document and will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for affording advice in relation to the Issue and the contents of this document or any matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which either Oriel or Cenkos may have under FSMA or the regulatory regime established thereunder. Each of Oriel and Cenkos takes no responsibility for any part of the contents of this document pursuant to sections 79(3) or 90 of FSMA and does not accept any responsibility for, or authorise, any part of the contents of this document under rule 5.5 of the Prospectus Rules of the Financial Conduct Authority.

Neither the C Shares nor the Placing Programme Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under the applicable state securities laws of the United States, and may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act). In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended.

This document is dated 12 February 2014.

# CONTENTS

	<i>Page</i>
SUMMARY	3
RISK FACTORS	17
IMPORTANT INFORMATION	28
DIRECTORS, AGENTS AND ADVISERS	31
EXPECTED TIMETABLE	33
ISSUE STATISTICS	35
PLACING PROGRAMME STATISTICS	35
PART 1 THE COMPANY	36
PART 2 MANAGEMENT AND ADMINISTRATION	48
PART 3 BACKGROUND TO UK INFRASTRUCTURE AND ASSOCIATED DEBT INVESTMENT OPPORTUNITIES	53
PART 4 CURRENT PORTFOLIO	61
PART 5 THE INVESTMENT ADVISER AND ITS EXPERIENCE	75
PART 6 THE ISSUE	77
PART 7 THE PLACING PROGRAMME	82
PART 8 TERMS OF THE C SHARES	85
PART 9 TAXATION	91
PART 10 ADDITIONAL INFORMATION	95
PART 11 FINANCIAL INFORMATION ON THE COMPANY	125
DEFINITIONS	127
TERMS AND CONDITIONS OF THE OPEN OFFER	133
TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION	150
NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM	156
OFFER FOR SUBSCRIPTION APPLICATION FORM	163
TERMS AND CONDITIONS OF THE C SHARE PLACING	167
TERMS AND CONDITIONS OF THE PLACING PROGRAMME	171

## 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 securities 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 in the summary because of the type of securities 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>		
A.1		<ul style="list-style-type: none"> <li>• <b>This summary should be read as introduction to the prospectus;</b></li> <li>• <b>any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor;</b></li> <li>• <b>where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</b></li> <li>• <b>civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</b></li> </ul>
A.2	<b>Subsequent resale of securities or final placement of securities through financial intermediaries</b>	Not applicable. GCP Infrastructure Investments Limited (the “ <b>Company</b> ”) is not engaging any financial intermediaries for any resale of securities or final placement of securities after the publication of this document.

<b>Section B – The Company</b>		
B.1	<b>The legal and commercial name of the Company</b>	GCP Infrastructure Investments Limited.
B.2	<b>Domicile and legal form of the Company</b>	The Company is a closed-ended investment company incorporated in Jersey under the Companies (Jersey) Law, 1991, (as amended) (the “ <b>Jersey Companies Law</b> ”) and is a certified fund pursuant to the CIF Law and the Jersey Listed Fund Guide. Its registered office is situated at 12 Castle Street, St. Helier, Jersey JE2 3RT.
B.5	<b>Details of any group of which the Company forms part</b>	The Company holds 100% of the issued share capital in GCP Infrastructure Fund Limited (the “ <b>Subsidiary</b> ”) and together with the Company, the “ <b>Group</b> ”). The Company does not have any other subsidiaries.

B.6	<b>Notifiable interests</b>	<p>As at 5.30 p.m. on 11 February 2014 (being the latest practicable date before publication of this document), the Company is aware of the following existing shareholders of the Company (“<b>Shareholders</b>”) who were at such time interested, directly or indirectly, in 3 per cent. or more of the Company’s issued share capital:</p> <table data-bbox="639 376 1394 969"> <thead> <tr> <th style="text-align: left;"><i>Name</i></th> <th style="text-align: right;"><i>Number of Ordinary Shares</i></th> <th style="text-align: right;"><i>Percentage of voting rights</i></th> </tr> </thead> <tbody> <tr> <td>HSBC Global Custody Nominee (UK)</td> <td style="text-align: right;">38,064,028</td> <td style="text-align: right;">10.73%</td> </tr> <tr> <td>State Street Nominees Limited</td> <td style="text-align: right;">37,844,360</td> <td style="text-align: right;">10.67%</td> </tr> <tr> <td>GCP Infrastructure OEIC Limited</td> <td style="text-align: right;">23,590,600</td> <td style="text-align: right;">6.65%</td> </tr> <tr> <td>Ferlim Nominees Limited</td> <td style="text-align: right;">22,098,943</td> <td style="text-align: right;">6.23%</td> </tr> <tr> <td>Brewin Dolphin</td> <td style="text-align: right;">21,240,032</td> <td style="text-align: right;">5.99%</td> </tr> <tr> <td>Rathbone Nominees Limited</td> <td style="text-align: right;">19,057,588</td> <td style="text-align: right;">5.37%</td> </tr> <tr> <td>J M Finn Nominees Limited</td> <td style="text-align: right;">18,577,376</td> <td style="text-align: right;">5.24%</td> </tr> <tr> <td>Cheviot Capital (Nominees) Ltd</td> <td style="text-align: right;">17,801,530</td> <td style="text-align: right;">5.02%</td> </tr> <tr> <td>Nortrust Nominees Limited</td> <td style="text-align: right;">16,287,650</td> <td style="text-align: right;">4.59%</td> </tr> <tr> <td>The Bank of New York (Nominees)</td> <td style="text-align: right;">13,734,722</td> <td style="text-align: right;">3.87%</td> </tr> <tr> <td>Vidacos Nominees Limited</td> <td style="text-align: right;">13,366,834</td> <td style="text-align: right;">3.77%</td> </tr> <tr> <td>Roy Nominees Limited</td> <td style="text-align: right;">12,940,484</td> <td style="text-align: right;">3.65%</td> </tr> <tr> <td>Smith &amp; Williamson Nominees Limited</td> <td style="text-align: right;">10,959,151</td> <td style="text-align: right;">3.09%</td> </tr> </tbody> </table> <p>None of the above Shareholders have different Shareholder rights to those of other Shareholders.</p>	<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights</i>	HSBC Global Custody Nominee (UK)	38,064,028	10.73%	State Street Nominees Limited	37,844,360	10.67%	GCP Infrastructure OEIC Limited	23,590,600	6.65%	Ferlim Nominees Limited	22,098,943	6.23%	Brewin Dolphin	21,240,032	5.99%	Rathbone Nominees Limited	19,057,588	5.37%	J M Finn Nominees Limited	18,577,376	5.24%	Cheviot Capital (Nominees) Ltd	17,801,530	5.02%	Nortrust Nominees Limited	16,287,650	4.59%	The Bank of New York (Nominees)	13,734,722	3.87%	Vidacos Nominees Limited	13,366,834	3.77%	Roy Nominees Limited	12,940,484	3.65%	Smith & Williamson Nominees Limited	10,959,151	3.09%						
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B.7	<b>Selected historical key financial information and significant change to the Company’s financial condition and operating results</b>	<p>Selected historical key financial information of the Company as at 30 September 2011, 30 September 2012 and 30 September 2013 is set out below. The information has been extracted without material adjustment from the audited consolidated financial statements of the Company for the years ended 30 September 2011, 30 September 2012 and 30 September 2013.</p> <table data-bbox="639 1305 1394 1776"> <thead> <tr> <th style="text-align: left;"><i>Group</i></th> <th style="text-align: right;"><i>As at 30 September 2013</i></th> <th style="text-align: right;"><i>As at 30 September 2012</i></th> <th style="text-align: right;"><i>As at 30 September 2011</i></th> </tr> <tr> <td></td> <th style="text-align: right;"><i>£</i></th> <th style="text-align: right;"><i>£</i></th> <th style="text-align: right;"><i>£</i></th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Assets</b></td> </tr> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">25,391</td> <td style="text-align: right;">9,592</td> <td style="text-align: right;">9,220</td> </tr> <tr> <td>Receivables and prepayments</td> <td style="text-align: right;">3,127</td> <td style="text-align: right;">2,392</td> <td style="text-align: right;">3,561</td> </tr> <tr> <td>Investments at fair value</td> <td style="text-align: right;">344,142</td> <td style="text-align: right;">157,070</td> <td style="text-align: right;">67,174</td> </tr> <tr> <td><b>Total assets</b></td> <td style="text-align: right;"><b>372,660</b></td> <td style="text-align: right;"><b>169,054</b></td> <td style="text-align: right;"><b>79,955</b></td> </tr> <tr> <td colspan="4"><b>Liabilities</b></td> </tr> <tr> <td>Payables and accrued expenses</td> <td style="text-align: right;">3,795</td> <td style="text-align: right;">3,078</td> <td style="text-align: right;">4,023</td> </tr> <tr> <td>Non-controlling interests</td> <td style="text-align: right;">75,249</td> <td style="text-align: right;">44,203</td> <td style="text-align: right;">31,834</td> </tr> <tr> <td><b>Total liabilities</b></td> <td style="text-align: right;"><b>79,044</b></td> <td style="text-align: right;"><b>47,282</b></td> <td style="text-align: right;"><b>35,857</b></td> </tr> <tr> <td><b>Net assets</b></td> <td style="text-align: right;"><b>293,616</b></td> <td style="text-align: right;"><b>121,772</b></td> <td style="text-align: right;"><b>44,098</b></td> </tr> </tbody> </table> <p>Detailed below are the adjusted net asset values attributable to the holders of ordinary shares of £0.01 each in the capital of the Company (“<b>Ordinary Shares</b>”) as at the relevant dates as calculated in accordance with the Company’s policies as described in this document for calculating its monthly published net asset value (the “<b>Published NAV</b>”), which totals £293.6 million. The difference between the Published NAVs below attributable to the</p>	<i>Group</i>	<i>As at 30 September 2013</i>	<i>As at 30 September 2012</i>	<i>As at 30 September 2011</i>		<i>£</i>	<i>£</i>	<i>£</i>	<b>Assets</b>				Cash and cash equivalents	25,391	9,592	9,220	Receivables and prepayments	3,127	2,392	3,561	Investments at fair value	344,142	157,070	67,174	<b>Total assets</b>	<b>372,660</b>	<b>169,054</b>	<b>79,955</b>	<b>Liabilities</b>				Payables and accrued expenses	3,795	3,078	4,023	Non-controlling interests	75,249	44,203	31,834	<b>Total liabilities</b>	<b>79,044</b>	<b>47,282</b>	<b>35,857</b>	<b>Net assets</b>	<b>293,616</b>	<b>121,772</b>	<b>44,098</b>
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Ordinary Shares and the net assets attributable to the Ordinary Shares on a consolidated basis as illustrated above arises from a difference in the treatment of set up costs incurred between the calculation of Published NAV and net asset value calculation in accordance with IFRS.

<i>Period/Year end position</i>	<i>As at 30 September 2013</i>	<i>As at 30 September 2012</i>	<i>As at 30 September 2011</i>
Net assets attributable to			
Ordinary Shares	£293,643	£121,823	£44,157
Net asset value per Ordinary Share	104.35p	100.99p	100.37p

During the period from incorporation on 21 May 2010 to 30 September 2011, the Company successfully raised £40 million from an initial public offering in July 2010. A further £4.1 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made five investments during the period totalling £34.3 million.

During the year ended 30 September 2012, the Company carried out a placing and offer for subscription of C shares of £0.01 each in the capital of the Company (“C Shares”) which raised gross proceeds of £67.4 million. A further £11.3 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made eleven investments during the year totalling £86.8 million.

During the year ended 30 September 2013, the Company carried out a placing and offer for subscription of C Shares which raised gross proceeds of £144.4 million. A further £22.0 million was raised through a tap issue. The Company invested substantially all the capital raised in the Subsidiary. The Subsidiary made sixteen investments during the year totalling £168.6 million.

Save to the extent disclosed below, there has been no significant change in the financial condition or operating results of the Group since 30 September 2013, being the end of the period covered by the historical financial information:

- on 25 November 2013 GCP RHI Boiler 1 Limited repaid the £26 million loan advance to it by the Subsidiary in full, on account of lower than anticipated demand for biomass boilers installed on commercial premises;
- on 29 November 2013 the Subsidiary subscribed for £21.2 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 3 Limited. The proceeds were used to make a senior loan secured against a single five turbine 15MW wind farm to be developed in Northern Ireland;
- on 10 December 2013 the Subsidiary subscribed for £14.5 million of loan notes with a yield of 9.1 per cent. per annum, issued by GCP Biomass 2 Limited. The proceeds

		<p>were used to make a senior loan secured against a wood-fuelled power station to be developed in Birmingham;</p> <ul style="list-style-type: none"> <li>• on 10 December 2013 the Subsidiary completed a series of transactions subscribing for an aggregate of £6.5 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 2 Limited. The proceeds are to be used to make senior loans secured against three 500kW single turbine wind sites being developed in Scotland and Wales;</li> <li>• on 27 January 2014 GCP RHI Boiler 2 Limited repaid £5 million of the loan advanced to it by the Subsidiary, on account of lower than anticipated demand for biomass boilers installed on commercial premises;</li> <li>• on 27 January 2014 the Subsidiary subscribed for £4.99 million of loan notes with a yield of 9.3 per cent. per annum, issued by GCP Rooftop Solar 4 Limited. The proceeds were used to make a senior loan secured against rooftop solar installations;</li> <li>• on 22 January 2014, at a court meeting convened by an order of the Royal Court of Jersey, votes representing 100% of the votes cast by shareholders of the Subsidiary other than the Company (“<b>Minority Subsidiary Shareholders</b>”) were cast in favour of a resolution approving a Jersey court-sanctioned scheme of arrangement (the “<b>Scheme</b>”) pursuant to which the Company would acquire all of the shares it did not previously own in the Subsidiary (the “<b>Subsidiary Shares</b>”). On 7 February 2014 the Subsidiary became a wholly-owned subsidiary of the Company upon completion of the Scheme;</li> <li>• in accordance with the elections made by Minority Subsidiary Shareholders pursuant to the Scheme, the Company: <ul style="list-style-type: none"> <li>– issued to Minority Subsidiary Shareholders 49,151,762 Ordinary Shares, which were admitted to the Official List and to trading on the Main Market of the London Stock Exchange on 10 February 2014;</li> <li>– issued to New OEIC 23,590,600 Ordinary Shares, which were admitted to the Official List and to trading on the Main Market of the London Stock Exchange on 11 February 2014;</li> <li>– paid to Minority Subsidiary Shareholders £674,665 in cash;</li> </ul> </li> <li>• as a result of the Reorganisation, on 7 February 2014, 52,245,316.21 income shares and 13,975,401.75 accumulation shares of the Subsidiary were acquired by the Company or cancelled, resulting in the Company being the 100% owner of the Subsidiary and the liability associated with the non-controlling interests of £75,249,109 being extinguished; and</li> <li>• in connection with the Scheme, and with effect from 7 February 2014, the Company and the Subsidiary effected a</li> </ul>
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		<p>restructure of Group governance, advisory and certain other arrangements to reflect the new Group structure (the “<b>Reorganisation</b>”). On 7 February 2014, the Subsidiary ceased to be an expert fund regulated under the CIF Law and became a wholly-owned subsidiary of the Company. The Subsidiary was also delisted from the CISEA. The cost of the Scheme and the Reorganisation was borne by the Company. The cost of the Scheme and the Reorganisation will be included and identified in the next published accounts.</p>
B.8	<b>Selected key pro forma financial information</b>	Not applicable. No pro forma financial information is included in this document.
B.9	<b>Profit forecast or estimate</b>	Not applicable. No profit forecast or estimate is made in this document.
B.10	<b>Qualifications in the audit report</b>	Not applicable.
B.11	<b>Insufficiency of working capital</b>	Not applicable.
B.34	<b>Description of investment objective, policy and investment restrictions</b>	<p>The Company’s investment objectives are to provide its Shareholders with regular, sustained, long-term distributions and to preserve the capital value of its investment assets over the long term by generating exposure to subordinated PFI debt and related and/or similar assets.</p> <p>To achieve its investment objectives, the Company focuses on taking (through the Subsidiary) debt exposure to infrastructure projects which have pre-determined, very long term, public sector-backed revenues, no construction or property risks and contracts which are “availability” based (i.e. the payments under the contracts do not depend on the level of use of the project assets).</p> <p>It is intended that such investments will make up a minimum of 75 per cent. of the Company’s total assets. It is also intended that not more than 10 per cent. in value of the Company’s total assets from time to time consist of securities or loans relating to any one individual infrastructure asset. The Company (through the Subsidiary) may also consider, in respect of up to an absolute maximum of 25 per cent. of its total assets (at the time the relevant investment is made), taking exposure to projects that are not within its primary focus.</p> <p>The Company is not subject to any other investment restrictions, save that it is required to manage and invest its assets in accordance with its investment objectives and policy as stated above.</p>
B.35	<b>Borrowing and/or leverage limits</b>	Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company’s net asset value immediately following draw down of the relevant debt. The Company does not currently have any debt facilities in place and does not currently intend to introduce gearing.

		<p>The Subsidiary may borrow for the purpose of investment and for short-term purposes as may be necessary for the settlement of transactions or to meet ongoing expenses. The Subsidiary’s borrowings shall not in any event exceed 20 per cent. of the Subsidiary’s net asset value at the time any such borrowings are drawn down. The Subsidiary does not currently have any debt facilities in place and does not currently intend to introduce gearing.</p>
B.36	<b>Regulatory status of the Group</b>	<p>The principal legislation under which the Company and the Subsidiary operate is the Jersey Companies Law.</p> <p>The Company is a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide.</p> <p>The Subsidiary is an intermediate holding company.</p>
B.37	<b>Profile of typical investors</b>	<p>Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.</p>
B.38	<b>Investment in excess of 20 per cent. of the Company’s gross assets in another collective investment undertaking</b>	<p>Not applicable.</p>
B.39	<b>Investment in excess of 40 per cent. of the Company’s gross assets in another collective investment undertaking</b>	<p>Not applicable.</p>
B.40	<b>The Investment Adviser and the Company’s other service providers</b>	<p>Gravis Capital Partners LLP (the “<b>Investment Adviser</b>”) is the investment adviser of the Company. The Investment Adviser provides investment advice to the Company in accordance with the terms of an investment advisory agreement with the Company (the “<b>Investment Advisory Agreement</b>”).</p> <p>Under the terms of the Investment Advisory Agreement, the Investment Adviser receives an investment advisory fee from the Company equal to 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings). The Investment Adviser is also entitled to an acquisition fee of up to 1 per cent. of the cost of each asset acquired by the Group.</p> <p>Capita Financial Administrators (Jersey) Limited (the “<b>Administrator</b>”) has been appointed by the Company and the Subsidiary to provide administrative and secretarial services to the Company and the Subsidiary in accordance with the terms of an administration agreement with the Company (“<b>Company Administration Agreement</b>”) and an administration agreement with the Subsidiary (“<b>Subsidiary Administration Agreement</b>”). Under the terms of the Company Administration Agreement, the Administrator will receive an annual fee based on a percentage (on a sliding scale) of the net asset value of the Company, which will be payable monthly in arrears. The administration fee will be subject to a minimum annual fee of £160,000.</p>

		<p>An additional one-off fee of £35,000 will be paid to the Administrator for services provided in respect of the proposed open offer, placing and offer for subscription of C Shares (together, the “<b>Issue</b>”) and the placing programme of Ordinary Shares (the “<b>Placing Programme</b>”). In addition, the Administrator will charge a fee of £35,000 per issue for any further issues of C Shares.</p> <p>The annual fee for the provision of a Jersey Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer shall be £10,000 per annum payable monthly in arrears.</p> <p>Under the terms of the Subsidiary Administration Agreement, the Administrator will receive an annual fee of £15,000.</p> <p>Capita Registrars (Jersey) Limited (the “<b>Registrar</b>”) is the registrar of the Company and is party to a share registration services agreement with the Company (“<b>Company Share Registration Services Agreement</b>”). Under the Company Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £16,500 per annum in respect of basic registration. Together with any additional registrar activity not included in such basic registration services, it is currently expected the fees payable to the Registrar will be approximately £56,500 per annum.</p> <p>Capita Registrars Limited (the “<b>Receiving Agent</b>”) is the receiving agent of the Company. The Receiving Agent is paid fees including: (a) professional advisory fees of £200 per hour, subject to a minimum aggregate fee of £2,000; (b) processing fees per item processed, subject to a minimum aggregate processing fee of £5,000; and (c) various other fees in relation to certain matters including with regard to opening of premises on non-business days (£5,000 per day).</p> <p>Capita Trust Company (Jersey) Limited (the “<b>Custodian</b>”) is the custodian of the Group and is party to a custodian agreement with the Company (“<b>Custodian Agreement</b>”). Under the Custodian Agreement, the Custodian is entitled to receive a fee of 0.03 per cent per annum of the net asset value of the Company subject to a minimum annual fee of £40,000.</p>
B.41	<p><b>Identity and regulatory status of the Investment Adviser</b></p>	<p>The investment adviser to the Company is Gravis Capital Partners LLP. The Investment Adviser is authorised and regulated by the UK Financial Conduct Authority (“<b>FCA</b>”). The Investment Adviser understands that the Company is an alternative investment fund (within the meaning of the Alternative Investment Fund Managers Directive 2011/61/EU as implemented in the UK (“<b>AIFMD</b>”). The Investment Adviser acts as the alternative investment fund manager (within the meaning of AIFMD) of the Company. It currently performs this role pursuant to transitional provisions and is seeking FCA permission to continue to act in such capacity.</p>

B.42	<b>Valuation and publication of the Company's net asset value</b>	Mazars LLP (the " <b>Valuation Agent</b> ") is responsible for carrying out a fair market valuation of the Group's investments on a monthly basis. The net asset value of the Company and of the Ordinary Shares is calculated monthly by the Administrator. The monthly net asset value of the Ordinary Shares is announced through a regulated information service and published on the Investment Adviser's website.
B.43	<b>Cross liability</b>	Not applicable.
B.44	<b>Statement confirming no financial statements are in existence</b>	Not applicable.
B.45	<b>Description of the Group's portfolio</b>	<p>The Subsidiary is exposed to a portfolio of 32 infrastructure loans (the "<b>Loans</b>") with an unaudited valuation of approximately £355.1 million. The Loans have all been made against the performance of a number of availability-based UK PFI projects and against cash flow receivables under a receivables purchase agreement, the Feed-in Tariff ("<b>FIT</b>") scheme, the Renewables Obligation Certificate ("<b>ROC</b>") scheme and the Renewable Heat Incentive ("<b>RHI</b>") scheme (the "<b>Projects</b>").</p> <p>40 per cent. of the Loans are exposed to PFI projects, 23 per cent. to rooftop solar installations, 12 per cent. to onshore wind farms, 10 per cent. to biomass plants, 9 per cent. to anaerobic digestion plants, 4 per cent. to a commercial solar farm and 2 per cent. to a school asset finance project.</p>
B.46	<b>Net asset value per Ordinary Share</b>	As at 31 January 2014, the net asset value per Ordinary Share was 101.27 pence.

### Section C – Securities

C.1	<b>Type and class of securities being offered and admitted to trading and identification number</b>	<p>The Company is targeting a fundraising of in excess of £75 million (before expenses) pursuant to the Issue. The Issue will not be underwritten.</p> <p>The C Shares will be accounted for and managed as a separate pool of capital of the Company which will convert into Ordinary Shares following the earlier of the date when the value of the investments of the Company is equal to or greater than 90 per cent. of the net asset value of the Company, or the date falling six months after the issue of the C Shares, or sooner in other limited circumstances. ("<b>Conversion</b>")</p> <p>Application will be made for the C Shares to be admitted to the Standard Listing segment of the Official List and to trading on the Main Market of the London Stock Exchange ("<b>Initial Admission</b>"). It is expected that Initial Admission will become effective and that dealings in the C Shares will commence at 8.00 a.m. on 18 March 2014.</p> <p>The ISIN for the C Shares will be JE00BJT12C24.</p> <p>The Company also intends to issue up to 100 million new Ordinary Shares of £0.01 each at an issue price calculated by reference to the net asset value per Ordinary Share at the time of</p>
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C.2	<b>Currency denomination of C Shares and Ordinary Shares</b>	The C Shares will be, and the Ordinary Shares are, denominated in Sterling.
C.3	<b>Details of share capital</b>	<p>The Company has an authorised share capital of:</p> <p style="padding-left: 40px;">600,000,000 Ordinary Shares;</p> <p style="padding-left: 40px;">200,000,000 C Shares; and</p> <p style="padding-left: 40px;">200,000,000 deferred shares of £0.01 each.</p> <p>As at 11 February 2014 (being the latest practicable date before publication of this document), there were 354,778,068 Ordinary Shares and no C Shares or deferred shares in issue.</p>
C.4	<b>Rights attaching to the C Shares and Ordinary Shares</b>	<p>The holders of the C Shares and Ordinary Shares shall only be entitled to receive, and to participate in, any dividends declared in relation to the relevant class of shares that they hold.</p> <p>On a winding-up or a return of capital by the Company, if there are C Shares in issue, the net assets of the Company attributable to the C Shares shall be divided <i>pro rata</i> among the holders of the C Shares. For so long as C Shares are in issue, and without prejudice to the Company’s obligations under the Companies Law, the assets attributable to the C Shares shall, at all times, be separately identified and shall have allocated to them such proportion of the expenses or liabilities of the Company as the directors of the Company (“<b>Directors</b>”) fairly consider to be attributable to the C Shares.</p> <p>The holders of Ordinary Shares shall be entitled to all of the Company’s remaining net assets after taking into account any net assets attributable to the C Shares.</p> <p>The C Shares and Ordinary Shares shall carry the right to receive notice of, attend and vote at general meetings of the Company.</p> <p>The consent of either the holders of C Shares or Ordinary Shares will be required for the variation of any rights attached to the relevant class of shares.</p>

C.5	<b>Restrictions on the transferability of C Shares and Ordinary Shares</b>	Not applicable.
C.6	<b>Application for admission to trading on a regulated market</b>	<p>Application will be made for the C Shares to be admitted to the Standard Listing segment of the Official List and to trading on the Main Market of the London Stock Exchange.</p> <p>Application will be made for the Placing Programme Shares issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and to trading on the Main Market of the London Stock Exchange.</p>
C.7	<b>Dividend policy</b>	<p>The Company does, as far as reasonably practicable and taking into account the costs of the Company and its working capital requirements, distribute by way of dividend payments all income that it receives up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation).</p> <p>In the event that the Company is able to pay a dividend in excess of 8 per cent. per annum per Ordinary Share, the Company may pay out such sum or may retain the excess, either for re-investment or to ensure that the Company is able to pay future dividends at the level of 8 per cent. per annum per Ordinary Share.</p> <p>The Company has previously offered a scrip dividend alternative to Shareholders and anticipates that it will continue to do so.</p> <p>Further, if the Directors deem it appropriate, the Company may also make distributions by way of capital distributions.</p> <p>The Company has to date made distributions by way of semi-annual dividends and has declared those dividends within two months of the Company's half year-ends.</p> <p>A final dividend for the six months ended 30 September 2013 was paid on 30 December 2013. On 10 July 2013 the Company announced that, following payment of the final dividend for the financial year ended 30 September 2013, the Company will pay dividends on a quarterly basis, with dividends payable for the financial periods ending 31 December, 31 March, 30 June and 30 September in each year being paid in February, May, August and November, respectively. On 15 January 2014, the Company declared a dividend of 1.9p for the period from 1 October 2013 to 31 December 2013.</p> <p>The Company has progressively increased its dividend towards its target net yield of 8 per cent. per annum and has paid half year dividends on its Ordinary Shares of 2.15p in December 2010, 2.30p in June 2011, 3.00p in December 2011, 3.70p in June 2012, 3.80p in December 2012, 3.80p in June 2013 and 3.80p in December 2013.</p>

<b>Section D – Risks</b>		
D.2	<b>Key information on the key risks that are specific to the Company</b>	<p>The key risk factors relating to the Company are:</p> <ul style="list-style-type: none"> <li>• the Group will invest exclusively in infrastructure investments and will therefore bear the risk of investing in only one asset class, meaning that there will be no income from another class of assets to off-set any adverse change in the returns from infrastructure investments;</li> <li>• a counterparty in an infrastructure project in which the Group has invested or to which the Group has exposure may default, resulting in significant difficulties in finding an alternative or replacement counterparty on the same or better terms; and</li> <li>• borrowers in respect of an infrastructure project in which the Group has invested may default on their obligations to the Group and such a default may adversely affect the income received by the Company and the value of the Company's assets.</li> </ul>
D.3	<b>Key information on the key risks that are specific to the C Shares and/or the Ordinary Shares</b>	<p>The key risk factors relating to the C Shares and/or the Ordinary Shares are:</p> <ul style="list-style-type: none"> <li>• the market price of C Shares and/or Ordinary Shares may fluctuate significantly and investors may not be able to sell their C Shares and/or Ordinary Shares at or above the price at which they purchased them, meaning that they could lose all or part of their investment;</li> <li>• an active and liquid trading market for the C Shares may not develop. Similarly, an active and liquid trading market in the Ordinary Shares may not be maintained;</li> <li>• the Company is applying for a Standard Listing of its C Shares and accordingly the Company will not be required to comply with those protections applicable to a Premium Listing in respect of its C Shares;</li> <li>• there can be no assurance as to the level and/or payment of any dividends by the Company in relation to the C Shares or the Ordinary Shares; and</li> <li>• the C Shares and the Ordinary Shares may trade at a discount to their net asset value per share and there can be no guarantee that attempts by the Company to mitigate such a discount (if any such attempts are capable of being and in fact are made) will be successful.</li> </ul>

<b>Section E – Offer</b>		
E.1	<b>Proceeds and expenses of the Issue and the Placing Programme</b>	<p>The maximum aggregate number of C Shares that may be issued under the Issue is 100 million. The net proceeds of the Issue are dependent on the number of C Shares issued pursuant to the Issue.</p> <p>On the assumption that the Issue is fully subscribed as to 75 million C Shares, the gross proceeds of the Issue will be £75 million and the expenses payable by the Company in relation</p>

		<p>to the Issue will be £1,532,697, resulting in net proceeds of approximately £73,467,303.</p> <p>The maximum aggregate number of Placing Programme Shares that may be made available under the Placing Programme is 100 million. The net proceeds of the Placing Programme are dependent on the number of Placing Programme Shares issued pursuant to the Placing Programme.</p> <p>Expenses payable by the Company in relation to the Placing Programme irrespective of whether any Ordinary Shares are issued under the Placing Programme will be approximately £0.1 million. On the assumption that the Company issues the maximum number of Placing Programme Shares available for issue under the Placing Programme at an average Placing Programme Price, for illustrative purposes only, of £1.05 per Ordinary Share, the gross proceeds from the Placing Programme will be £105 million and the expenses payable by the Company in relation to the Placing Programme (including costs of establishment and publication of the documentation of the Placing Programme, fees for commissions and registration and Placing Programme Admission fees will be £1.8 million, resulting in net proceeds of approximately £103.2 million.</p>
E.2a	<b>Reasons for the Issue and the Placing Programme, use of proceeds and estimated net amount of proceeds</b>	<p>The Directors, who have been advised by the Investment Adviser, believe there are significant opportunities in the infrastructure debt market. Furthermore, there is continued demand for the Company’s equity, which has traded at a premium to its net asset value per share since the initial public offering of the Company’s Ordinary Shares. The Issue is being undertaken to raise additional capital for the Company and the Placing Programme is being created to enable the Company to raise further capital on an ongoing basis as it is required. The Company will invest the net proceeds of the Issue and the Placing Programme in investments in line with its investment objectives and policy.</p>
E.3	<b>Terms and conditions of the Issue and the Placing Programme</b>	<p>Under the open offer to Existing Shareholders, up to approximately 50,000,000 C Shares will be made available to Existing Shareholders at an issue price of £1.00 per C Share <i>pro rata</i> to their holdings of Ordinary Shares on the basis of 1 C Share for every 7 Ordinary Shares held at the record date (being 5.00 p.m. on 11 February 2014) (the “<b>Open Offer</b>”).</p> <p>The Directors anticipate that up to approximately 50,000,000 C Shares will be made available at an issue price of £1.00 per C Share pursuant to the placing (“<b>C Share Placing</b>”) and offer for subscription (“<b>Offer for Subscription</b>”).</p> <p>Existing Shareholders who take up all of their entitlements under the Open Offer may also apply for additional C Shares under an excess application facility (“<b>Excess Application Facility</b>”). The Directors may also (at their sole discretion) make additional C Shares available under the Excess Application Facility by re-allocating C Shares from the C Share Placing and Offer for Subscription in favour of the Excess Application Facility.</p>

	<p>Applications for additional C Shares under the Excess Application Facility will be allocated in such a manner as the Directors (in their absolute discretion) determine. The Open Offer is not a rights issue and Open Offer application forms cannot be traded.</p> <p>To the extent that Existing Shareholders do not take up their entitlements under the Open Offer and such entitlements are not taken up under the Excess Application Facility, the Directors may (at their sole discretion), re-allocate C Shares from the Open Offer and Excess Application Facility to the C Share Placing and Offer for Subscription.</p> <p>The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 7 March 2014.</p> <p>The latest time and date for receipt by the Company of applications and payment in full in respect of the Offer for Subscription will be 4.30 p.m. on 10 March 2014.</p> <p>The latest time and date for receipt by the Company of placing commitments under the C Share Placing will be 12.00 p.m. on 11 March 2014.</p> <p>An extraordinary general meeting of the Company was held on 7 February 2014 at which the Company sought from Shareholders the approvals necessary for the Issue to proceed and the Placing Programme to be implemented. Shareholders duly passed resolutions, <i>inter alia</i>, to:</p> <ul style="list-style-type: none"> <li>• increase the authorised share capital of the company from £6,500,000 to £10,000,000; and</li> <li>• dis-apply pre-emption rights in respect of the allotment of up to 100,000,000 C Shares pursuant to the Issue and up to 100,000,000 Ordinary Shares pursuant to the Placing Programme.</li> </ul> <p>The Issue is conditional, <i>inter alia</i>, upon:</p> <ul style="list-style-type: none"> <li>• Initial Admission occurring on or before 8.00 a.m. (London time) on 18 March 2014 or such time and/or date as the Company, Oriel Securities Limited and Cenkos Securities plc may agree, being not later than 8.00 a.m. (London time) on 30 April 2014; and</li> <li>• the Placing Agreement having become unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission.</li> </ul> <p>The Company will also institute the Placing Programme pursuant to which Placing Programme Shares will be made available to places at an issue price calculated by reference to the net asset value per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised.</p>
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E.4	<b>Material interests</b>	Not applicable.
E.5	<b>Selling securities holders and lock-up agreements</b>	Not applicable.
E.6	<b>Dilution</b>	<p>The percentage holding of an Existing Shareholder will be diluted to the extent that they do not participate in the Issue.</p> <p>Pursuant to Conversion, the C Shares issued pursuant to the Issue will convert into Ordinary Shares no later than 6 months from Initial Admission. The number of Ordinary Shares into which each C Share converts will be determined by the relative net asset values per share of the C Shares and the Ordinary Shares. As a result of Conversion, the percentage of the issued Ordinary Shares held by each Existing Shareholder will be reduced. However, Conversion will be net asset value neutral to existing holders of Ordinary Shares.</p> <p>The percentage holding of an Existing Shareholder will be diluted to the extent that Placing Programme Shares are issued and any such Existing Shareholder does not participate.</p>
E.7	<b>Estimated expenses charged to investors by the Company</b>	<p>Investors will not be charged a fee in addition to the issue price of £1.00 per C Share in order to subscribe for C Shares under the Issue, as the expenses of the Issue will be met out of the proceeds of the Issue.</p> <p>The issue price of Ordinary Shares issued pursuant to the Placing Programme will include a premium intended, <i>inter alia</i>, to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme.</p>

## RISK FACTORS

*An investment in the Company involves significant risks and is only suitable for investors who are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses (which may be equal to the whole amount invested) which may result from such an investment. Accordingly, prospective investors should review carefully and evaluate the risks and the other information contained in this document before making a decision to invest in the Company. If in any doubt, prospective investors should immediately seek their own personal financial advice from their independent professional adviser authorised under FSMA who specialises in advising on the acquisition of shares and other securities or other advisers such as legal advisers and accountants.*

*If any of the following risks actually occur, the business, financial condition, capital resources, results and/or future operations of the Company could be materially and adversely affected. In such circumstances, the trading price of the Ordinary Shares and/or the C Shares could decline and investors may lose all or part of their investment. Additional risks and uncertainties not currently known may also have an adverse effect on the Company.*

*The Directors believe that the risks described below are the material risks relating to the Ordinary Shares and the C Shares, the Company and its industry at the date of this document. Additional risks and uncertainties not currently known to the Directors, or that the Directors deem to be immaterial at the date of this document, may also have an adverse effect on the performance of the Company and the value of the Ordinary Shares and the C Shares. Potential investors should review this document carefully and in its entirety and consult with their professional advisers before making an application to invest in the Ordinary Shares and/or the C Shares.*

### **A. Risks relating to the Company**

*The Directors, the Investment Adviser and the Administrator may have conflicts of interest in the course of their duties*

The Directors, the Investment Adviser and the Administrator may, from time to time, provide services to, or be otherwise involved with, other investment programs established by parties other than the Company and which may have similar objectives to those of the Company. It is therefore possible that any of these investment programs may, in the course of business, have potential conflicts of interest with the Company, which may be to the detriment of the Company. The Directors are, however, subject to the provisions of Jersey law, which impose a range of duties upon directors, including in relation to avoiding conflicts of interest in certain circumstances. In addition, the Investment Adviser has undertaken to the Company, among other things, to seek to ensure that conflicts of interest that it may be faced with are resolved fairly.

*Changes in laws or regulations may adversely affect the Group's business, investments and the results of its operations*

The Group and the Investment Adviser are subject to laws and regulations enacted by national, regional and local governments and institutions. These laws and regulations and their respective interpretation and application may change from time to time and those changes could have a material adverse effect on the Group's investments and the results of its operations.

*The AIFMD may impair the ability of the investment team to manage investments of the Company, which may materially adversely affect the Company's ability to implement its investment policy and achieve its investment objective*

The AIFMD, which was required to have been transposed by EU member states into national law on 22 July 2013, imposes a new regime for EU managers of AIFs and in respect of marketing of AIFs in the EU. The AIFMD has been transposed in the UK by the UK AIFMD Rules. Subject to transitional provisions, the AIFMD requires that EU AIFMs of AIFs are authorised and regulated as such.

Based on the provisions of AIFMD and the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) (the "AIFM Regulations"), the Board considers that the Company is an AIF within the

scope of AIFMD and the AIFM Regulations. The Company intends to operate as an externally managed AIF, with the Investment Adviser being the Company's AIFM. This will require the Investment Adviser to be authorised by the FCA to manage AIFs (in addition to its current scope of permissions).

The Investment Adviser is currently operating pursuant to the transitional provisions contained in Regulation 72 of the AIFM Regulations (since it was managing an AIF immediately prior to 22 July 2013), such that the Investment Adviser will be required to apply for authorisation by the FCA before 22 July 2014. There is a risk that the FCA may determine that the transitional provisions are no longer available to the Investment Adviser. In such circumstances the Investment Adviser would not be able to act as AIFM of the Company until it is authorised by the FCA as an AIFM. This may disrupt or prevent the operation of the Company or the marketing of its shares until such time as the Investment Adviser is appropriately authorised by the FCA as an AIFM, or an alternative manager with the required authorisation is appointed by the Company.

In order to obtain such authorisation (and once it is authorised), the Investment Adviser will need to comply with various organisational, operational and transparency obligations. In complying with these obligations, the Company may be required to provide additional or different information to or update information given to shareholders and appoint or replace external service providers that the Company intends to use, including those referred to in this document. In addition, in requiring AIFMs to comply with these organisational, operational and transparency obligations, the AIFMD is likely to increase management and operating costs, in particular regulatory and compliance costs, of the Company and the Investment Adviser. Furthermore, to the extent the Company is marketed into the UK (or any other EEA jurisdiction) after its authorisation as an AIFM, the Investment Adviser will be required to ensure that the Custodian's appointment meets the requirements for acting as a depositary to a non-EU AIF.

If the Investment Adviser does not or cannot obtain authorisation under the AIFMD, the operation of the Company or the marketing of shares to investors in the EU may be prohibited or the ability to market shares in the Company may be otherwise impaired. This may adversely impact on the Company's ability to raise further capital and manage and/or add to the Company's investment portfolio in the future. It may also require the Company to appoint an alternative manager with the required authorisation to replace the Investment Adviser.

Further, there is a risk that the FCA may determine that the Company is not an externally managed AIF and that it is the Company that is the AIFM. If the FCA determines that the Company is an internally managed AIF, the Company may become subject to equivalent legislation and rules in Jersey and in respect of any marketing of its shares into the EU.

#### ***Availability of appropriate assets***

The Directors and the Investment Adviser believe that there remains substantial demand for investments of the type typically made and intended to be made by the Group through acquiring debt instruments issued by infrastructure Project Companies backed by long dated, secure, public sector backed contracts. However, there is no guarantee that such demand will continue to result in sufficient investments being made in a timely manner, or at all, to allow the Company to deliver the targeted returns for Shareholders. When the availability of appropriate assets is lower than expected, it is likely that the Company will take longer than expected to identify and make investments in appropriate assets and therefore a greater proportion of the Group's assets will be held in cash which will generate a much lower return than currently envisaged for Shareholders.

#### **B. Risks relating to the C Shares, the Ordinary Shares and Shareholders**

***The Company is applying for a Standard Listing of the C Shares and accordingly the Company will not be required to comply in relation to the C Shares with those protections applicable to a Premium Listing***

The Company is applying for a Standard Listing of the C Shares to be issued pursuant to the Issue on the Official List under Chapter 14 of the Listing Rules. As a consequence, despite the Company being subject to the obligations of a company that has a Premium Listing, the holders of C Shares will not benefit from the additional ongoing requirements and protections applicable to a Premium Listing under the Listing

Rules. In particular, the provisions of Chapters 7 to 13 of the Listing Rules (listing principles, sponsors, continuing obligations, significant transactions, related party transactions, dealing in own securities and treasury shares and contents of circulars), being additional requirements for a Premium Listing of equity securities, will not apply to the C Shares.

***An active and liquid trading market for the C Shares may not develop. Similarly, an active and liquid trading market in the Ordinary Shares may not be maintained***

The Company cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market for the C Shares or, if such a market develops, whether it will be maintained. In addition, a substantial number of C Shares may be issued to a limited number of investors, which could adversely affect the development or maintenance of an active and liquid market for the C Shares and, following Conversion, the Ordinary Shares.

Similarly, an active and liquid trading market in Ordinary Shares may not be maintained.

The Company cannot predict the effects on the price of the C Shares or Ordinary Shares if a liquid and active trading market for the C Shares or Ordinary Shares does not develop or is not maintained. In addition, if such a market does not develop or is not maintained, relatively small sales of the C Shares or Ordinary Shares may have a significant negative impact on the price of C Shares or Ordinary Shares, whilst sales of a significant number of C Shares or Ordinary Shares may be difficult to execute at a stable price close to or at the prevailing market price at that time.

***The price of C Shares and Ordinary Shares may fluctuate significantly and potential investors could lose all or part of their investment***

The market price of C Shares or Ordinary Shares may fluctuate significantly and potential investors may not be able to sell their C Shares or Ordinary Shares at or above the price at which they purchased them. Factors that may cause the price of C Shares or Ordinary Shares to vary include but are not limited to:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to the Company's business;
- changes in the underlying values of the investments of the Company;
- the termination of the Investment Advisory Agreement, and the departure of some or all of the Investment Adviser's investment professionals;
- changes in laws or regulations, including tax laws, or new interpretations or applications of laws and regulations that are applicable to the Company;
- a rise in interest rates or rates of inflation, or an increase in the market's expectation of such rises;
- sales of C Shares or Ordinary Shares by Shareholders;
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the business or investments of the Company or factors or events that may directly or indirectly affect their respective investments;
- a reduction in the ability of the Company to access leverage or further equity finance; and
- further issues of C Shares or Ordinary Shares.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. Any broad market fluctuations may adversely affect the trading price of C Shares or Ordinary Shares.

***The C Shares and/or Ordinary Shares may trade at a discount to Net Asset Value***

The C Shares and/or Ordinary Shares may trade at a discount to their respective Net Asset Value per share for a variety of reasons, including due to market conditions, liquidity concerns or the actual or expected performance of the Company. There can be no guarantee that attempts by the Company to mitigate such a discount will be successful or that the use of discount control mechanisms will be possible or advisable.

***Dividends***

There can be no assurance as to the level and/or payment of future dividends by the Company in relation to Ordinary Shares (including those issued on conversion of the C Shares and pursuant to the Placing Programme), or the payment of any dividends by the Company in relation to the C Shares. The declaration, payment and amount of any future dividends by the Company are subject to the discretion of the Directors and will depend upon, among other things, the performance of the Company, the ability of the Company to make further investments, dividends declared and paid by the Company and the size of any such dividends, the Company's earnings, financial position, cash requirements and availability of profits, as well as the provisions of relevant laws or generally accepted accounting principles from time to time.

***Local laws or regulations may mean that the status of the Company, or of the C Shares or Ordinary Shares is uncertain or subject to change, which could adversely affect investors' ability to hold C Shares or Ordinary Shares***

For regulatory, tax and other purposes, the Company, the C Shares and/or the Ordinary Shares may be treated differently in different jurisdictions. For instance, in certain jurisdictions and for certain purposes, the C Shares and/or Ordinary Shares may be treated as units in a collective investment scheme. Furthermore, in certain jurisdictions, the status of the Company and/or the C Shares and/or the Ordinary Shares may be uncertain or subject to change, or it may differ depending on the availability of certain information or as a result of disclosures made by the Company. Changes in the status or treatment of the Company, the C Shares and/or the Ordinary Shares may have unforeseen effects on the ability of investors to hold C Shares and/or Ordinary Shares or the consequences to investors of doing so.

**C. Risks relating to the Company's investments**

***A valuation is an estimate of value and not a precise measure of realisable value***

All investments made by the Group will be valued in accordance with the valuation methodology set out in paragraph 15 of Part 1 of this document. The resulting valuations will be used, among other things, for determining the basis on which various transactions in the shares of the Company take place, including issues of shares (including pursuant to the Issue and the Placing Programme, details of which are set out in Parts 6 and 7 respectively of this document) and the conversion of C Shares into Ordinary Shares (details of which are set out in Part 8 of this document). Valuations of the investments of the Group reflect the Valuation Agent's view of expected cash flows, which are uncertain. Moreover, a valuation is only an estimate of value and is not a precise measure of realisable value. Therefore, transactions in the Company's shares and Conversion may take place by reference to valuations of investments which do not reflect the realisable value of underlying assets.

***Lack of diversification***

Other than some holdings in cash, or cash equivalents, and hedging instruments, the Group invests exclusively in infrastructure investments and therefore bears the risk of investing in only one asset class. If returns from infrastructure investments are adversely affected by prevailing market conditions, the lack of diversification in the investment portfolio means that there will be no income from another class of assets to off-set any shortfall, which may have an adverse effect on the income received by the Company and the value of the Company's assets.

In addition, the Group has made a limited number of infrastructure investments. While the proportion of the total portfolio of the Group's investments represented by each of these assets varies, some assets represent a material part of the Group's portfolio of investments and therefore, should the value of any of those

investments fall, this could materially impact upon the overall value of the Group's investment portfolio and, as a consequence, the NAV of the Company.

***Failure by the Investment Adviser or other third-party service providers of the Company to carry out its or their obligations could materially disrupt the business of the Company***

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company must therefore rely on the performance of third-party service providers to perform its executive functions. In particular, the Investment Adviser and the Administrator will perform services that are integral to the operations and financial performance of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, or to perform its obligations to the Company at all, could have a materially adverse effect on the Company's performance and returns to Shareholders.

**D. Risks relating to the Investment Adviser**

***The Investment Adviser is dependent upon the expertise of key personnel in providing investment advisory services to the Company***

The ability of the Company to achieve its investment objective is significantly dependent upon the expertise of the Investment Adviser's partners and employees and the ability of the Investment Adviser to attract and retain suitable staff. The impact of the departure, for any reason, of a key individual (or individuals) on the ability of the Investment Adviser to achieve the investment objective of the Company cannot be determined and may depend on, amongst other things, the ability of the Investment Adviser to recruit other individuals of similar experience and credibility. A failure by the Investment Adviser to recruit suitable individuals to replace any key individual who leaves the Investment Adviser may impact negatively on the performance of the Investment Adviser and, therefore, of the Subsidiary and the Company.

***The Investment Adviser and its principals are involved in other businesses and investments which may create conflicts of interest***

The Investment Adviser, in addition to advising upon the investments of the Group, currently serves, or may serve in the future, as the investment adviser to other investment funds and managed accounts. The Investment Adviser does not, therefore, devote its resources exclusively to the business of the Company. In addition, the Investment Adviser and its owners, members, officers and principals are presently, and will in the future continue to be, involved in other business ventures that have no relationship with the Company. Accordingly, the Investment Adviser and its owners, members, principals and officers may encounter potential conflicts of interest in connection with the Investment Adviser's role as investment adviser to the Company and their respective involvement in other business ventures. The Investment Adviser has undertaken to the Company, *inter alia*, to seek to ensure that any conflicts of interest are resolved fairly.

***The Investment Adviser is dependent on information technology systems***

The Company is dependent on the Investment Adviser for investment, operational and financial advisory services. The Investment Adviser, in turn, depends on information technology systems in order to assess investment opportunities, strategies and markets and to monitor and control risks for the Company.

It is possible that a failure of some kind which causes disruptions to these information technology systems could materially limit the Investment Adviser's ability to adequately assess and manage the investments of the Company, formulate strategies and provide adequate risk control. Any such information technology-related difficulty could harm the performance of the Company.

**E. Risks associated with the Company's investments**

***Risks that may be relevant to any of the Company's investments***

***Sufficiency of due diligence***

Whilst the Investment Adviser's due diligence process includes engaging lawyers, built asset consultants, independent valuers and financial model auditors to advise in connection with the Company's investments,

this may not reveal all facts that may be relevant in connection with an investment and may not highlight issues that could affect the investments' performance, leading to a risk that the interest received on assets will be lower than envisaged and that the principal investments may not be repaid in full, or at all. These factors may adversely affect the income received by the Company and the value of the Company's assets.

#### *No control*

The Group does not normally have control over project decisions, as it is typically not a shareholder and only occasionally the first ranking debt provider in such projects. This may result in decisions being made in relation to the actions of the relevant Project Company which are not in the interests of the Group.

#### *Errors in financial models*

Infrastructure projects rely on large and detailed financial models. Assumptions are made in such models in relation to a range of matters, including inflation, lifecycle replacement costs, insurance premia, applicable rates of tax, availability of tax reliefs, insurance rates and deposit interest rates and these may differ from those assumed in the financial models. Errors in these or other assumptions or in the methodology used in such financial models may mean that the return on an investment in a Project Company is less than expected.

#### *Delays in the receipt of anticipated cashflows*

As noted above, infrastructure projects rely on large and detailed financial models. It is often the case that the release from a Project Company's bank account of cash due or expected to become due to the owners of or subordinated lenders to that Project Company is contingent upon the prior satisfaction of the senior lender or lenders to that Project Company with the most recently-produced financial model relating to the historic and prospective performance of the Project Company. It is occasionally the case that such satisfaction is not achieved in the expected timeframe, in which case it may be that a payment due to a subordinated lender to the Project Company (or its owners or lenders) is delayed beyond the due date for such payment. In such an event, where the Subsidiary is a subordinated lender to the Project Company (or its owners or lenders), which is the case in relation to approximately 37 per cent. (by reference to the net asset value of the Subsidiary) of the Current Portfolio, the delay in the receipt of the expected cashflow may adversely affect the ability of the Company to make all or part of an expected distribution to Shareholders.

#### *Incomplete transfer of operating risk*

The financial models for Project Companies are typically based on the fact that many of the risks of operating the relevant concessions are substantially assumed by subcontractors. The Project Companies may be exposed to cost or liability where this does not happen, for example, as a result of limits of liability, default by or the insolvency of a contractor or defective contractual provisions. Where a Project Company is exposed to such a cost or liability, it may adversely affect the income received by the Company and the value of the Company's assets.

#### *Subcontractor liability limits*

Where Project Companies have entered into subcontracts (which is the case in relation to the Project Companies underlying the entire Current Portfolio), the subcontractors' liabilities to a Project Company for the risks they have assumed will often be subject to financial limits and it is possible that these limits may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Company, unless covered by the Project Company's insurance. This may adversely affect the income received by the Company.

#### *Targeted returns on loans*

The Group makes investments based on estimates or projections of net cash flows arising at Project Company level. There can be no assurance that the actual cash flows arising at Project Company level will equal or exceed those that are expected or that the targeted return on the investments made by the Group will be achieved.

### *Rates of inflation*

The Group has made and expects to continue to make investments based on estimates or projections of future rates of inflation because the payments of unitary charge or similar or analogous payments, under the majority of project agreements the Company is exposed to, are linked to inflation. If actual inflation is lower than expected or there is deflation, the net cash flows arising at Project Company level are likely to be lower than anticipated, potentially adversely affecting the position of the Company.

### *Rates of interest*

Changes in interest rates may adversely affect the value or profitability of the assets of the Group. Changes in the general level of interest rates may impact the Company's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of any interest-bearing liabilities. Moreover, changes in interest rates may also affect the valuation of the Company's assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Company.

### *Insurance costs and availability*

The Group makes investments based on estimates or projections of the cost to Project Companies of maintaining insurance cover for, amongst other things, buildings, contents and third party risks (for example arising from fire, flood or terrorism). Although generally not the most significant cost incurred by a Project Company, the cost of insurance to cover risks including those referred to above is a material cost. Where the cost of maintaining the insurance is greater than projected, it is possible that the ability of the Project Company to service its debts may be negatively impacted. Moreover certain risks may be uninsurable in the insurance market (such as in the event of the occurrence of force majeure events) or subject to an excess or exclusions of general events and in such cases the risks of such events may rest with the Project Company. These factors may adversely affect the income received by the Company and the value of the Company's assets.

### *Environmental liabilities*

To the extent that there are environmental liabilities arising in the future in relation to any sites owned or used by a Project Company (including, for example, clean-up and remediation liabilities), such Project Company may be required to contribute financially towards any such liabilities. This may adversely affect the income received by the Company and the Net Asset Value of the Company.

### *Benchmarking*

A project will often provide for the market-testing (sometimes referred to as benchmarking) of the costs of providing certain services in order that this can be taken into account in setting the level of payments to be made under the relevant project agreement. This may expose the Project Company to potential losses arising from changes in its costs relative to the charges that it is entitled to receive as a result of the benchmarking process. This would potentially impact upon the ability of the Project Company to service its debts, including any debt arrangement with the Group, thereby affecting the income received by the Company and the value of the Company's assets.

### *Lifecycle costs*

A project will often provide for the replacement or refurbishment of certain items of equipment. The timing of such replacements or refurbishments is a key aspect of the cash flow forecasting assumed by the Group in assessing the ability of a Project Company to service its debts. Where such replacements or refurbishments occur earlier than projected, the free cash flow arising to the Project Company may be reduced, potentially impacting the ability of the Project Company to service its debt. This may adversely affect the income received by the Company and its ability to pay dividends, as well as the value of the Company's assets.

### *Market value of investments*

The value of the investments made and intended to be made by the Group will change from time to time according to a variety of factors, including movements and expected movements in interest rates and inflation and general market pricing of similar investments. Such changes will impact the Net Asset Value of the Company.

### *Liquidity of investments*

Infrastructure investments of the type already made and likely to be made by the Group are not likely to be publicly-traded or freely marketable. Such investments may therefore be difficult to value or realise and therefore the market price that is achievable for the investments might be lower than the valuation of these assets as determined by the Valuation Agent.

### *Employment-related liabilities*

It is sometimes the case that a Project Company has its own employees. If a Project Company has its own employees it may be exposed to potential employer liabilities (including in respect of pension entitlements) under applicable legislation and regulations, which could have adverse consequences for the Project Company. Such consequences may impact the profitability or Net Asset Value of the Company.

### *Counterparty default*

The underlying obligors under project agreements targeted for investment by the Group will typically be public sector bodies or have a form of public sector backing. Consequently, the risk of counterparty default is generally considered to be low. Nevertheless, in the event of such a default, there may be significant difficulties for the Project Company in finding an alternative or replacement counterparty on the same or better terms, in which circumstances the value of the Group's assets could be adversely affected.

### *Borrower default*

Although the Group will conduct a detailed assessment of the creditworthiness of all borrowers in respect of an infrastructure project in which the Group has invested, there remains a risk that such borrowers may default on their obligations to the Group. Such a default may adversely affect the income received by the Company and the value of the Company's assets.

### *Other counterparty risks*

The Group may make investments from time to time in loan assets which are held on existing lenders' books, for example, where the Subsidiary guarantees the performance of a Project Company to an existing lender (typically a bank) in return for a fee. In such an event, the Subsidiary may be required to place a deposit to secure its guarantee with that lender and a default by such a lender may expose the Subsidiary to losses regardless of the performance of the underlying projects or loans, including the potential for the principal value of the investment to be lost.

The Group is also likely to maintain cash balances from time to time with its banks, being funds awaiting investment and funds reserved for short term working capital purposes, and may put in place interest rate hedging arrangements with its banks. A failure of any such bank, or any such bank otherwise defaulting on its obligations to the Group, may expose the Group to losses. This risk will be of particular significance when the Group has a significant amount of uninvested cash including, by way of example, immediately following the completion of the Issue.

### *Default arising from cross-collateralisation*

There may be circumstances in which the performance of one debt-related investment within the Group's portfolio may have an adverse effect upon other investments within the portfolio. This situation arises, for example, in instances where the Subsidiary has made a loan or series of loans in relation to a series of different projects but the loans are made to a single holding company owning each of the relevant Project Companies. Such instances represent approximately 10 per cent. (by reference to Net Asset Value) of the

Company's current portfolio. In such instances, the income received by the Company and the value of the Company's assets may be adversely affected.

#### *Reliance on sub-contractors*

The performance of Project Companies is, to a considerable degree, dependent on the performance of the sub-contractors appointed by such Project Companies, most notably the facilities management contractor. If a Project Company is required to replace a key sub-contractor (including a facilities manager) due to the insolvency of that sub-contractor or for any other reason, the replacement sub-contractor may charge a higher price for the relevant services than the Project Company paid previously. The resulting increase in the costs of the Project Company may adversely affect the ability of that Project Company to service its debt to the Subsidiary. This may adversely affect the value and financial performance of the Company's investment in that Project Company.

#### *Demand risk*

The Company does not generally make investments in Project Companies which are contracted to provide services on a "demand" basis, where the payments received by the Project Companies depend on the level of use made of the project assets. However, to the extent that it does so, there would be a risk that the level of use of the project assets, and therefore the ability of such Project Companies to service their debts, might be lower than expected. Any default by a Project Company may have an adverse effect upon the income received by the Company and the value of the Company's assets. The Company is not currently exposed to any demand risk but could make investments in demand-based projects in the future.

#### *Construction risks*

The Subsidiary may make loans to Project Companies which have not yet completed the construction phases of their concessions and which are not yet cash generative. Although it is intended that any such loans will be strictly limited as a proportion of the overall portfolio of the Company, should there be any delay in completion of the construction phase in relation to any such project or any "overrun" in the costs of construction, there is a risk that the anticipated returns of such a Project Company will be adversely affected and that, therefore, the ability of the Project Company to service its debts will be lower than expected. Any default by a Project Company may have an adverse effect upon the financial position of the Company. 23 per cent. of the Subsidiary's loans are currently exposed to assets under construction.

#### *Risks relating to new and developing technologies*

Some of the projects that the Group invests in utilise relatively new or developing technologies. There may be issues in relation to those technologies that become apparent only in the future. Such issues may give rise to additional costs for the relevant Project Companies or may otherwise result in the financial performance of the relevant Project Companies being poorer than is anticipated. This may adversely affect the value of and returns generated by the Company's investments in such Project Companies.

#### *Acquisition risks*

The Subsidiary may make loans to companies that are acquiring Project Companies as part of their acquisition finance arrangements. In such circumstances the vendor will typically provide various warranties for the benefit of the acquirer and its funders in relation to the acquisition. Such warranties will be limited in extent and are typically subject to disclosure, time limitations, materiality thresholds and liability caps and to the extent that any loss suffered by the acquirer arises outside the warranties or such limitations or exceeds such caps it will be borne by the acquirer, which may adversely affect the value of the Company's assets and therefore the Net Asset Value of the Company. This situation arises in relation to 6 current investments of the Company, representing approximately 13 per cent. by value of the Company's existing investment portfolio.

#### *Covenant breach risk*

The covenants provided by a Project Company in favour of its senior lenders are generally extensive and a breach of one or more of such covenants may result in payments to a subordinated lender such as the Subsidiary being suspended, and any amounts paid to the Subsidiary following any such breach may be

repayable. Although the Company's investment portfolio has not, as at the date of this document and as far as the Directors and the Investment Adviser are aware, been exposed to any covenant breach by a Project Company, where such a breach or any other event leads to an event of default, the senior lenders will normally have the right to take control of the Project Company and ultimately to sell such Project Company. In such event, it is likely that the sale proceeds will be insufficient to repay in full the subordinated debt of the Project Company, which would result in a loss being suffered by the Company.

### ***Specific risks relating to the Company's investments in the PFI sector***

#### *Termination of PFI project agreements*

Project agreements for PFI infrastructure projects may be terminated in certain circumstances, as a result of, for example, default by a Project Company or the commission of a corrupt or fraudulent act by a Project Company, shareholder or contractor in relation to a project agreement. The compensation that a Project Company may receive on termination will depend on the reason for termination but in some circumstances (such as termination for force majeure events) the compensation received may be insufficient to repay in full the debts of the Project Company which may, in turn, negatively impact upon the financial position and performance of the Company, in that the principal value of the Company's investment could be reduced or become worthless.

#### *Change in infrastructure funding policy*

PFI is not the only means of funding infrastructure projects and the use of such funding mechanisms in the future may decrease. If there is such a change in policy, there is a risk that public bodies may seek to terminate existing PFI-type projects and, as a result, the Company may not recover the full market value of its investments. Any failure by the Company to recover the full market value of its investments may result in a reduction in the value of the Company's assets. Additionally, any changes in policy could reduce the future availability of appropriate assets.

#### *Untested nature of long term PFI operational environment*

Given the long term nature of PFI infrastructure projects, and the fact that PFI is a relatively new investment class, there is, as yet, limited experience of the long term operational problems that may be experienced in the future and which may affect PFI infrastructure projects and Project Companies. Any such problems may, in turn, adversely affect the Company's investment returns.

### ***Specific risks relating to the Company's investments in the renewable energy sector***

#### *Renewable energy-related transactions*

The UK Government provides a range of incentives and subsidies for specific types of renewable energy projects, including "feed-in" tariffs and the renewable heat incentive (where energy producers are guaranteed a minimum price for their output, typically above market rates) and the Renewables Obligation Certificate, or ROC, system (which requires electricity suppliers to supply minimum levels of renewable-source electricity or make buy-out payments into a central fund). Changes in the application of government policy in relation to these incentives and subsidies may have a material impact upon the profitability of renewable energy projects. Further, the generation of power from renewable energy sources tends to be reliant upon relatively recent technological developments (or the application thereof), and therefore unforeseen technical deficiencies with installations may occur; and although such deficiencies may be covered by supplier warranties, the value of such warranties (if any) may be adversely affected by (for example) time limitations on such warranties or credit events in relation to the relevant supplier. Additionally, technological advances in the future may reduce the competitive efficiency of installations commissioned now. Moreover, the reliance of any renewable energy project or group of projects on a variable resource as its feedstock (for example, ambient light in the case of solar power projects, wind speed in the case of wind power projects and waste in the case of waste-to-energy projects) may affect the profitability of a site or sites. Finally, in the event of a failure of a utility or other private company contracted to purchase power produced by an installation in which the Group has invested, difficulties may arise in contracting with a replacement power purchaser. All of these risks relating to investments in renewable energy projects could have an adverse effect upon the income received by the Company and the value of the Company's assets.

### ***Specific risks relating to the Company's investments secured against receivables purchase agreements***

#### ***Risks specific to investments secured against receivables purchase agreements***

Investments by the Company secured against receivables purchase agreements will be subject to the general risks incidental to loans secured against receivables purchase agreements, including changes in general economic or local conditions, changes in interest rates and (where such receivables relate to real estate-related assets, which will typically be the case) changes in property tax rates and planning laws, the credit risks of developers and tenants, the costs of construction, the potential impact of environmental risks, terrorist activities and the availability and sufficiency of insurance. All of these risks relating to investments secured against receivables purchase agreements may have an adverse effect upon the income received by the Company and the value of the Company's assets.

#### **F. Risks relating to taxation**

##### ***The Company is exposed to changes in tax laws, accounting standards or regulation, or their interpretation***

The fund structure through which the Company invests in assets through the Subsidiary, whilst designed to maximise post-tax returns to investors, is based upon current tax law and practice and accountancy regulations and practice in Jersey and in the UK. Such law or practice is subject to change and any such change may potentially reduce the post-tax returns to Shareholders, for example in the event of the imposition of withholding or other additional taxes on income or gains in respect of the underlying investments of the Subsidiary or the distributions by the Subsidiary to the Company. Any such changes may potentially be enacted with retrospective effect.

##### ***The Company is exposed to changes in its tax residence and changes in the tax treatment of arrangements relating to its business or investments***

If the Company were treated as resident, or as having a permanent establishment, or as otherwise being engaged in a trade or business, in any country in which it invests or in which the investments are managed, all of its income or gains, or the part of such gain or income that is attributable to, or effectively connected with, such permanent establishment or trade or business, may be subject to tax in that country, which could have a material adverse effect on the performance of the Company and returns to Shareholders. To maintain its non-UK tax resident status, the Company must be managed and controlled outside of the United Kingdom. The composition of the Board, the place of residence of the individual Directors and the location(s) in which the Directors make their decisions will be important factors in determining and maintaining the non-UK tax residence status of the Company.

While the Company is incorporated in Jersey, and a majority of its Directors reside outside the United Kingdom, the Company must pay continued attention to ensure that it is not managed and controlled in the United Kingdom, and in particular, that its decisions are not made in the United Kingdom or the Company may lose its non-UK tax resident status. The Company must similarly ensure that it does not become tax resident in the United States or in other jurisdictions.

##### ***Offshore Funds Rules***

The Directors consider that the Company should not constitute an "offshore fund" for the purposes of Part 8 of TIOPA, as the Company is closed-ended with an unlimited life. In addition, it is not intended that arrangements will be operated in respect of the Company so that investors can expect to realise their investment at or close to NAV other than in the event of a winding up of the Company.

However, as the law and practice in relation to offshore funds has recently changed, the Directors will use reasonable endeavours (but without liability) to monitor the Company's status in this regard. Changes in the Company's tax status or tax treatment may adversely affect the Company and if the Company becomes subject to the UK offshore funds rules in Part 8 of TIOPA, there may be adverse tax consequences for UK tax resident Shareholders.

## IMPORTANT INFORMATION

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations in relation to the Company other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Directors, the Investment Adviser, the Sponsor or any other person. Neither the delivery of this Prospectus nor any subscription or purchase of C Shares or Placing Programme Shares shall not, 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 Prospectus.

### General regulatory information

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

### Jersey regulatory information

The Company is regulated as a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide published by the JFSC. This Prospectus is prepared, and a copy of it has been sent to the JFSC, in accordance with the Collective Investment Funds (Certified Funds – Prospectuses) (Jersey) Order 2012. The JFSC is protected by the CIF Law against liability arising from the discharge of its functions under the CIF Law. The JFSC is also protected by the Financial Services (Jersey) Law 1998 against liability arising from the discharge of its functions under that law.

Following the introduction of new prospectus content legislation in 2012, it is a requirement under Jersey law that the following prescribed information be included in any prospectus published by a Jersey regulated fund:

- The Company and its Directors have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects and that there are no other material facts the omission of which would make misleading any statement in this Prospectus, whether of fact or opinion. The Company and its Directors accept responsibility accordingly.
- The JFSC does not take any responsibility for the financial soundness of the Company or for the correctness of any statements made or expressed in this Prospectus.
- If you are in any doubt about the contents of this Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or financial adviser.
- It should be remembered that the price of shares and the income from them can go down as well as up and that shareholders may not receive, on sale or the cancellation of their shares, the amount that they invested.
- Potential shareholders are strongly recommended to read and consider this Prospectus before becoming a shareholder in the Company.

**Listed funds are established in Jersey under a fast-track authorisation process. This process requires you to be notified that the JFSC views this fund as suitable therefore only for professional or experienced investors, or those who have taken appropriate professional advice.**

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

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

Further information in relation to the regulatory treatment of listed funds domiciled in Jersey may be found on the website of the JFSC at [www.jerseyfsc.org](http://www.jerseyfsc.org). Without limitation, neither the contents of the JFSC's website (or any other website) nor the contents of any website accessible from the hyperlinks on the JFSC's website (or any other website) is incorporated into or forms part of this document.

The Jersey regulatory requirements referred to above are not a reference to any requirements of the FCA or the Listing Rules.

### **Investment considerations**

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

- the legal requirements within their own countries for the subscription for, purchase, holding, transfer or other disposal of C Shares and/or Placing Programme Shares (as applicable);
- any foreign exchange restrictions applicable to the subscription for, purchase, holding, transfer or other disposal of C Shares or Placing Programme Shares which they might encounter;
- 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 C Shares or Placing Programme Shares; and
- prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients.

This Prospectus should be read in its entirety before making any investment in C Shares or 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 Association of the Company, which investors should review.

### **Historical information**

This document contains certain historical financial and other information concerning the Company's past performance. However, past performance of the Company should not be taken as an indication of future performance.

### **Forward-looking statements**

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

All forward-looking statements address matters that involve risks and uncertainties. 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 Prospectus. Any forward-looking statements in this Prospectus 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. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of Part 10 of this document.

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

### **Presentation of information**

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

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

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

Unless otherwise indicated, all references in this Prospectus to "sterling", "pounds sterling", "£", "pence" or "p" are to the lawful currency of the UK.

### **Definitions**

A list of defined terms used in this Prospectus is set out at pages 127 to 132.

### **Governing law**

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

## DIRECTORS, AGENTS AND ADVISERS

<b>Directors (all non-executive)</b>	Ian Reeves CBE ( <i>Chairman</i> ) Trevor Hunt David Pirouet Clive Spears Paul de Gruchy
<b>Administrator, secretary and registered office of the Company</b>	Capita Financial Administrators (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT
<b>Registrar</b>	Capita Registrars (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT
<b>Investment Adviser</b>	Gravis Capital Partners LLP 53/54 Grosvenor Street London W1K 3HU
<b>Sponsor and Joint Bookrunner</b>	Oriel Securities Limited 150 Cheapside London EC2V 6ET
<b>Joint Bookrunner</b>	Cenkos Securities plc 6.7.8 Tokenhouse Yard London EC2R 7AS
<b>Legal Advisers to the Company as to English law</b>	Berwin Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
<b>Legal Advisers to the Company as to Jersey law</b>	Carey Olsen 47 Esplanade St. Helier Jersey JE1 0BD
<b>Legal Advisers to the Sponsor and Joint Bookrunner</b>	Lawrence Graham LLP 4 More London Riverside London SE1 2AU
<b>Reporting Accountants</b>	Ernst & Young LLP Royal Chambers St. Julian's Avenue St. Peter Port Guernsey GY1 4AF

<b>Auditors</b>	Ernst & Young LLP Liberation House Castle Street St. Helier Jersey JE1 1EY
<b>Receiving Agent</b>	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>UK Transfer Agent</b>	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
<b>Operational Bankers</b>	The Royal Bank of Scotland International Limited Royal Bank House 71 Bath Street St. Helier Jersey JE4 8PJ
<b>Valuation Agent</b>	Mazars LLP Tower Bridge House Katherine's Way London E1W 1DD
<b>Custodian</b>	Capita Trust Company (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT

## EXPECTED TIMETABLE

All references to times in this Prospectus are to London times unless otherwise stated.

### **Open Offer**

Record Date for entitlements to participate in the Open Offer	5.00 p.m. on 11 February 2014
Ex-entitlement date for the Open Offer	8.00 a.m. on 12 February 2014
Open Offer opens	8.00 a.m. on 12 February 2014
Basic Entitlements and Excess CREST Open Offer Entitlements credited to CREST stock accounts of Existing CREST Shareholders	As soon as practicable after 8.00 a.m. on 13 February 2014
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST	4.30 p.m. on 3 March 2014
Latest time and date for depositing Basic Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 4 March 2014
Latest time and date for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 5 March 2014
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer or settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 7 March 2014

### **The C Share Placing and Offer for Subscription**

C Share Placing and Offer for Subscription open	8.00 a.m. on 12 February 2014
Latest time and date for receipt of completed Offer for Subscription Application Forms and payment in full under the Offer for Subscription	4.30 p.m. on 10 March 2014
Latest time and date for receipt of placing commitments under the C Share Placing	12.00 p.m. on 11 March 2014

### **The Placing Programme**

Placing Programme opens	12 February 2014
Earliest date for Placing Programme Shares to be issued pursuant to the Placing Programme	12 February 2014 <sup>1</sup>
Publication of Placing Programme Price in respect of each Placing	As soon as practicable following closing of each Placing
Admission and crediting of CREST accounts in respect of each Placing	8.00 a.m. on each day Placing Programme Shares are issued
Dispatch of definitive share certificates (where applicable)	Approximately 14 days following Placing Programme Admission
Last date for Placing Programme Shares to be issued pursuant to the Placing Programme	11 February 2015

**Other key dates**

Latest time and date for receipt of Forms of Proxy in relation to the Annual General Meeting	9.00 a.m. on 25 February 2014
Annual General Meeting	27 February 2014
Results of the Open Offer, C Share Placing and Offer for Subscription announced	13 March 2014
Initial Admission of the C Shares to the Official List and commencement of dealings on the London Stock Exchange	8.00 a.m. on 18 March 2014
CREST accounts credited	18 March 2014
Dispatch of definitive share certificates (where applicable)	Week commencing 24 March 2014

The dates and times specified above are subject to change. In particular, the Directors may with the prior approval of the Joint Bookrunners bring forward or postpone the closing time and date for the C Share Placing and Offer for Subscription. In the event that a date or time is changed, the Company will notify persons who have applied for C Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulated Information Service.

**Note:**

- 1 It is the Directors' intention that no Placing Programme Shares will be issued prior to the conversion of the C Shares issued pursuant to the Issue.

## ISSUE STATISTICS

Issue Price per C Share	£1.00
Maximum number of C Shares being issued	100 million
Estimated initial NAV per C Share	98.0
Estimated gross proceeds <sup>2</sup>	£75 million
Estimated costs	1.5 million
Estimated Net Proceeds	73.5 million
ISIN of the Basic Entitlements	JE00BJT0KL40
ISIN of the additional C Share entitlements under the Excess Application Facility	JE00BJT0KM56
ISIN of the C Shares	JE00BJT12C24

## PLACING PROGRAMME STATISTICS

Maximum number of Placing Programme Shares being made available under the Placing Programme	100 million
Placing Programme Price	NAV per Ordinary Share plus a premium <sup>3</sup>
ISIN of the Ordinary Shares	JE00B6173J15

**Note:**

- 2 Assuming that the Company issues 75 million C Shares pursuant to the Issue.
- 3 The Placing Programme Shares will be issued at an issue price calculated by reference to the NAV per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the Placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised.

## PART 1

### THE COMPANY

#### 1. Introduction

The Company is a Jersey incorporated closed-ended investment company. The Company is a certified fund in Jersey pursuant to the CIF Law and the Jersey Listed Fund Guide.

The Company was initially established as an unregulated exchange-traded fund under the Collective Investment Funds (Unregulated Funds) (Jersey) Order 2008. Shareholders approved the change in the Company's regulated status to a Jersey Listed Fund at an extraordinary general meeting of the shareholders of the Company on 7 February 2014.

The IPO of the Company took place in July 2010, raising gross proceeds of £40 million. The Company carried out a placing and offer for subscription of C Shares in December 2011 which raised gross proceeds of £67.4 million. Those C Shares converted into Ordinary Shares in May 2012. The Company also carried out a placing and offer for subscription of C Shares in October 2012, which raised gross proceeds of £144.4 million. In addition, the Company has, since its IPO, undertaken a number of smaller fundraisings ("tap issues") within its existing pre-emption authority at the relevant time, raising aggregate gross proceeds of £34.8 million.

The net proceeds of the IPO, the issues of C Shares in December 2011 and October 2012 and the various tap issues were, after accounting for costs and expenses, invested in the Subsidiary.

The Subsidiary was previously operated as a master fund listed on the CISEA. However, the Subsidiary became a wholly-owned subsidiary of the Company on 7 February 2014 upon completion of the Reorganisation.

Pursuant to the Scheme the Company acquired all of the shares it did not previously own in the Subsidiary. The Reorganisation involved the restructuring of Group governance, advisory and certain other arrangements to reflect the new Group structure. On 7 February 2014, the Subsidiary ceased to be an expert fund regulated under the CIF Law and became a wholly-owned subsidiary of the Company. The Subsidiary was also delisted from the CISEA. The cost of the Scheme and the Reorganisation was borne by the Company. The cost of the Scheme and the Reorganisation will be included and identified in the next published accounts.

Details of the Group's Current Portfolio are set out in Part 4 of this document. As at 31 January 2014, the Group had an existing portfolio of 32 investments with a value of £355.5 million. As at 11 February 2014 (being the latest practicable date before publication of this document), the Company had a market capitalisation of approximately £388 million.

#### 2. Overview of the Issue

The Investment Adviser continues to see significant opportunities in the infrastructure debt market. To take advantage of these opportunities, and in light of the ongoing demand for the Company's equity (which has performed strongly and has traded at a premium to its net asset value since the IPO), the Company announced on 20 January 2014 its intention to raise additional capital by way of the Open Offer, C Share Placing and Offer for Subscription of C Shares at an issue price of £1.00 per C Share.

The Company also announced that it will institute a placing programme of Ordinary Shares.

The Company is targeting an initial fundraising in excess of £75 million (before expenses) under the Issue and potential further fundraisings of up to £100 million (before expenses) under the Placing Programme. The Company will invest the net proceeds of the Issue and the Placing Programme in accordance with its investment objectives and policy. Details of the Company's investment objectives and policy are set out in paragraph 9 below.

A summary of UK infrastructure and the associated debt investment opportunities is set out in paragraph 3 below and further details are set out in Part 3 of this document.

Neither the Issue nor the Placing Programme is underwritten.

Certain of the partners of the Investment Adviser expect to subscribe for, in aggregate, up to 240,000 C Shares pursuant to the Issue.

### **3. Investment opportunity**

#### **3.1 Background**

The disruption in the financial markets since mid-2007 has significantly restricted the availability of debt financing for infrastructure assets in the UK. This has primarily been as a result of:

- reduced investor confidence in securitised transactions, which has had a significant negative impact on the ability of infrastructure project companies to access funding through the debt capital markets; and
- the capital constraints imposed upon banks by Basel II<sup>4</sup> and Basel III<sup>5</sup>, and banks' own concerns in relation to their long-term liquidity, which have limited their appetite to provide long term debt, or indeed to continue to hold existing long term debt.

This constrained lending environment has resulted in a strong demand from existing operational infrastructure projects for the type of long-dated debt financing that the Company is seeking to provide. Long-term infrastructure lenders have emerged since the financial crisis of 2008, but only to serve a limited section of the market. In addition to the lack of availability of alternative providers of long-term debt, the Directors and the Investment Adviser believe that the following factors also contribute to this demand:

- there is a natural incentive amongst infrastructure asset owners to recycle capital swiftly rather than leave it deployed on a long term basis in assets which have reached their operational phases;
- where the Group provides a subordinated loan to a Project Company, the Project Company would typically expect to be able to deduct, for tax purposes, interest payments that it makes to the Group; and
- transaction times and costs when dealing with the Group are often low, relative to those involved in outright sales, and there are typically no adverse tax or change of control implications for the equity or senior debt holders of a Project Company as a result of a change in the funding structure of a Project Company to incorporate subordinated loans, as provided by the Group.

Debt of the type primarily targeted by the Company relates to projects backed by long-dated, secure, public sector-backed contracts. Performance of the wider infrastructure asset class historically has been strong:

- the default rate on infrastructure debt globally has been lower than that on corporate debt;
- the recovery rate on defaulted infrastructure debt globally has been higher than on defaulted corporate debt; and
- returns on infrastructure debt generally are higher than on comparably rated corporate debt principally due (in the view of the Directors and the Investment Adviser) to an illiquidity premium, a scarcity of lenders and a relatively specialist asset class.

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4 "International Convergence of Capital Measurement and Capital Standards: A Revised Framework" published by the Basel Committee on International Banking Supervision.

5 "A global regulatory framework for more resilient banks and banking systems" published by the Basel Committee on International Banking Supervision.

The Directors and the Investment Adviser believe that the available levels of returns on such debt investments, currently priced at significant margins above UK government debt, remain highly attractive having regard to the risks relating thereto. Such investments have a low correlation to equity investments and limited exposure to economic and business cycles, and in some cases benefit from partial inflation protection.

In the opinion of the Directors and the Investment Adviser, the large number of existing UK PFI and other infrastructure projects (both operational and under construction) continue to provide the Company with significant near to medium term lending opportunities. Pricing of secondary PFI assets has, in the opinion of the Directors and the Investment Adviser, been firming markedly over the last twelve months, with a consequent reduction in yields available.

In respect of infrastructure projects specifically focused on renewable energy, prevailing market conditions have led to the emergence of a significant pipeline of suitable debt investment opportunities. Banks are reluctant to lend beyond 5 or 7 years (compared to the 20 or 25 year contracted cash flows arising under the FIT, RHI and ROC schemes). Therefore, in light of the lack of available capital for renewable energy infrastructure projects from traditional bank lenders, the Company has continued to progress lending opportunities, generally on a senior secured basis, in this area, in particular focusing on solar investments as well as an increasing number of biomass, onshore wind and other public sector-backed opportunities.

### 3.2 *Features of the Company*

In addition to the above, the Directors and the Investment Adviser believe that an investment in the Company offers the following benefits and advantages:

- the Company and its Directors have access to the Investment Adviser, which has the capabilities and experience required to originate and manage infrastructure-related debt investments, having already successfully invested the capital raised by the Company pursuant to the IPO, the issue of C Shares in December 2011 and October 2012 and various tap issues;
- the Company is the only UK-listed infrastructure fund focused primarily on debt investments;
- the Group has low annual management charges when compared with other listed infrastructure companies. Under the Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings) is charged by the Investment Adviser to the Company. No performance fee is charged. The Investment Adviser may also receive an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group; and
- the Company has progressively increased its dividend towards its Target Net Yield of 8 per cent. per annum, having paid half year dividends on its Ordinary Shares of 2.15p in December 2010, 2.30p in June 2011, 3.00p in December 2011, 3.70p in June 2012, 3.80p in December 2012, 3.80p in June 2013 and 3.80p in December 2013 and declared on 15 January 2014 a dividend of 1.90p for the period from 1 October 2013 to 31 December 2013.

## 4. **Benefits of the Issue**

The Directors believe that proceeding with the Issue will have the following benefits:

- the additional capital raised will enable the Company to proceed with transactions in its investment pipeline (details of which are set out in paragraph 7 of Part 4 of this document) , thereby further diversifying its investment portfolio, both by number of investments and by sector;
- if the Company raises £75 million pursuant to the Issue, the market capitalisation of the Company is expected to increase to in excess of £463 million which will help to make the Company more attractive to a wider shareholder base;

- it is expected that following Conversion the secondary market liquidity in the Ordinary Shares will be further enhanced as a result of a larger and more diversified shareholder base; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio.

## **5. C Share structure**

The Issue is an open offer, placing and offer for subscription of C Shares. These C Shares will be issued at the Issue Price of £1.00 per share and will convert into Ordinary Shares in due course pursuant to Conversion (as described in paragraph 6 below and Part 8 of this document). The Net Proceeds of the Issue will be invested in accordance with the Company's investment objectives and policy (details of which are set out in paragraph 9 of Part 1 of this document).

The C Shares are designed to overcome the potential disadvantages for existing Ordinary Shareholders of a conventional fixed price issue of further Ordinary Shares for cash. In particular:

- the assets of the Company acquired with the Net Proceeds of the Issue will be accounted for and managed by the Company as a distinct pool of assets, with the Company procuring that separate cash accounts are created and maintained in the books of the Company until the Conversion Time. By accounting for and managing these assets separately, holders of existing Ordinary Shares will not be exposed to a portfolio containing a substantial amount of uninvested cash before the Calculation Time;
- the Net Asset Value of the existing Ordinary Shares will not (provided that the Issue proceeds) be diluted by the expenses associated with the Issue, which will be borne by the subscribers for the C Shares issued pursuant to the Issue; and
- the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which holders of C Shares will become entitled will reflect the relative investment performance and value at the Calculation Time of the pool of new capital attributable to the C Shares as compared to the assets attributable to the Ordinary Shares in issue at that time. As a result, the Net Asset Value attributable to the Ordinary Shares then in issue will not be adversely affected by Conversion.

The Directors will have the power to declare dividends in relation to the C Shares in the event that the assets that are attributable to the C Shares generate material income while the C Shares are in issue, to the extent that the Directors consider it to be appropriate in the circumstances.

C Shares will carry the right to vote at meetings of Shareholders and the consent of the holders of the C Shares as a class will be required in connection with the matters specified in paragraph 10 of Part 8 of this document. Holders of C Shares will be entitled to participate on a winding up of the Company or upon a return of capital as specified in paragraph 7 of Part 8 of this document.

## **6. Conversion mechanics of the C Shares converting into Ordinary Shares**

The investments made by the Company with the Net Proceeds of the Issue will be accounted for and managed as a separate pool of assets by the Company until the Calculation Time. The Calculation Time shall be when the value of the investments of the Company is equal to or greater than 90 per cent. of the Net Asset Value of the Company (or sooner in limited circumstances, including six months after the issue of the C Shares notwithstanding the extent to which the Company's cash has been deployed at that time).

The Conversion Ratio will then be calculated and the C Shares in issue will convert into a number of Ordinary Shares (and, if applicable, Deferred Shares) calculated by reference to the relative Net Asset Values per share of the C Shares and the Ordinary Shares.

Full details of the C Shares, the Deferred Shares and Conversion are set out in Part 8 of this document.

The new Ordinary Shares arising on Conversion will rank *pari passu* with the Ordinary Shares then in issue and will have the rights set out in the Company's Articles, which are summarised in paragraph 4 of Part 10 of this document.

## **7. Benefits of the Placing Programme**

The Directors believe that instituting the Placing Programme will:

- create the potential to enhance the NAV per Ordinary Share of existing Ordinary Shares through new share issuance at a premium to NAV per Ordinary Share, after the related costs have been deducted;
- grow the Company, thereby spreading operating costs over a larger capital base, which should reduce the total expense ratio;
- partially satisfy market demand from time to time for Ordinary Shares and improve liquidity in the market for Ordinary Shares; and
- enable the Company to raise additional capital quickly, in order to take advantage of discrete investment opportunities that have been identified (details of which are set out in paragraph 7 of Part 4 of this document).

## **8. The EGM**

An extraordinary general meeting of the Company was held on 7 February 2014 at which the Company sought from Shareholders the approvals necessary for the Issue to proceed and the Placing Programme to be implemented. Shareholders duly passed resolutions, *inter alia*, to:

- increase the authorised share capital of the company from £6,500,000 to £10,000,000; and
- dis-apply pre-emption rights in respect of the allotment of up to 100,000,000 C Shares pursuant to the Issue and up to 100,000,000 Ordinary Shares pursuant to the Placing Programme.

## **9. Investment objectives and policy of the Company**

The Company's investment objectives are to:

- provide its Shareholders with regular, sustained, long-term distributions; and
- preserve the capital value of its investment assets over the long term,

by generating exposure to subordinated PFI debt and related and/or similar assets.

The Group makes investments in subordinated debt instruments issued by infrastructure Project Companies, their owners or their lenders, and assets with a similar economic effect. The Group may also acquire (or acquire interests in) the senior debt of infrastructure Project Companies, or their owners.

The Company will target an ongoing dividend for Shareholders of 8 per cent. per annum by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation.

Structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's Net Asset Value immediately following draw down.

## **10. Investment strategy**

The Company focuses primarily on taking debt exposure (typically on a subordinated basis, but with no restriction upon senior positions) to projects which have:

- pre-determined, very long term, public sector-backed revenues;
- no construction or property risks; and

- contracts which are “availability” based (i.e. the payments under the contracts do not depend on the level of use of the project assets).

It is intended that the Group will invest directly or indirectly in projects which meet these criteria and that such investments will make up a minimum of 75 per cent. of the Group’s total assets.

It should be noted that (in the context of the strategy referred to above):

- (a) the Company views as “public sector-backed” all revenues arising from UK central government or local authorities, or from entities themselves substantially funded by UK central government or local authorities, and includes obligations of NHS Trusts, UK registered social landlords and universities in this classification;
- (b) where the Subsidiary provides a senior debt guarantee in relation to a portfolio of loans (or enters into a similar arrangement), the exposure of the Subsidiary to projects that are not within its primary focus (“**Outside Scope Projects**”) shall be deemed to be:

$$\frac{A}{B} \times C$$

Where:

A is the principal amount of the loans within the portfolio advanced in relation to Outside Scope Projects;

B is the principal amount of the guaranteed loan portfolio as a whole; and

C is the total amount guaranteed by the Subsidiary.

In any analogous situation, the same principle will be applied; and

- (c) the Company will view as fulfilling the investment strategy any completed project which is either an installation accredited by the Gas and Electricity Markets Authority under The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 (as may be amended or supplemented from time to time), or a recipient of revenues arising from other government-sponsored or administered initiatives for encouraging the usage of renewable or clean energy in the UK.

The Company may also consider, in respect of up to an absolute maximum of 25 per cent. of the Group’s total assets (at the time the relevant investment is made), taking exposure to Outside Scope Projects, which will include projects involving:

- (a) Project Companies which have not yet completed the construction phases of their concessions;
- (b) Project Companies in the regulated utilities sector; and
- (c) Project Companies with “demand” based concessions (i.e. where the payments received depend on the level of use of the project assets) or which have private sector-sponsored concessions, to the extent that the Investment Adviser considers that there is a reasonable level of certainty in relation to:
  - (i) the likely level of demand; and
  - (ii) the stability of the resulting revenue.

There is no, and it is not anticipated that there will be any, outright property exposure of the Company (except potentially as additional security).

## 11. Target investments

The Group makes infrastructure investments, typically by acquiring interests in subordinated debt instruments issued by infrastructure Project Companies (or by their existing lenders or holding vehicles) that are contracted by UK public sector bodies to design, finance, build and operate infrastructure projects and

by investing in other assets with a similar economic effect to such instruments. Such projects are often structured and financed under the UK private finance initiative.

Background information in relation to the UK infrastructure sector and the associated debt investment opportunities that are targeted by the Company is set out in Part 3 of this document.

The current weighting of the Group's current investment portfolio as detailed in Part 4 of this document is approximately 40 per cent. in the PFI sector and 58 per cent. in the renewables sector, with the balance being an investment secured against a receivables purchase agreement.

It is the view of the Directors and the Investment Adviser that once an infrastructure asset has been constructed and the contracted cash flows relating to the project have commenced, many of the risks associated with investments in such assets are significantly reduced. Therefore, the Company primarily targets infrastructure investments after the design and build phases have been completed and the relevant asset is operational.

In general, any losses suffered by investors in an infrastructure Project Company will be suffered first by the equity investors in the Project Company itself. Typically, only once the equity investors in the Project Company have suffered a complete loss of their investment will debt investors stand to make a loss. However, any subordinated debt will rank behind senior debt, so the holders of subordinated debt will typically stand to make a complete loss on their investment before holders of senior debt experience any losses.

In addition to acquiring subordinated debt and senior debt issued directly by Project Companies, the Company seeks to provide debt to the equity owners of and lenders to Project Companies. Therefore, in addition to performance at the Project Company level, such debt interests could also be adversely affected should, for example, the equity owner or lender default on its arrangement with the Subsidiary. The provision of debt to these equity owners and lenders introduces a further element of counterparty risk. In addition, the debt interests acquired from the equity owner or lender may be structured such that they relate to a portfolio of Project Companies and it may be the case that the performance of one debt-related interest may impact upon the performance of other interests within that portfolio.

In the case of the investment structure outlined in paragraph 4.1 of section A of Part 3 of this document (a senior debt guarantee), the provider of a senior debt guarantee will essentially rank ahead of the equity investors in the relevant individual underlying Project Companies but behind the senior lender (save that the senior lender may have a relatively small initial exposure to default before the guarantee can be relied upon), although it should be noted that the provider of the guarantee is exposed to defaults in relation to each of the loans within the guaranteed portfolio.

In the view of the Directors and the Investment Adviser, the capital structures of the Project Companies to which the Company seeks to generate exposure include sufficient equity so that any losses are likely to be borne by the equity investors in the Project Companies themselves rather than by the providers of debt finance.

## **12. Diversification**

The objective of the Company is to generate a diversified portfolio of subordinated debt infrastructure assets and related and/or similar assets and to maintain its portfolio so that not more than 10 per cent. in value of the Company's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset (having regard to the risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Company having a sufficient level of investment capital from time to time and the ability of the Company to invest its cash in suitable investments and is subject to the investment restrictions described in paragraph 10 above.

Similarly, it is the intention of the Directors that the assets of the Company are (as far as is reasonable in the context of a UK infrastructure portfolio) appropriately diversified by asset type (e.g. PFI healthcare, PFI education, solar power, biomass etc) and by revenue source (e.g. NHS Trusts, local authorities, FIT, ROCs etc.).

The Company may seek to raise additional capital from time to time to the extent that the Directors and the Investment Adviser believe the Company will be able to make suitable investments. This will enable the Company to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Group.

### **13. Investment process**

Asset origination and investment decisions are made by the Investment Committee on the advice of the Investment Adviser. Details of the investment process are set out below.

#### **13.1 Asset origination**

The partners of the Investment Adviser have significant experience of working within the UK infrastructure market, particularly with regard to debt advisory work, and have established close relationships with many of the key participants in the UK infrastructure market, including equity investors and lenders. The Investment Adviser is therefore well placed to identify potential investment opportunities for the Company, as is evidenced by the portfolio of investments that have been made to date as described in Part 4 of this document.

#### **13.2 Preliminary review**

The Company has a selective approach to investing in infrastructure Project Companies, and focuses primarily on identifying investment opportunities with the following target characteristics:

- *availability-based* – there is no demand risk;
- *completed* – there is no construction risk;
- *inflation linkage* – there is sufficient inflation linkage in the underlying cash flows to enable the Investment Adviser to structure loan assets with a degree of inflation protection;
- *competent and financially stable facilities manager* – the facilities manager to which the operation of the asset is sub-contracted has a proven track record and robust financial position;
- *excellent operational history* – the underlying projects have a good operational history with minimal cash flow interruptions;
- *project simplicity* – the infrastructure asset is relatively simple in terms of construction, operation, maintenance and technology;
- *good credit quality* – the underlying obligor has an excellent credit profile;
- *sufficient equity* – there is sufficient equity in the project to allow, in the view of the Investment Adviser, additional leverage without undue risk; and
- *fit within existing portfolio* – the investment adds balance and diversification to the existing portfolio of the Company with regards to credit risk, asset sector, investment term and income return.

#### **13.3 Investment offer and heads of terms**

The Investment Adviser will agree heads of terms in relation to any potential investment. The Investment Adviser will keep the Directors informed during this process. Typically, the Investment Adviser will deliver a preliminary review of each potential investment at least one month prior to the date on which a Board decision is required.

#### **13.4 Due diligence procedures**

The Investment Adviser will evaluate all project risks it believes are material to making an investment decision and will assess how those risks are mitigated. Where appropriate, it will complement its analysis through the use of professional third party advisers, including technical built asset

consultants, financial and legal advisers and valuation and insurance experts. These advisers will be engaged to conduct due diligence that is intended to provide an additional and independent review of key aspects and risks of a project, providing comfort as to the level of risk mitigation and the project's ongoing performance.

### 13.5 *Investment approval*

The Company established an investment committee with effect from 7 February 2014. Details of the Investment Committee are set out in paragraph 3.2 of Part 2 of this document. The Investment Adviser will present an investment proposal to the Investment Committee and the Investment Committee will make the investment decision.

### 13.6 *Investment monitoring*

Information flows to the Investment Adviser and the Company will vary depending on the investment. Generally, the Investment Adviser will receive a project-by-project technical adviser's report semi-annually or annually. In addition, in certain circumstances, such as in the event of a revenue shortfall or an unremedied event of default in a loan agreement, project agreement or operating sub-contract, further information will be sought and (if relevant) a site visit arranged.

## 14. **Current portfolio**

Details of the Group's Current Portfolio are set out in Part 4 of this document.

## 15. **Valuation and valuation methodology**

The Valuation Agent is responsible for carrying out the fair market valuation of the Group's investments on a monthly basis.

The current Valuation Agent is Mazars LLP, an audit, accountancy, tax, legal and advisory company with 13,500 professionals in 71 countries.

The valuation principles used by the Valuation Agent are based on a discounted cash flow methodology. A fair value for each asset acquired by the Group is calculated by applying a discount rate (determined by the Valuation Agent) to the cash flow expected to arise from each such asset.

The Valuation Agent determines the discount rate that it believes the market would reasonably apply to each investment taking, *inter alia*, the following into account:

- sterling interest rates;
- movements of comparable credit markets;
- the performance of the underlying assets, including any actual or potential event in relation to the underlying asset that may be expected to have a material impact on the ability of the borrower to meet its obligations to its lenders, such as operating performance failures, or the credit impairment of the underlying obligor;
- general infrastructure market activity and investor sentiment, which the Valuation Agent assesses by taking into account its knowledge of the infrastructure market gained from discussions with market participants and from publicly-available information on relevant transactions and publicly-traded infrastructure funds; and
- changes to the economic, legal, taxation or regulatory environment.

The Valuation Agent exercises its judgment in assessing the expected future cash flows from each investment. Given that the investments of the Group are generally fixed income debt instruments (in some cases with elements of inflation protection) or other investments with a similar economic effect, the focus of the Valuation Agent is on assessing the likelihood of any interruptions to the debt service payments, in light of the operational performance of the underlying asset.

## **16. Monthly net asset valuation**

The Administrator is responsible for calculating the Net Asset Value of the Company on a monthly basis. The Administrator calculates the Net Asset Value of the Company by taking the total of the fair market valuations of all investments of the Group and making such adjustments as are required to reflect the cash held by the Group, accrued liabilities and expenses, prepayments and any other creditors and debtors. The fair market valuations of the Group's investments are submitted by the Valuation Agent to the Administrator each month.

As at 31 January 2014, the unaudited NAV per share of the Ordinary Shares was 101.27 pence.

## **17. Cash awaiting investment**

Cash awaiting investment is held on behalf of the Group in interest-bearing bank accounts (at banks carrying a minimum rating of A-1, P-1 or F-1 from Standard & Poor's, Moody's or Fitch respectively), or in one or more similarly-rated money market or short-dated gilt funds.

## **18. Debt facilities of the Company**

As set out in the Company's investment policy, structural gearing is permitted at Company level, up to a maximum of 20 per cent. of the Company's Net Asset Value immediately following draw down of the relevant debt. The Company does not currently have any debt facilities in place and does not currently intend to introduce gearing.

The Subsidiary may utilise leverage for structural purposes and for short term purposes. The Subsidiary's borrowings shall not in any event exceed 20 per cent. of Net Asset Value as at the time any such borrowings are drawn down. The Subsidiary does not have any debt facilities in place and does not currently intend to introduce gearing.

## **19. Currency and hedging policy**

Interest rate hedging may be carried out by the Company to seek to provide protection against increasing interest rates as and when any floating rate liabilities are entered into by the Company. The Company's exposure to such floating rate liabilities is likely to be limited to permitted gearing (if any) as referred to in paragraphs 9 and 18 above.

Interest rate hedging may be carried out to seek to provide protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the Company in line with its investment policy and strategy.

The Company will engage in currency hedging only with a view to protecting the level of sterling dividends and other distributions to be paid by the Company. It is not the intention of the Company to invest in non-sterling denominated assets, or raise non-sterling denominated liabilities, and such currency hedging is therefore not envisaged.

The Group only uses derivatives for the purposes of efficient portfolio management.

## **20. Target returns**

The Company targets dividend payments of 8 per cent. per annum per Ordinary Share (by reference to the IPO Price) (the "**Target Net Yield**"). The Company's returns to its Shareholders are affected by Company-specific fees, costs and expenses and the impact of any leverage employed at Company or Subsidiary level.

## **21. Distribution policy**

The Company, as far as reasonably practicable and taking into account the costs of the Company and its working capital requirements, distributes by way of dividend payments all income that it receives from the Subsidiary up to a target of 8 per cent. per annum per Ordinary Share (by reference to the price of £1.00 per Ordinary Share at which Ordinary Shares were issued pursuant to the Company's flotation).

The Company may also make distributions by way of capital distributions (or otherwise in accordance with the Jersey Companies Law and the Articles) if, and to the extent that, the Directors consider this to be appropriate. The Company has previously offered a scrip dividend alternative to Ordinary Shareholders and anticipates that it will continue to do so.

The Company has to date made distributions by way of semi-annual dividends and has declared those dividends within two months of the Company's half year-ends. On 10 July 2013 the Company announced that, following payment of the final dividend for the financial year ended 30 September 2013, the Company will pay dividends on a quarterly basis, with dividends payable for the financial periods ending 31 December, 31 March, 30 June and 30 September in each year being paid in February, May, August and November, respectively. On 15 January 2014, the Company declared a dividend of 1.90p for the period from 1 October 2013 to 31 December 2013.

Payment of dividends by the Company and the ability of the Company to pay the Target Net Yield is reliant on the achievement by the Company of its investment objectives and the Company's ability to invest any further funds that it raises.

## **22. Fees and Expenses**

### **22.1 *Expenses of the Issue***

In aggregate, the fees and expenses relating to the Issue and associated matters are expected to be approximately, £1.5 million, resulting in net proceeds of £73.5 million if gross proceeds of £75 million are raised. Provided that the Issue proceeds, such fees and expenses in relation to the Issue will be borne by subscribers for the C Shares issued pursuant to the Issue.

### **22.2 *Expenses of the Placing Programme***

In aggregate, the fees and expenses relating to the Placing Programme and associated matters are expected to be approximately, £1.8 million, resulting in net proceeds of £103.2 million if gross proceeds of £105 million are raised. By issuing Placing Programme Shares at a premium to NAV intended to cover the costs and expenses of the relevant placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme, such fees and expenses in relation to the Placing Programme will effectively be borne by subscribers for the Placing Programme Shares issued pursuant to the Placing Programme.

### **22.3 *Other fees and expenses***

The Company is responsible for its own ongoing operational costs and expenses which include (but are not limited to) the fees and expenses of the Administrator, the Custodian, the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable VAT).

Under the Investment Advisory Agreement, a base fee of 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings) is charged by the Investment Adviser to the Company. No performance fee is charged. The Investment Adviser may also receive an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group.

## **23. Ordinary Share repurchases and discount control**

At the annual general meeting of the Company held on 11 February 2013, a special resolution was passed authorising the Company (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 19,907,952 Ordinary Shares, representing 14.99 per cent. of the total Ordinary Shares in issue at that time. This authority was granted for the purpose of addressing any imbalance between the supply and demand for the Ordinary Shares, to assist in minimising any discount to the Net Asset Value of the Company at which the Ordinary Shares may be trading and to increase the Net Asset Value per Ordinary Share. Following the conversion of C Shares to Ordinary Shares, the maximum number of Ordinary Shares authorised to be purchased was increased to 39,035,694 Ordinary Shares, representing

14.99 per cent. of the total Ordinary Shares in issue at that time. This authority will expire at the conclusion of the next annual general meeting of the Company, which is scheduled to take place on 27 February 2014.

A renewal of the authority to make purchases of Ordinary Shares will be sought from Shareholders at the AGM and at each subsequent annual general meeting of the Company. The timing of any purchases will be decided by the Board in light of prevailing market conditions and will be made within guidelines established from time to time by the Board. However, such purchases will only be made in accordance with applicable law, the Listing Rules and the Disclosure and Transparency Rules in force from time to time, or any successor laws, rules or regulations. The Listing Rules currently provide that where the Company purchases its Ordinary Shares the price to be paid must not be more than 105 per cent. of the average of the market values of the Ordinary Shares for the five Business Days before the purchase is made or, if higher, the higher of the latest independent trade and the highest current independent bid.

#### **24. Disclosure obligations**

The provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) (“DTR 5”) of the UK Financial Conduct Authority Handbook apply to the Company on the basis that the Company is a “non-UK issuer”, as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a holder of Ordinary Shares and/or C Shares or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of Ordinary Shares and/or C Shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25, 30, 50 and 75 per cent. Pursuant to the Articles, DTR 5 is deemed to apply to the Company as though the Company were a “UK issuer”, as such term is defined by DTR 5. As such, the relevant percentage thresholds that apply to the Company are 3, 4, 5, 6, 7, 8, 9, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent., notwithstanding that in the absence of those provisions of the Articles such thresholds would not apply to the Company.

#### **25. Taxation**

Information concerning the tax status of the Company and in relation to an investment in C Shares or Placing Programme Shares is set out in Part 6 of this document. If any potential investor is in any doubt about the taxation consequences of acquiring, holding or disposing of C Shares or Placing Programme Shares, they should seek advice from their independent professional adviser.

#### **26. Non-Mainstream Pooled Investments**

The Board notes the rules of the FCA on the promotion of non-mainstream pooled investments, effective from 1 January 2014. The Board confirms that it conducts the Company’s affairs, and intends to continue to conduct its affairs, so that the Company’s shares will be “excluded securities” under the FCA’s new rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HMRC under sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Therefore, the Company’s shares will not amount to non-mainstream pooled investments. Accordingly, promotion of the Company’s shares will not be subject to the FCA’s restriction on promotion of non-mainstream pooled investments.

## PART 2

### MANAGEMENT AND ADMINISTRATION

#### 1. Board of Directors

The Articles of Association provide that the Company's Board of Directors shall be comprised of at least 2 Directors. The Company currently has 5 Directors, all of whom are non-executive directors. The Directors meet on a regular basis to review and assess the investment policy and performance of the Company and generally to supervise the conduct of its affairs.

The Directors and their business experience are as follows:

#### ***Ian Reeves CBE, CCMI, FCInstCES, FRSA, FINSTD (69) (Chairman)***

Ian Reeves, a UK resident, is a businessman and management consultant. He is the Chairman of Dealpride Ltd, the ultimate holding company of the McGee Group, the civil engineering, building and demolition contractors. Mr. Reeves is also chairman of the construction industry best practice group, Constructing Excellence Ltd, and of Synaps Partners LLP, the strategy and business advisors. Mr. Reeves is also a member of the advisory board of Oriel Securities Limited, the corporate and institutional stockbroking and advisory firm.

Mr. Reeves is a visiting Professor of Infrastructure Investment and Construction at Manchester Business School, part of The University of Manchester.

Mr. Reeves is a Companion of the Chartered Management Institute, a Fellow of the Chartered Institution of Civil Engineering Surveyors and a Fellow of the Institute of Directors. He is a liveryman of the Worshipful Company of Constructors and a Freeman of the City of London. He was made a Commander of the Most Excellent Order of the British Empire (CBE) in 2003 for his service to business and charity.

Mr. Reeves serves as chairman of the Board of Directors of the Company.

#### ***Trevor Hunt (60)***

Trevor Hunt, a Jersey resident, has extensive experience in the offshore financial services fund administration sector. Mr. Hunt worked for HSBC for over 30 years in various senior management positions, in particular within the open-ended and closed-ended offshore funds industry.

Mr. Hunt retired from HSBC in 2003 and spent six years as a director of Capita Financial Administrators (Jersey) Limited and of other Capita entities before leaving in 2009 to join BNP Paribas Securities Services in a senior management role. On 30 September 2011, Mr. Hunt left BNP Paribas in order to focus on providing non-executive directorship services to a number of Channel Islands funds and fund management companies.

Mr. Hunt is regulated by the JFSC for the provision of services as a non-executive director. Mr. Hunt is also a member of the Jersey Association of Directors and Officers and serves on the AIC Offshore Funds Committee. Mr. Hunt is also a member of the Guernsey Finance Sector Non-Executive Directors Forum, is registered with the Guernsey Financial Services Commission and holds the Chartered Institute of Bankers (Trustee Diploma).

#### ***David Pirouet F.C.A. (59)***

David Pirouet, a Jersey resident, is a qualified accountant. He was an audit and assurance partner for 20 years with PricewaterhouseCoopers CI LLP ("PwC") until he retired in June 2009. He specialised in the financial services sector, in particular in the alternative investment management area. He also led PwC's Channel Islands hedge fund management practice for over four years.

Since retiring from PwC, Mr. Pirouet has carried out a four month project for the Chief Minister's Department in the States of Jersey, reporting to the Director for International Finance, and he serves on the boards of a number of listed and privately held investment entities.

Mr. Pirouet is regulated by the JFSC for the provision of services as a non-executive director. Mr. Pirouet has worked in London and Canada as well as the Channel Islands.

### ***Clive Spears (60)***

Clive Spears, a Jersey resident, was a corporate banker until his retirement in 2003. He spent 32 years with the Royal Bank of Scotland Group, of which the last 18 years were spent in Jersey. Mr. Spears has experience in corporate finance, treasury products, global custody, trust and fund administration and audit and compliance.

Mr. Spears retired as Deputy Director of Jersey Corporate Banking in Jersey in 2003 where he was responsible for a £30 million profit centre. Since that time he has engaged in the provision of consultancy and non-executive director services in both the funds industry and commerce locally.

Mr. Spears has a Class G licence with the local regulator, the JFSC, to facilitate the level of engagements held.

Mr. Spears' key local appointments have been with the Nordic Capital Group, Nomura Bank and with a variety of funds such as property, private equity and mezzanine debt funds. He is also a director of Jersey Finance Limited, the marketing arm of the States of Jersey.

### ***Paul de Gruchy (41)***

Paul de Gruchy, a Jersey resident, is a qualified lawyer who since 2007 has been Head of Legal for the Jersey and Guernsey offices of a global financial services business.

A graduate of Cambridge University, he qualified as an Advocate of the Royal Court of Jersey in 2000 and has extensive experience in the financial services sector, in particular in the area of offshore funds.

Mr de Gruchy's previous roles have included being the Director for Financial Industry Development at the States of Jersey Economic Development Department and being responsible for the drafting and introduction of the Expert Fund Regime for the JFSC, as well as several years working for leading law firms in Jersey.

## **2. Subsidiary Board of Directors**

The Subsidiary Board of Directors is currently comprised of three Subsidiary Directors.

The current Subsidiary Directors are Mr. Clive Spears (chairman), Mr. Paul de Gruchy and Mr. Trevor Hunt. Each of the Subsidiary Directors is also a director of the Company.

## **3. Corporate governance**

The Listing Rules require the Company to follow a "comply or explain" regime in relation to the UK Corporate Governance Code. Other than as set out below, the Company currently complies with the AIC Code, and in accordance with such Code is meeting its obligations in relation to the UK Corporate Governance Code and the associated disclosure requirements of the Listing Rules.

There are no additional codes of corporate governance under Jersey Companies Law or prescribed by the JFSC with which the Company is required to comply (other than the statutory provisions of the Jersey Companies Law itself and the Codes of Practice for Certified Funds published by the JFSC).

The Company is a member of the AIC and is classified as a Specialist Infrastructure Company.

The Directors have adopted a code of Directors' dealings in the Company's securities, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "**Model Code**"). The Company is

required to comply with the Model Code pursuant to the Listing Rules. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

The Company has not, so far, established a remuneration committee as the Directors are satisfied that any relevant issues can be properly considered by the Directors as a whole. The Company established a nomination committee and a management engagement committee, each with effect from 7 February 2014, details of which are set out in paragraph 3.3 below.

### 3.1 *Audit committee*

The Company has established an audit committee. The audit committee's membership is comprised of Ian Reeves, David Pirouet and Clive Spears and the committee is chaired by David Pirouet, who is a chartered accountant and a former audit partner. The audit committee meets at least twice a year, but can meet more often if necessary. The audit committee operates within defined terms of reference, a copy of which is available on request from the Company secretary. The audit committee's main functions include, *inter alia*, making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications. The audit committee also monitors the integrity of the financial statements of the Company, including its annual and interim reports and any preliminary results announcements.

The audit committee is responsible for overseeing the Company's relationship with the external auditors, including deciding upon the appointment of the external auditors and their remuneration. The audit committee considers the nature, scope and results of the auditor's work and reviews, develops and implements policy on the supply of non-audit services that are to be provided by the external auditors. The audit committee focuses particularly on compliance with legal requirements, accounting standards and the relevant Listing Rules and ensuring that an effective system of controls is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts remains with the Board.

### 3.2 *Investment committee*

The Company established an investment committee with effect from 7 February 2014. The investment committee's membership is comprised of Clive Spears, Trevor Hunt and Paul de Gruchy and is chaired by Clive Spears. The investment committee will meet as often as the Board considers necessary. The investment committee's main functions include, *inter alia*, considering and approving (or not, as the case may be) investment recommendations made by the Investment Adviser, and overseeing and effecting the making of investments by the Company.

### 3.3 *Compliance with the AIC Code*

The Board considers that it has managed its operations in compliance with the AIC Code, except in instances where compliance with any specific principle or recommendation of the AIC Code is considered inappropriate.

During the financial year ended 30 September 2013, and since that date, the Company has complied with the AIC Code save with regard to the following provisions:

- Establishment of nomination committee: Prior to the implementation of the Reorganisation, the Board did not consider it necessary to establish a nomination committee as all of the Directors were non-executive and two were considered independent. The Company established a nomination committee with effect from 7 February 2014. The nomination committee's membership is comprised of Ian Reeves, David Pirouet and Clive Spears and is chaired by Ian Reeves.

- Establishment of management engagement committee: Prior to the implementation of the Reorganisation, the Board did not consider it necessary to establish a management engagement committee as all of the Directors were non-executive and two were considered independent. The Company established a management engagement committee with effect from 7 February 2014. The management engagement committee's membership is comprised of Clive Spears, Trevor Hunt and Paul de Gruchy and is chaired by Clive Spears.

#### **4. The Company's Investment Adviser**

Gravis Capital Partners LLP is authorised and regulated by the UK Financial Conduct Authority and is the Investment Adviser of the Company.

The Investment Adviser provides investment advice to the Company in accordance with the terms of the Investment Advisory Agreement.

Under the terms of the Investment Advisory Agreement, the Investment Adviser receives an investment advisory fee from the Company equal to 0.9 per cent. per annum of the net asset value of the Company (net of cash holdings). This fee is calculated and payable in arrears at each half year end. The Investment Adviser is also entitled to an acquisition fee of up to 1 per cent. (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Group. This fee will be calculated and payable within one month of the settlement of each acquisition. The Investment Adviser has on only two occasions to date charged an acquisition fee in relation to an investment made by the Subsidiary. The Investment Adviser will generally seek to charge the acquisition fee to borrowers rather than the Group where possible (as it has done so in relation to a number of the investments made by the Subsidiary) but, in any event, any such fee will not exceed (and has not to date exceeded) 1 per cent.

As at 11 February 2014, being the latest practicable date prior to the date of this document, the partners of the Investment Adviser held (directly or indirectly, and together with their family members) 1,363,614 Ordinary Shares.

#### **5. Administrator of the Company**

Capita Financial Administrators (Jersey) Limited (a company incorporated in Jersey on 24 October 2003 with registered number 86301 with an issued share capital comprising 305,002 ordinary shares) has been appointed as administrator and secretary of the Company and the Subsidiary pursuant to the Company Administration Agreement and the Subsidiary Administration Agreement, respectively. The Administrator is responsible for the general administrative requirements of the Company and the Subsidiary, such as the maintenance of accounting and statutory records. Details of the Company Administration Agreement and the Subsidiary Administration Agreement are set out in paragraphs 9.3 and 9.4 of Part 7 of this document, respectively.

#### **6. Potential conflicts of interest**

##### **6.1 Key individuals**

It is a provision of both the Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans dedicate substantially all of their time to the provision of investment advisory services to the Group except at such times as the capital of the Group is at least 85 per cent. invested (or committed to be invested) in the Company's target assets.

##### **6.2 Partnership interest of the shareholders of Grosvenor PFI Holdings Limited in the Investment Adviser**

Certain of the ultimate shareholders of Grosvenor PFI Holdings Limited hold a 15 per cent. non-voting partnership interest in the Investment Adviser.

6.3 ***Advisory role of the Investment Adviser on transactions which may produce investment opportunities for the Company***

Where the Investment Adviser is or has been engaged by a third party in an advisory role on a transaction which gives rise to an investment opportunity for the Company, the Investment Adviser shall disclose full details of its engagement to the directors of the Company at the earliest opportunity.

6.4 ***Exclusivity, non-compete and dealing with conflicts***

Under the terms of the Investment Advisory Agreement, the Investment Adviser has agreed that neither it nor any of its employees, agents or affiliates shall, for so long as the Investment Advisory Agreement remains in force, and except with the express prior written consent of the Company, act as the adviser, manager or sponsor of any fund or other entity that may invest in assets within the scope of the Company's investment policy and strategy or engage in any activity which may compete in the same or substantially similar investment areas as the Company's investment policy and strategy. To the extent that any conflicts may arise, the Investment Adviser will seek to ensure that any conflicts of interest are resolved fairly.

## PART 3

### BACKGROUND TO UK INFRASTRUCTURE AND ASSOCIATED DEBT INVESTMENT OPPORTUNITIES

Infrastructure assets are generally considered to be assets that provide the services and facilities necessary for a society or economy to function successfully. Often infrastructure assets are sub-divided into two key sectors. Social infrastructure assets are typically procured by government to provide services to the general public, and would include hospitals, schools, prisons, court buildings and other such facilities. Economic infrastructure assets are assets to support the economic development of a society, and would include roads, railways, ports, power generation and transmission, water distribution and waste treatment.

UK infrastructure assets involving private sector investment are often constructed and (to a greater or lesser extent) maintained by a private sector entity or consortium acting through a single purpose company, which generates its revenue from a long-term contract with a public sector or public sector-backed client. The revenue arising from the contract will typically be used to service (in order of priority) the cost of operating and/or maintaining the asset to the required standard, senior debt, subordinated debt (if any), and finally to provide a return to the equity holders.

Revenues arising from infrastructure assets are generally considered to be relatively predictable, and are often contracted to rise in line with RPI or another inflation index. However, the security of such revenues does vary according to the nature of the contract concerned. For example:

- under “availability”-based contracts, provided that the specified contractual standards are met in relation to the maintenance of the asset, the income stream is pre-determined;
- under “demand”-based contracts, the income stream is linked, at least to a degree, to the level of use of the relevant asset;
- on “feed-in” or ROC related transactions (typically associated with renewable energy projects), a minimum specified cashflow is payable provided a specified volume of energy is produced; and
- in the case of lease or receivables purchase contracts, in essence all risks are typically taken by the user and the income stream is wholly pre-determined.

As an asset class, infrastructure investments may (in the opinion of the Investment Adviser, and subject to the Risk Factors set out on pages 17 to 27 above) be considered potentially attractive as the cashflows arising therefrom are long-term, relatively predictable, potentially inflation-protected, often public sector-backed and relate to services and facilities important to society and to the economy generally.

## Section A: UK PFI and associated debt investment opportunities

### 1. Introduction

The UK Private Finance Initiative was introduced in the early 1990s. It was intended to enable the funding of major capital investment in infrastructure assets, such as schools, hospitals, prisons and court buildings, without the immediate use of public sector capital.

In a typical UK PFI infrastructure project, a private sector consortium (usually comprising one or more of a construction company, a facilities management company and one or more financial investors) establishes a project company (or group of companies) (a “**PFI Project Company**”) to bid for a project contract to build and operate an infrastructure asset procured under PFI. The project contract is tendered by a client (the “**client**”), which is typically a public sector body such as an NHS Trust or a Local Authority.

Once a PFI Project Company’s bid is accepted by the client, the PFI Project Company enters into a project agreement with the client. The project agreement regulates the design, build, financing, operation and maintenance of the infrastructure asset. The term of the project agreement for an asset procured under the PFI (the “**concession period**”) is typically 20 to 30 years. Under the project agreement:

- (a) The PFI Project Company is required to finance and construct the relevant infrastructure asset (for example, a hospital (for an NHS Trust) or a school (for a Local Authority)) and, following completion of construction, to provide operational services, such as cleaning, catering, maintenance and security, in accordance with specified service standards. The PFI Project Company typically sub-contracts with a facilities management company to provide these services. Key “delivery” services, such as teaching or medical care, would normally be provided by the client.
- (b) From completion of construction until the end of the concession period, the client is required to pay to the PFI Project Company a specified series of payments (the “**unitary charge**”). The unitary charge will typically increase by reference to inflation. The payment of the full unitary charge is usually dependent on either the availability of the infrastructure asset for use (“availability based”) or the level of demand for the infrastructure asset (“demand based”), depending on the nature of the project.

Generally, the PFI Project Company does not have full ownership rights over the infrastructure asset. However, it has rights under the project agreement, including the right to receive the unitary charge subject to the proper performance of its obligations.

A failure by a PFI Project Company to perform its obligations under a project agreement may result in a deduction from the unitary charge payable to it. However, the terms on which the operational obligations of the PFI Project Company are sub-contracted typically permit a corresponding deduction to be made from the payment due from the PFI Project Company to the sub-contractor who is subcontracted to undertake work on behalf of the PFI Project Company.

### 2. PFI Project Company funding

The costs of a PFI project, including construction costs, are financed by the PFI Project Company. The necessary finance is typically provided by a combination of:

- (a) long term senior debt contributed by a bank or group of banks, or generated by the issue of bonds; and
- (b) equity contributed by financial investors and other consortium members.

A substantial proportion of the PFI Project Company’s total initial funding (generally in the range of 70 to 90 per cent.) is typically financed by senior debt. PFI Project Companies are able to obtain relatively high levels of senior debt due to the nature of the public sector counterparty to the project agreement (and the low perceived counterparty risk attaching to them) and the degree to which operational risk is effectively borne by their sub-contractors. The senior debt is typically secured by a first-ranking charge on the assets of the PFI Project Company (including the benefit of the project agreement but generally excluding any land or buildings). The balance of the funding of the PFI Project Company not provided by senior debt is typically equity finance and/or shareholder loans provided by the consortium members.

### 3. Subordinated debt

Once the construction of a PFI infrastructure asset has been completed, it is generally considered that the risks associated with the project are significantly reduced. Following this “de-risking”, consortium members, if they wish, may seek to “recycle” some or all of the equity financing employed in the project. Such “recycling” may be achieved by a sale of the equity, or by a re-leveraging of the asset by the issue of subordinated debt by the PFI Project Company or its owners to a third party lender.

As described in paragraph 9 of Part 1 of this document, the Company (acting through the Subsidiary) seeks to acquire exposure to subordinated debt issued by PFI Project Companies or other members of their corporate groups. Such subordinated debt typically ranks behind senior debt and/or bonds on the insolvency of the PFI Project Company, but ahead of equity.

The Company focuses primarily on investments in projects in relation to which construction of the infrastructure asset has been completed, the asset is operational and in relation to which payments of unitary charge have commenced. However, if the Company (taking into account the advice of the Investment Adviser) forms the view that the construction risks have been properly mitigated, investments may be made in projects prior to the completion of the construction stage.

The net cash flow of the PFI Project Company will typically be used first to service the senior debt and second to service the subordinated debt, with the surplus being paid to the equity holders. The subordinated debt provided by the Company would typically generate interest throughout the term of the subordinated debt, with the repayment of the principal sum borrowed being made in the final years of the life of the project, once the senior debt has been fully repaid.

### 4. Senior debt investments

In addition to providing subordinated debt for the purpose of refinancing part of the equity funding (including shareholder loans) of a PFI Project Company, the Company (acting through the Subsidiary) also seeks opportunities to generate exposure to senior debt advanced in relation to PFI projects. This is typically achieved by the provision of guarantees (“**senior debt guarantees**”) to senior lenders to PFI Project Companies, or by the provision of debt to lenders to PFI Project Companies which is subordinated to debt provided to such lenders by other funders (“**subordinated loans to senior debt providers**”).

#### 4.1 *Senior debt guarantees*

To put in place a senior debt guarantee, the Company (acting through the Subsidiary) and a senior PFI lender will identify a portfolio of existing or committed senior loans made or to be made by the senior lender (the “**senior loan portfolio**”). In return for a fee paid to the Company (typically paid quarterly on an ongoing basis), the Company will agree to bear the losses of the senior lender (often after a small initial amount that will not be covered by the senior debt guarantee) on any of the loans in the senior loan portfolio (and on any combination of those loans) up to an aggregate agreed amount (the “**guaranteed amount**”).

A cash deposit equal to the guaranteed amount is typically made by the Company with the senior lender and is held by the senior lender for the period that the senior debt guarantee remains in place.

A senior debt guarantee may be attractive to a senior lender as it reduces the risk attached to the loans in the senior loan portfolio for the senior lender and may enable the senior lender to reduce the regulatory capital it is required to hold in relation to those loans. A senior debt guarantee may be attractive to a guarantor such as the Company as the return is similar to the return on subordinated debt while the risk of a call on the guarantee may be considered to be relatively low.

#### 4.2 *Subordinated loans to senior debt providers*

A subordinated loan to a senior debt provider may arise from the Company identifying a single project or group of projects which a senior debt provider (or providers) has funded or is willing to fund, but which at the required level of leverage does not satisfy the senior debt provider’s minimum credit requirements. Such minimum requirements may be (for example) a minimum credit rating (either

from an external rating agency or from the internal assessment of the senior debt provider), a minimum ratio test (such as debt service cover ratio or loan life cover ratio) or similar or other requirements.

It would be expected that a subordinated loan to a senior debt provider would normally be effected by the establishment of a single purpose company which would make a senior loan to the relevant PFI Project Company (or companies), or to its or their owner. The single purpose company would be funded by the issue of senior ranking debt to a senior lender and subordinated debt to the Company (acting through the Subsidiary). It may also be that a senior lender would make the senior loan directly itself and then raise a subordinated loan from the Company which will bear any first loss arising on the senior loan.

A subordinated loan to a senior debt provider may be attractive to a senior lender as it may allow the senior lender to participate in funding projects which it finds attractive but which do not meet all of its lending requirements. In particular, it is anticipated that subordinated loans to senior debt providers may in due course be of considerable value where it is expected that the optimal funding solution for the relevant project or projects involves the issue of bonds into the debt capital markets, as such markets typically require minimum credit ratings above the level which many UK infrastructure projects (PFI and otherwise) are able to support without the provision of a level of subordination in the senior debt part of the capital structure.

## **Section B: Other debt investment opportunities in the UK infrastructure market**

### **1. Renewable energy**

Renewable energy is energy from resources which are naturally replenished, such as sunlight, wind, waste, tides and geothermal energy. In recent years there have arisen significant concerns in relation to both the limited nature of many traditional sources of power, heating and transport fuels, such as oil, gas and coal, and the impact that the use of such sources has upon the environment. As a result, a substantial political will has developed to encourage the take-up of renewable energy as a proportion of total energy use on a global level. For example, the Kyoto Protocol (a protocol to the UN Framework Convention on Climate Change committing its signatories to specified or general reductions in the production of greenhouse gases) has now been ratified by 191 states. More specifically, the EU's Renewable Energy Directive (published on 23 April 2009 and officially titled "Directive 2009/28/EC") has set binding targets on member states to produce a pre-agreed proportion of energy consumption from renewable sources such that the EU as a whole shall obtain at least 20 per cent. Of its total energy from renewables by 2020.

In the UK, a variety of incentives have been introduced by the government in order to increase the country's use of renewable energy, including the Feed-in Tariff ("**FIT**") scheme, the Renewables Heat Incentive ("**RHI**") and the Renewables Obligation scheme.

#### **1.1 Feed-in Tariff**

The FIT scheme became available in the UK on 1 April 2010 and is provided through licensed electricity suppliers. Under the FIT scheme, generators of electricity from renewable or low carbon sources such as solar electricity panels or wind turbines (the "**FIT Generators**") are entitled to receive FIT payments from those licensed electricity suppliers defined as "FIT Licensees".

Under the FIT section of the Standard Conditions of Electricity Supply Licence ("**Standard Conditions**"), FIT Licensees are either:

- (a) "Mandatory FIT Licensees" – licensed electricity suppliers with more than 50,000 customers (such as Npower, E.ON and Scottish Power); or
- (b) "Voluntary FIT Licensees" – smaller licensed electricity suppliers who elect to take part in the FIT scheme.

FIT Licensees play the main customer-facing role for the FIT scheme and they are required to take FIT Generators through the registration process, take regular meter readings and make FIT payments.

FIT payments fall into two categories, the Generation Tariff and the Export Tariff. The Generation Tariff is a set rate paid by the FIT Licensee for each unit of electricity generated, the set rate being dependent on the size and type of the installation. The Export Tariff is a further payment for each unit exported back to the electricity grid. Both tariffs are payable for a period of between 20 and 25 years (depending on the installation type and the commissioning date), with the set rates increasing annually at RPI.

As set out in the Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010, a levelisation process provides for a system of payments between licensed electricity suppliers and the Gas and Electricity Markets Authority (the “**Authority**”), the UK Government body established by the Utilities Act 2000 to regulate the gas and electricity industries in the UK. The Authority has powers under the Competition Act 1998, the Utilities Act 2000, the Electricity Act 1989 and the Gas Act 1986. The levelisation payments act so that, if an electricity supplier is not making payments of FIT in proportion to its share of the UK electricity supply market, it is required to make payments to a levelisation fund and similarly a supplier who is making payments of FIT in excess of its proportionate share of the UK electricity supply market will receive payments of FIT from the levelisation fund.

The purpose of the levelisation process is to allocate the cost of the FIT across all energy supply companies so that these companies, subject to their own pricing models from time to time, pass on the higher cost of producing electricity generated under the FIT scheme to the entire UK electricity customer base and no one customer base is unduly penalised. In essence, it is the entire UK customer base that bears the cost of the FIT and it is therefore in effect a UK government tax or levy collected through the energy companies under the supervision of a UK statutory body that provides the source of the payments to the FIT Generator.

The Office of Gas and Electricity Markets (“**Ofgem**”) supports the Authority in its role. Ofgem’s key role in this regard is to maintain the Central FIT Register, which is a database of accredited installations. In addition, Ofgem administers the levelisation process and accredits small scale and micro generators. Ofgem is also responsible for ensuring that suppliers comply with the FIT scheme requirements.

## 1.2 *Renewables Obligation*

The Renewables Obligation (“**RO**”) was introduced in the UK in 2002 and is administered by Ofgem. It was established to encourage the development of renewable energy generation by providing financial support to primarily mid-to large-scale renewable electricity generation projects in the UK. In April 2010, the end date of the RO was extended from 2027 to 2037 for new projects to provide long-term certainty for investors and to ensure continued deployment of renewables to meet the UK’s 2020 renewables target and beyond.

Ofgem issues Renewables Obligation Certificates (“**ROCs**”) to renewable electricity generators (“**Renewable Generators**”) for every megawatt hour (“**MWh**”) of eligible renewable electricity they generate. All Renewable Generators apply to Ofgem for accreditation that their electricity is generated from eligible renewable sources. The number of ROCs issued per MWh generated varies according to the size and type of project, but once established will not vary over the life of the project.

UK electricity suppliers (the “**Suppliers**”) are required to present a certain number of ROCs per MWh of electricity they supply (the “**Obligation**”) to Ofgem at the end of each six month period. The Renewables Obligation Order (ROO) 2009 requires that the Secretary of State announces the level of the Obligation six months preceding an obligation period. Driven by the expected production of electricity from eligible renewable sources in any given period, the Obligation is floored at 8 per cent. above the expected number of ROCs to be issued (the “**Headroom**”).

Where Suppliers do not present sufficient ROCs, they have to pay a penalty known as the buy-out price. This is set at £42.02 per ROC for the 2013/14 compliance period, and rises annually by

reference to RPI. All buyout payments are redistributed to Suppliers who have presented ROCs against their obligation in proportion with the number of ROCs that each has presented.

Renewable Generators can sell ROCs either with or separately from the electricity generated thus creating a market for ROCs. The Headroom means that the value of ROCs is likely to be floored at the buyout price (unless in any given period the actual renewable energy produced exceeds expectations by more than 8 per cent.).

### 1.3 *The Renewable Heat Incentive*

The Renewable Heat Incentive (the “**RHI**”) is a financial incentive scheme for renewable heat generation which was introduced by the government in November 2011. The Department for Energy and Climate Change (“**DECC**”) is responsible for the policy and regulations underpinning the scheme. Ofgem administers the scheme on behalf of DECC.

Phase 1 of the RHI supports generators in non-domestic sectors (industrial, commercial, public sector and not-for-profit), with differing levels of support for the various eligible installation types. Support for domestic installations under the scheme is intended for future phases of the scheme.

Payments made to generators under the RHI are fixed at the date of the accreditation of the relevant installation, are made for a period of 20 years, are indexed to RPI, and are made directly by the UK Treasury to the generators.

### 1.4 *The renewable energy investment opportunity*

The primary generation methodologies attracting payments of FITs are generally smaller scale systems and include solar photovoltaic systems, combined heat and power plants, hydro-electric plants, anaerobic digestion systems and onshore wind sites or arrays; ROCs tend to be more targeted at larger scale generators relying upon biomass (plant matter used to generate electricity with steam turbines and gasifiers or produce heat, usually by direct combustion), energy-from-waste (where electricity is generated from the combustion or gasification of waste) and large onshore or all offshore wind farms; RHI is focused on biomass, heat pump, solar thermal and biomethane projects.

In the opinion of the Investment Adviser, the key consideration in any renewable investment is the security and dependability of the underlying government subsidy cash flows, whether it is the FIT generated by Solar PV panels, or ROCs generated by a biomass plant.

By no means are all renewable methodologies, in the opinion of the Investment Adviser, investable from the perspective of a long term debt provider. In some instances the technology is currently insufficiently mature to be considered dependable, in others the level of Government support is currently insufficient to enable the relevant projects to meet the risk-reward criteria of the Company, and in others the operational risks inherent in the project cannot be satisfactorily managed or mitigated. The Investment Adviser ensures that it remains closely in touch with opportunities across the renewable energy sector so that it remains well positioned to progress suitable investments as they arise.

The Company is currently focused on opportunities to provide senior (rather than subordinated) debt to Project Companies in receipt of cash flow from the FIT, ROC or RHI. The Company may provide debt finance (i) directly, or (ii) indirectly, via an intermediary vehicle typically established by the Investment Adviser principally to allow an installer to draw down debt finance directly proportionate to the delivery of completed installations, which may occur more frequently during the drawdown period than is convenient for the Company to advance funds. It is possible that in due course, and dependent upon the size of the Company’s exposure to these schemes at the time and the appetite of senior funders, the Company will sell on to senior funders senior ranking positions in the debt facilities it has originated and retain subordinated positions at an enhanced yield.

## 2. Other long-dated government-backed cashflows

The Company (acting through the Subsidiary) also seeks to generate exposure to other forms of long-dated public sector-backed cashflows arising in the broader UK infrastructure sector.

### 2.1 *Affordable housing*

This may include the provision of debt secured against cashflows arising from long-term leases of, for example, social housing or other assets leased or to be leased by local authorities, ALMOs (an ALMO, or Arm's Length Management Organisation, is a company set up by a local authority to manage and improve all or part of its existing housing stock) or registered providers of social housing. The debt would typically be advanced, either directly or through an intermediary, by the Company (acting through the Subsidiary) to a single purpose company (the "**Lease Project Company**") and secured against the cashflows arising from the lease.

Typically, these leases are agreed for terms of 25 years or more, and often provide for rents to inflate at RPI or in line with another inflation index. Such leases are typically fully repairing and insuring ("**FRI**"), where all costs of maintenance and repair and the cost of insurance (whether insured directly or through the lessor) are met by the lessee. Occasionally, such leases may be internal repairing and insuring ("**IRI**"), where the lessor is responsible for maintaining the structural parts and may charge the lessee a proportionate cost of such maintenance through a service charge (an arrangement that may be considered analogous to the facilities management function under a PFI contract).

The affordable housing sector in particular is, in the view of the Investment Adviser, potentially able to generate investment opportunities in the short to medium term. The Homes and Communities Agency (the "**HCA**", the national housing and regeneration agency for England established by the Housing and Regeneration Act 2008) states in the HCA Corporate Plan 2011 – 2015 that under the current Affordable Homes Programme the government is seeking to deliver up to 170,000 new affordable homes by 2015, and that the HCA is committed to attracting private sector investment to help meet these targets.

In the opinion of the Investment Adviser, it may be that the Company (acting through the Subsidiary) is able to generate exposure to the long-dated cashflows arising from opportunities of this type by making senior or subordinated loans during the development phase of such projects against the security of an executed lease. The Company may also generate exposure by making subordinated loans to senior debt providers in a similar fashion to that described in Section A above, with the Company identifying a single asset or group of assets which a senior debt provider (or providers) has funded or is willing to fund, but which at the required level of leverage does not satisfy the senior debt provider's minimum credit requirements. Such minimum requirements may be (for example) a minimum ratio test (such as debt service cover ratio or loan life cover ratio), or a maximum loan-to-value ratio test, or similar or other requirements.

It would be expected that a subordinated loan to a senior debt provider would normally be effected by the establishment of a single purpose company which would make a senior loan to the relevant Project Company (or companies), or to its or their owner. The single purpose company would be funded by the issue of senior ranking debt to a senior lender and subordinated debt to the Company. It may also be that a senior lender would make the senior loan directly itself and then raise a subordinated loan from the Company which will bear any first loss arising on the senior loan.

### 2.2 *Equipment Leasing*

The Investment Adviser, on behalf of the Company, has held discussions with a number of parties with regard to the potential provision of debt finance by the Company (acting through the Subsidiary) to one or more equipment lease project companies ("**ELPCs**"). Opportunities of this nature arise where a private sector service provider has entered (or may enter) into a contract (which may be a lease, a hire purchase contract or a similar arrangement) with a public sector body (for example, a local authority, or a school maintained by a local authority) for the provision of services to that public sector body and in order to be able to provide those services the private sector service provider is required

to make a capital investment in equipment. In those circumstances, the Company may provide debt finance to an ELPC to enable the ELPC to purchase the necessary equipment and the ELPC would agree to provide the relevant services to the public sector body (either by entering into a contract with the public sector body or by an existing contract with the public sector body being novated to the ELPC by the private sector contractor). The ELPC would then outsource the provision of the services to the private sector contractor (using the equipment purchased with finance provided by the Company).

### **Section C: The benefits associated with debt investments in infrastructure Project Companies**

Investments in infrastructure transactions provide, in the opinion of the Directors and the Investment Adviser, generally secure and predictable returns to infrastructure Project Companies and their lenders.

The risk of default in relation to the debt financing of infrastructure Project Companies is considered by the Directors and the Investment Adviser to be relatively low as the cash flows in relation to infrastructure transactions are typically paid by a public sector body or public sector-backed body and are relatively predictable.

Furthermore, the reduction since 2007 in the availability of debt from banks to finance infrastructure projects has resulted in more attractive pricing, in the opinion of the Directors and the Investment Adviser, on debt investments than has been seen in the infrastructure sector for a number of years.

Therefore, the Company believes that an investment in debt advanced in relation to infrastructure projects presents a highly attractive yet conservative investment opportunity. In addition, as payments in many infrastructure transactions are linked to RPI (or other inflation indices), such an investment may in many cases yield partially inflation-protected returns.

## PART 4

### CURRENT PORTFOLIO AND PIPELINE OF FUTURE ASSETS

#### 1. Introduction

The Subsidiary's investment portfolio consists of 32 loans (the "Loans") as at 31 January 2014 with an unaudited valuation of £355.1 million.<sup>6</sup> The Loans are secured against 76 underlying UK PFI and renewable energy projects (the "Projects"). 40 per cent. of the Projects are the PFI projects, 23 per cent. rooftop solar installations, 12 per cent. onshore wind farms, 10 per cent. biomass plants, 9 per cent. anaerobic digestion plants, 4 per cent. commercial solar farms and 2 per cent. is a school asset finance project. 55 per cent. of the Loans are secured on a senior basis, 37 per cent. on a subordinated basis, and 8 per cent. are structured as senior debt guarantees.

#### 2. Current investment portfolio

The Subsidiary's current investment portfolio is as follows.

<i>Loan</i>	<i>Valuation  (£'m)</i>	<i>% of  portfolio</i>	<i>Project</i>	<i>Sector</i>	<i>Cash flow</i>
Cardale Infrastructure Investments Ltd	4.8	1.4%	Various PFI projects	Various UK PFI	Unitary Charge
Civic PFI Investments Ltd Notes due 2037	4.6	1.3%	Leeds Independent Living	Accommodation PFI	Unitary Charge
Civic PFI Investments Ltd	12.6	3.5%	Highland Schools Sheffield Family Court	Education PFI Custodial PFI	Unitary Charge Unitary Charge
Civic PFI Investments II Ltd	2.7	0.8%	Nottingham Police	Blue light PFI	Unitary charge
Education PFI Investments Ltd	11.3	3.2%	Slough Schools	Education PFI	Unitary charge
GCP Asset Finance 1 Ltd	5.4	1.5%	Christ the King College	School asset finance	Lease payments
GCP Biomass 1 Ltd	31.0	8.7%	Northern Ireland anaerobic digestion	Anaerobic digestion	ROCs
GCP Biomass 1 C Ltd	15.6	4.4%	Northern Ireland Biomass Plant	Biomass	ROCs
GCP Biomass 2 Ltd	14.6	4.1%	Birmingham Biomass Plant	Biomass	ROCs
GCP Commercial Solar 1 Ltd	15.6	4.4%	Llancayo Solar Farm	Solar	Feed-in Tariff
GCP Healthcare 1 Ltd	29.5	8.3%	Glasgow Hospital Healthsource Bromley Caring 4 Croydon Hull LIFT Young Herts	Healthcare PFI Healthcare PFI Accommodation PFI Healthcare PFI Accommodation PFI	Unitary charge Unitary charge Unitary charge Unitary charge Unitary charge

<sup>6</sup> This represents the Valuation Agent's unaudited valuation of the Subsidiary's investments as at 31 January 2014.

<i>Loan</i>	<i>Valuation (£'m)</i>	<i>% of portfolio</i>	<i>Project</i>	<i>Sector</i>	<i>Cash flow</i>
GCP Healthcare 1 A Ltd	4.5	1.3%	Queen Elizabeth II Hospital	Healthcare PFI	Unitary charge
			Willesden Hospital	Healthcare PFI	Unitary charge
			Various LIFT Projects	Healthcare PFI	Unitary charge
GCP Healthcare 1 D Ltd	2.7	0.7%	Dumfries & Galloway Schools	Education PFI	Unitary charge
GCP Healthcare 1 E Ltd	1.5	0.4%	Cockermouth & Cleator LIFT	Healthcare PFI	Unitary charge
GCP Onshore Wind 1 A Ltd	5.1	1.4%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 1 B Ltd	4.5	1.3%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 1 C Ltd	3.1	0.9%	East Anglia single site wind farm	Wind	ROCs
GCP Onshore Wind 2 Ltd Ltd	6.7	1.9%	UK single site wind farms	Wind	Feed-in Tariff
GCP Onshore Wind 3 Ltd	21.6	6.1%	Northern Ireland single site wind farm	Wind	ROCs
GCP RHI Boiler 2 Ltd	6.6	1.9%	Small scale biomass boilers	Biomass	Renewable Heat Incentive
GCP Rooftop Solar 1 Ltd	14.1	4.0%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 2 Ltd	17.4	4.9%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 3 Ltd	6.0	1.7%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 3 B Ltd	9.3	2.6%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 4 Ltd	30.1	8.5%	Residential rooftop solar installations	Solar	Feed-in Tariff
GCP Rooftop Solar 4 B Ltd	5.0	1.4%	Residential rooftop solar installations	Solar	Feed-in Tariff
GEM Infrastructure – T26	14.4	4.1%	14 PFI projects	Various PFI	Unitary charge
GEM Infrastructure – T29	13.3	3.7%	20 PFI projects	Various PFI	Unitary charge

<i>Loan</i>	<i>Valuation (£'m)</i>	<i>% of portfolio</i>	<i>Project</i>	<i>Sector</i>	<i>Cash flow</i>
Grosvenor PFI Holdings Ltd	16.0	4.5%	Runwell Community Hospital	Healthcare PFI	Unitary charge
			Stanley Primary Care Centre	Healthcare PFI	Unitary charge
			Lanchester Road Children's Primary Healthcare	Healthcare PFI	Unitary charge
			Braintree Community Hospital	Healthcare PFI	Unitary charge
			North Yorkshire Schools	Education PFI	Unitary charge
Kirklees PFI Ltd	2.6	0.7%	Kirklees Schools	Education PFI	Unitary charge
Leisure Infrastructure Investors Ltd	11.6	3.2%	Amber Valley Leisure	Leisure PFI	Unitary charge
			Rotherham Leisure	Leisure PFI	Unitary charge
			Wolverhampton Leisure	Leisure PFI	Unitary charge
FHW Dalmore (Salford Pendleton Housing) plc	11.3	3.2%	Salford Pendleton Social Housing	Social Housing PFI	Unitary charge
<b>TOTAL</b>	<b>355.1</b>	<b>100%</b>			

### **3. Portfolio valuation**

As at 31 January 2014 the Subsidiary's investment portfolio had an unaudited valuation of £355.1 million. The valuation is based on the Valuation Agent's unaudited valuation of the Subsidiary's investments as at 31 January 2014. The Valuation Agent valued the investment portfolio as at 31 January 2014 in accordance with the methodology set out in paragraph 15 of Part 1 of this document. The weighted average discount rate used was 9.18 per cent. The tables below show the sensitivity of the valuation to movements in discount rate and inflation.

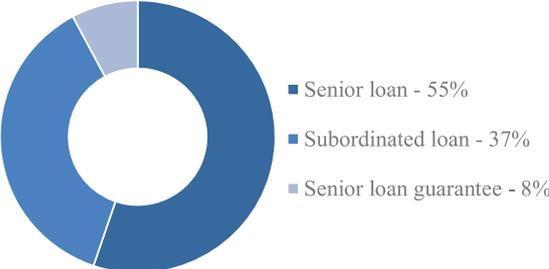
#### ***Valuation sensitivity to movements in discount rate***

<i>Discount rate</i>	<i>Valuation</i>
9.18 %	£355.1 million
+0.5%	£343.1 million
-0.5%	£367.8 million

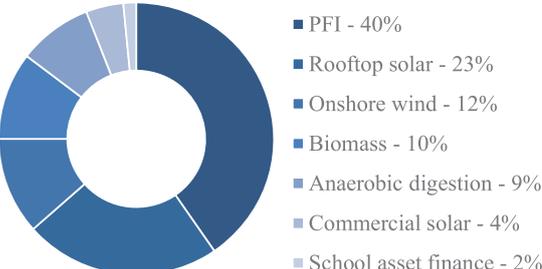
**4. Portfolio analysis**

The charts below show the Subsidiary’s portfolio by investment type, project sector, cash flow, expected remaining term, annualised yield, location and status.

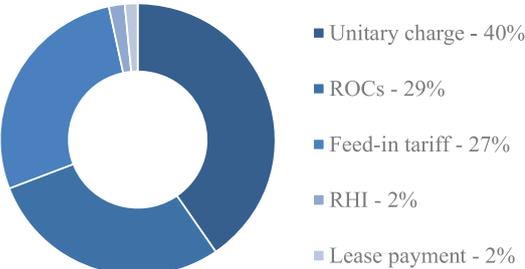
**4.1 Investment type**



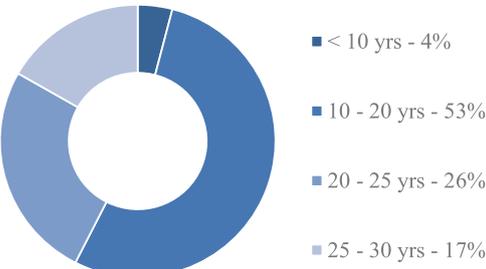
**4.2 Project sector**



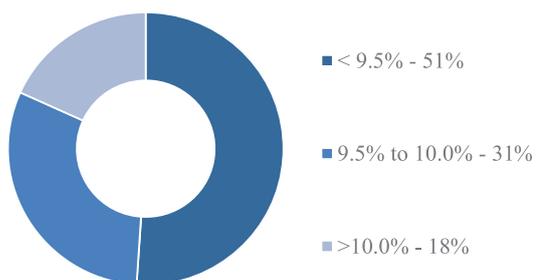
**4.3 Cash flow**



**4.4 Expected remaining term**



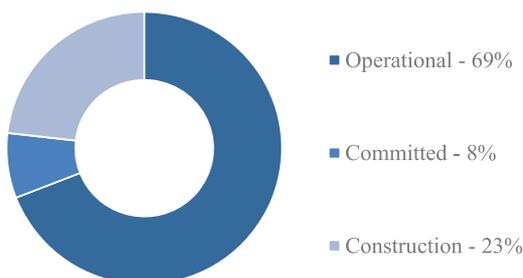
#### 4.5 Annualised yield



#### 4.6 Location



#### 4.7 Project status



### 5. Key exposures

The tables below show the key exposures for the investment portfolio.

#### 5.1 Top ten exposures by facilities manager

Facilities manager	£'m	% of portfolio
A Shade Greener Maintenance Limited	81.9	23.1%
Agrikomp (UK) Ltd	31.0	8.7%
Vestas Northern Europe A/S	29.2	8.2%
Grosvenor Facilities Management	16.0	4.5%
Smarter Energy Solutions Ltd	15.6	4.4%
Burmeister & Wain Scandinavian Contractor A/S	15.6	4.4%
MWH Treatment Limited	14.6	4.1%
Pinnacle FM Limited	13.9	3.9%
Chevin Housing Association	11.2	3.2%
Mitie PFI Limited	10.3	2.9%

## 5.2 *Top ten exposures by project counterparty*

<i>Project counterparty</i>	<i>£'m</i>	<i>% of portfolio</i>
Ofgem (E.ON Energy Ltd)	81.9	23.1%
Ofgem (Power NI)	46.6	13.1%
Ofgem (Smartest Energy Ltd)	22.3	6.3%
Ofgem (Viridian Energy Supply Limited)	21.6	6.1%
Ofgem	21.3	6.0%
Ofgem (Co-op Group)	12.6	3.6%
Salford City Council	12.4	3.5%
Slough Borough Council	11.3	3.2%
Leeds City Council	9.7	2.7%
The Highland Council	9.0	2.5%

## 6. **Current investments**

### 6.1 *Cardale Infrastructure Investments Limited loan (“Cardale Loan”)*

The Cardale Loan is a loan with a value of £4.8 million, an expected remaining term of 22 years and an interest rate of 9.7 per cent. per annum. The performance of the Cardale Loan is dependent on the performance of the GPFI Loans, the LIIL Loans, the Kirklees Loan, the Education Loan and the Civic Loan (see below).

### 6.2 *Civic PFI Investments Limited 2037 loan (“Civic PFI 2037 Loan”)*

The Civic PFI 2037 Loan is a loan with a value of £4.6 million, an expected remaining term of 23 years and an interest rate of 8.7 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Leeds Independent Living.

#### *Leeds Independent Living*

Leeds Independent Living PFI is a c. £66 million concession with Leeds City Council for the provision and maintenance of residential accommodation for adults with mental health and learning difficulties on 40 separate sites throughout Leeds. The project is operational and the concession ends in 2036. Facilities management is carried out by Lovell.

### 6.3 *Civic PFI Investments Limited A loan (“Civic PFI A Loan”)*

The Civic PFI A Loan is a loan with a value of £12.6 million, an expected remaining term of 16 years and an interest rate of 9.3 per cent. per annum. It is secured on a subordinated basis against two operational PFI projects, Highland Schools and Sheffield Family Courts.

#### *Highland Schools*

The Highland Schools PFI is a £17 million concession with the Highland Council for the provision and maintenance of four new-build schools. The schools are Ardnamurchan (250 pupil secondary school), Glen Urquhart (250 pupil secondary school), Spean Bridge (5 classroom primary school) and Tomatin (4 classroom primary school) in the Highland Region of Scotland. The development at Ardnamurchan includes the provision of a 14 bed hostel to accommodate pupils who reside long distances from the school and are unable to travel on a daily basis. All schools are operational and the concession ends in 2026. Facilities management is carried out by Mitie Limited.

#### *Sheffield Family Court*

Sheffield Family Court PFI is a £5m concession with Her Majesty’s Courts and Tribunals Service for the provision and maintenance of a new family court building in Sheffield, comprising two family courtrooms, two hearing rooms, judges’ areas, suites, offices and ancillary accommodation. The project is operational and the concession ends in 2029. Facilities management is carried out by Lovell Powerminster Limited.

6.4 ***Civic PFI Investments Limited II loan (“Civic PFI II Loan”)***

The Civic PFI II Loan is a loan with a value of £2.7 million, an expected remaining term of 15 years and an interest rate of 9.2 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Nottingham Police.

*Nottingham Police*

Nottingham Police PFI is a c. £5.25 million concession with Nottingham Police Authority for the provision and maintenance of office accommodation and a forensic garage. The project is operational and the concession ends in 2026. Facilities management is carried out by Accuro Limited.

6.5 ***Education PFI Investments Limited loan (“Education PFI Loan”)***

The Education PFI Loan is a loan with a value of £11.3 million, an expected remaining term of 22 years and an interest rate of 8.8 per cent. per annum. It is secured on subordinated basis against one operational PFI project, Slough Schools.

*Slough Schools*

Slough Schools PFI is a £52 million concession with Slough Borough Council for the design, construction, funding and operation of three schools in the Borough of Slough; one primary school (Pennwood School), one secondary school (Beechwood) and a special needs school (Arbour Vale). All the schools are operational and the concession ends in 2035. Facilities management is carried out by Pinnacle PSG Ltd.

6.6 ***GCP Asset Finance 1 Limited loan (“Asset Finance Loan”)***

The Asset Finance Loan is a loan with a value of £5.4 million, an expected remaining term of 14 years and an interest rate of 8.0 per cent. per annum. It is secured on a senior basis against a series of hire payments payable by Christ the King College, Newport.

*Christ the King College*

Christ the King College, Newport, Isle of Wight (the “**School**”) entered into a hire agreement for the provision of sixth form facilities for a term of 14 years. The School is a maintained school for the purposes of the School Standards and Framework Act 1998 (“**SSFA 1998**”), and as such the hire payments made by the School are supported under the provisions of SSFA 1998 by the obligation of the Isle of Wight Council to maintain schools within its jurisdiction.

6.7 ***GCP Biomass 1 Limited loan (“Biomass 1 Loan”)***

The Biomass 1 Loan is a loan with a value of £31.0 million, an expected remaining term of 12 years and an interest rate of 10.9 per cent. per annum. It is secured on a senior basis against a portfolio of small-scale anaerobic digestion plants.

*Anaerobic digestion plants*

The anaerobic digestion plants are being constructed on farms in Northern Ireland and England. Following the commissioning of the plants, they will generate 20 year ROC and NIROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by AgriKomp (UK) Limited.

6.8 ***GCP Biomass 1 Limited C loan (“Biomass 1 C Loan”)***

The Biomass 1 C Loan is a loan with a value of £15.6 million, an expected remaining term of 19 years and an interest rate of 9.7 per cent. per annum. It is secured on a subordinated basis against the Northern Ireland Biomass Plant.

#### *Northern Ireland Biomass Plant*

The Northern Ireland Biomass Plant is a 15.8Mwe wood-fuelled biomass combined heat and power plant on a ten acre site in Londonderry Port, Northern Ireland. Following the commissioning of the plant, it will generate 20 year NIROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by Burmeister & Wain Scandinavian Contractor A/S.

#### 6.9 ***GCP Biomass 2 Limited loan (“Biomass 2 Loan”)***

The Biomass 2 Loan is a loan with a value of £14.6 million, an expected remaining term of 17 years and an interest rate of 9.4 per cent. per annum. It is secured on a senior basis against the Birmingham Biomass Plant.

#### *Birmingham Biomass Plant*

The Birmingham Biomass Plant is a 10.3 Mwe recovered wood-fuelled power plant. Following the commissioning of the plant, it will generate 20 year ROC cash flows through the production of electricity. Construction and operation and maintenance will be carried out by MWH Treatment Limited.

#### 6.10 ***GCP Commercial Solar 1 Limited Loan***

The GCP Commercial Solar 1 Limited Loan is a loan with a value of £15.6 million, an expected remaining term of 22 years and an interest rate of 9.5 per cent. per annum. It is secured on a senior basis against the 5 MW Llancayo Solar Farm in South Wales that generates FIT cash flows, payable by Smartest Energy Ltd, through the production of electricity. Facilities management is carried out by Smarter Energy Solutions Limited.

#### 6.11 ***GCP Healthcare 1 Limited loans (“Healthcare 1 Loans”)***

The Healthcare 1 Loans are a series of loans with an aggregate value of £29.5 million, an expected remaining term of 26 years and an interest rate of 9.5 per cent. per annum. They are secured on a subordinated basis against five operational PFI projects, Glasgow Hospital, Healthsource Bromley, Caring 4 Croydon, Hull LIFT and Young Herts.

#### *Glasgow Hospital*

Glasgow Hospital PFI is a c. £218 million concession with NHS Greater Glasgow and Clyde to design, construct, finance and maintain Victoria Hospital and New Stobhill Hospital in Glasgow. The hospitals are operational and the concession ends in December 2039. Facilities management is carried out by Parsons Brinckerhoff.

#### *Healthsource Bromley*

Healthsource Bromley PFI is a c. £11 million concession with South London Healthcare NHS Trust to provide, finance, replace and maintain medical equipment in the £155m Princess Royal University Hospital in Bromley. Maintenance of the equipment is carried out by GE Medical Services Limited. The project is operational and the concession ends in December 2032.

#### *Caring 4 Croydon*

Caring 4 Croydon PFI is a c. £19 million concession with Eldon Housing Association to design, construct, finance and maintain four social care centres providing a total of 150 residential and nursing places, 40 extra care flats and 128 day care places. The project is operational and the concession ends in July 2038. Facilities management is carried out by Eldon Housing Association.

#### *Hull LIFT*

Hull LIFT is a c. £62.8 million public private partnership to replace ageing GP surgeries in Hull with new health centres. There have been nine tranches of schemes to date, all of which are operational.

The concession for the last scheme ends in June 2037. Facilities management is carried out by Sewells Facilities Management.

#### *Young Herts*

Young Herts PFI is a c. £25 million concession with Hertfordshire County Council to design, construct, finance and maintain a children's residential scheme comprising five children's homes, two adolescent resource centres and the refurbishment of eight family support centres. The project is operational and the concession ends in March 2033. Facilities management is carried out by Community Building Services Limited.

#### 6.12 ***GCP Healthcare 1 Limited A loan ("Healthcare 1 A Loan")***

The Healthcare 1 A Loan is a loan with an aggregate value of £4.5 million, an expected remaining term of 27 years and an interest rate of 8.9 per cent. per annum. It is secured on a subordinated basis against three operational PFI projects; Queen Elizabeth II Hospital, Willesden Hospital and various LIFT projects.

#### *Queen Elizabeth II Hospital*

Queen Elizabeth II Hospital PFI is a c. £35 million concession with Hertfordshire Primary Care Trust to design, construct and maintain a community hospital in Welwyn Garden City. The hospital is operational and the concession ends in 2040. Facilities management is carried out by Accuro Limited.

#### *Willesden Hospital*

Willesden Hospital PFI is a c. £21 million concession with Brent Primary Care Trust to design, construct and maintain a community hospital in London. The hospital is operational and the concession ends in April 2035. Facilities management is carried out by Accuro Limited.

#### *Various LIFT projects*

The various projects comprise seven Local Improvement Finance Trust schemes in the South East England and the Midlands.

#### 6.13 ***GCP Healthcare 1 Limited D loan ("Healthcare 1 D Loan")***

The Healthcare 1 D Loan is a loan with an aggregate value of £2.7 million, an expected remaining term of 26 years and an interest rate of 9.2 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Dumfries & Galloway Schools.

#### *Dumfries & Galloway Schools*

Dumfries & Galloway PFI is a c. £124 million concession with Dumfries & Galloway Council to design, construct, finance and maintain ten new build schools and one refurbished school. The schools are operational and the concession ends in 2039. Amey Business Services Ltd is the facilities manager on the project.

#### 6.14 ***GCP Healthcare 1 Limited E loan ("Healthcare 1 E Loan")***

The Healthcare 1 E Loan is a loan with an aggregate value of £1.5 million, an expected remaining term of 25 years and an interest rate of 9.5 per cent. per annum. It is secured on subordinated basis against one operational PFI project, Cockermouth and Cleator LIFT.

#### *Cockermouth and Cleator LIFT*

Cockermouth and Cleator LIFT is a c. £18 million concession with Cumbria Primary Care Trust to design, construct, finance and maintain the first tranche of LIFT projects in Cumbria which comprises 2 community healthcare centres in Cockermouth and Cleator. The project is operational and the concession ends in 2038. Facilities management is undertaken by the Cumbria Primary Care Trust.

**6.15 *GCP Onshore Wind 1 Limited A Loan***

The GCP Onshore Wind 1 Limited A Loan is a loan with a value of £5.1 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 6.8MW wind farm being developed in East Anglia. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Repower Systems SE.

**6.16 *GCP Onshore Wind 1 Limited B Loan***

The GCP Onshore Wind 1 Limited B Loan is a loan with a value of £4.5 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 4MW wind farm being developed in East Anglia. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

**6.17 *GCP Onshore Wind 1 Limited C Loan***

The GCP Onshore Wind 1 Limited C Loan is a loan with a value of £3.1 million, an expected remaining term of 15 years and an interest rate of 9.1 per cent. per annum. It is secured on a senior basis against a single site, two turbine, 4MW wind farm being developed in East Anglia. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

**6.18 *GCP Onshore Wind 2 Limited Loan***

The GCP Onshore Wind 2 Limited Loan is a loan with a value of £6. million, an expected remaining term of 18 years and an interest rate of 9.8 per cent. per annum. It is secured on a senior basis against three single site, single turbine, 0.5MW wind projects being developed in the UK. From commissioning, the projects will generate 20 year FIT cash flows through the production of electricity. Operations and maintenance will be carried out by Emyrgya Wind Technologies B.V.

**6.19 *GCP Onshore Wind 3 Limited Loan***

The GCP Onshore Wind 3 Limited Loan is a loan with a value of £21.6 million, an expected remaining term of 19 years and an interest rate of 9.8 per cent. per annum. It is secured on a senior basis against a single site five turbine 15MW wind farm to be developed in Northern Ireland. From commissioning, the wind farm will generate 20 year ROC cash flows through the production of electricity. Operations and maintenance will be carried out by Vestas Northern Europe A/S.

**6.20 *GCP RHI Boiler 2 Limited Loan***

The GCP RHI Boiler 2 Limited Loan is a loan with a value of £6.6 million, an expected remaining term of 16 years and an interest rate of 11.5 per cent. per annum. It is secured on a senior basis against a portfolio of small scale biomass boilers to be installed on commercial premises. From commissioning, the boilers will generate 20 year RHI cash flows, payable by Ofgem. Maintenance will be carried out by Hoval Limited.

**6.21 *GCP Rooftop Solar 1 Limited Loan***

The GCP Rooftop Solar 1 Limited Loan is a loan with a value of £14.1 million, an expected remaining term of 22 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 816 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.22 *GCP Rooftop Solar 2 Limited Loan***

The GCP Rooftop Solar 2 Limited Loan is a loan with a value of £17.4 million, an expected remaining term of 22 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against

a portfolio of 971 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.23 *GCP Rooftop Solar 3 Limited Loan***

The GCP Rooftop Solar 3 Limited Loan is a loan with a value of £6.0 million, an expected remaining term of 23 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 448 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.24 *GCP Rooftop Solar 3B Limited Loan***

The GCP Rooftop Solar 3B Limited Loan is a loan with a value of £9.3 million, an expected remaining term of 18 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 1,988 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.25 *GCP Rooftop Solar 4 Limited Loan***

The GCP Rooftop Solar 4 Limited Loan is a loan with a value of £30.1 million, an expected remaining term of 19 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 6,480 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.26 *GCP Rooftop Solar 4B Limited Loan***

The GCP Rooftop Solar 4B Limited Loan is a loan with a value of £5.0 million, an expected remaining term of 19 years and an interest rate of 9.3 per cent. per annum. It is secured on a senior basis against a portfolio of 1,136 solar photo-voltaic systems that generate FIT cash flows through the production of electricity. The systems are installed on domestic rooftops. Facilities management is undertaken by A Shade Greener Maintenance Limited.

**6.27 *GEM Infrastructure – T26 loans (“GEM 1 Loans”)***

The GEM 1 Loans are a series of loan notes with an aggregate value of £14.4 million, an expected remaining term of 6 years and an interest rate of 9.9 per cent. The performance of the GEM 1 Loans is dependent on the performance of a portfolio of 14 senior loans secured against UK PFI projects (ten of which are in the education sector, with the remaining four relating to hospital, housing, leisure and street lighting projects).

**6.28 *GEM Infrastructure – T29 loans (“GEM 2 Loans”)***

The GEM 2 Loans are a series of loan notes with an aggregate value of £13.3 million, an expected remaining term of 13 years and an interest rate of Libor + 8.8 per cent. The performance of the GEM 2 Loans is dependent on the performance of a portfolio of 20 senior loans secured against UK PFI projects (1 leisure, 2 emergency services, 1 custodial, 1 accommodation, 3 health and 12 education PFI projects).

**6.29 *Grosvenor PFI Holdings Limited Loans (“GPFI Loans”)***

The GPFI Loans are a series of loans with an aggregate value of £16.0 million, an expected remaining term of 25 years and an interest rate of 9.8 per cent. per annum. They are secured on a subordinated basis against five operational PFI projects, Runwell Community Hospital, Stanley Primary Care Centre, Lanchester Road Children’s Primary Healthcare, Braintree Community Hospital and North Yorkshire Schools.

#### *Runwell Community Hospital*

Runwell Community Hospital PFI is a c. £33 million concession with South Essex Partnership NHS Trust to design, construct, finance and maintain a new 96 bed forensic and low security mental health facility. The hospital is operational and the concession ends in 2037. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

#### *Stanley Primary Care Centre*

Stanley Primary Care Centre PFI is a c. £15 million concession with the County Durham Primary Care Trust to design, construct, finance and maintain a new children's primary health care unit. The facility is operational and the concession ends in 2038. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

#### *Lanchester Road Children's Primary Healthcare*

Lanchester Road Children's Primary Healthcare PFI is a c. £22 million concession with Tees, Esk and Wear Valleys NHS Trust to design, construct, finance and maintain a new 72 bed mental health facility. The facility is operational and the concession ends in 2038. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

#### *Braintree Community Hospital*

Braintree Community Hospital PFI is a c. £19 million concession with Mid Essex Primary Care Trust to design, construct, finance and maintain a community hospital. The facility is operational and the concession ends in 2040. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

#### *North Yorkshire Schools*

North Yorkshire Schools PFI is a c. £7 million concession with North Yorkshire County Council to design, build, finance and operate four schools: Brotherton and Byram Community Primary School; Barlby Community Primary School; Kirkby Hill Primary School; and Ripon Cathedral Church of England Primary School. All schools are operational and the concession ends in 2027. Facilities management is being undertaken by Grosvenor Facilities Management Limited.

#### **6.30 *Kirklees PFI Limited loan ("Kirklees Loan")***

The Kirklees Loan is a loan with a value of £2.6 million, an expected remaining term of 18 years and an interest rate of 9.6 per cent. per annum. It is secured on a subordinated basis against one operational PFI project, Kirklees Schools.

#### *Kirklees Schools*

Kirklees Schools PFI is a c. £20 million concession with the Kirklees Metropolitan Council to design, finance, build and maintain two special needs schools (Castle Hill and Fairfield) and to design, finance, re-build and maintain Ravenshall School. All schools are operational and the concession ends in June 2031. Facilities management is undertaken by Pinnacle FM Limited.

#### **6.31 *Leisure Infrastructure Investors Limited loans ("LIIL Loans")***

The LIIL Loans are loans with an aggregate value of c. £11.6 million, an expected remaining term of 27 years and an interest rate of 10.5 per cent. per annum. They are secured on a subordinated basis against three operational PFI projects, Amber Valley Leisure, Rotherham Leisure and Wolverhampton Leisure.

### *Amber Valley Leisure*

Amber Valley Leisure PFI is a c. £27 million concession with the Amber Valley Borough Council to design, construct, finance and operate 3 leisure facilities, being mixed wet and dry leisure facilities, including gymnasiums, on three sites, Alfreton Leisure Centre, Ripley Leisure Centre and William Gregg VC Leisure Centre. The facilities are operational since and the concession ends in January 2040. Facilities management is carried out by DC Leisure Management Limited.

### *Rotherham Leisure*

Rotherham Leisure PFI is a c. £39 million concession with the Rotherham Metropolitan Borough Council to design, construct, finance and maintain four leisure facilities, being Aston-Cum-Aughton Leisure Centre, Maltby Service Centre, Rotherham Leisure Centre and Wath Upon Dearne Leisure Centre, with the Maltby facility also including a joint service centre with a GP surgery. The facilities are operational and the concession ends in 2041. Facilities management is undertaken by EMCOR Facilities Management.

### *Wolverhampton Leisure*

Wolverhampton Leisure PFI is a c. £15 million concession with Wolverhampton City Council to design, construct, finance and maintain Bowman's Harbour Leisure Centre. The facility is operational and the concession lasts until November 2036. Facilities management is undertaken by EMCOR Facilities Management.

## 6.32 ***FHW Dalmore (Salford Pendleton Housing) plc bond ("Salford Bond")***

The Salford Bond is a bond with a value of c. £11.3 million, an expected remaining term of 29 years and an interest rate of 8.5 per cent. per annum. It was issued by FHW Dalmore (Salford Pendleton Housing) plc and is secured on a subordinated basis against one refurbishment PFI project, New Pendleton Social Housing.

### *New Pendleton Social Housing*

New Pendleton Social Housing PFI is a c. £95 million concession with Salford City Council to design, finance, refurbish, and maintain 1,270 existing dwellings in the Salford area of Greater Manchester. The concession ends in 2043. The refurbishment and maintenance is being undertaken by Together Housing Group.

## **7. Pipeline**

The Investment Adviser is pursuing further potential investment opportunities that meet its investment objective and policy as set out in Part 4 of this document.

The Investment Adviser is currently engaged in various stages of negotiations on potential acquisitions with a total value of approximately £135 million. In addition, the Investment Adviser expects to see a steady stream of further opportunities.

The acquisition of these potential investments is subject, among other things, to the approval of the Directors, and the Investment Adviser completing satisfactory due diligence in relation to such potential investments, and any such acquisitions will be subject to agreement having been reached between the Investment Adviser and the relevant counterparty as to the terms of such acquisitions.

A breakdown of the interests comprising the potential investments currently under consideration is set out in the table below.

<i>Asset type</i>	<i>Project status</i>	<i>Sector</i>	<i>Cash flow</i>	<i>Estimated investment (£'m)*</i>	<i>Inflation protection</i>	<i>Deal status</i>
1 Senior loan	Operational	Rooftop solar	Feed-in tariff	5	Yes	Terms and docs agreed
2 Senior loan	Operational	Anaerobic digestion	ROCs	15	No	In discussions
3 Subordinated loan	Operational	Biomass	ROCs	5	No	In discussions
4 Senior loan	Operational	Anaerobic digestion	RHI	15	Yes	Terms agreed in principle
5 Senior loan	Operational	Biomass	ROCs	10	Yes	In discussions
6 Subordinated loan	Construction	Biomass	ROCs	20	No	In discussions
7 Subordinated loan	Construction	Biomass	ROCs	30	No	In discussions
8 Senior loan	Construction	Anaerobic digestion	ROCs	10	Yes	Terms agreed in principle
9 Senior loan	Construction	Onshore wind	ROCs	30	Yes	Terms agreed in principle
<b>TOTAL</b>				<b>140</b>		

\* The estimated investment amount, expected investment term and deal status for each project referred to in the table reflects the Investment Adviser's estimate of each of these matters as at the date of this document.

## PART 5

### THE INVESTMENT ADVISER AND ITS EXPERIENCE

Gravis Capital Partners LLP is the investment adviser to the Company. The Investment Adviser was incorporated in England and Wales on 14 October 2007 under the Limited Liability Partnership Act 2000 (registered number OC332060) and is authorised and regulated by the Financial Conduct Authority (registration number 487393).

The partners of the Investment Adviser formed Gravis Capital Partners LLP in May 2008 with a view to developing a specialist infrastructure advisory boutique. This business model was amended to focus specifically on fund management, principally in the area of UK infrastructure, with the launch of the Subsidiary in July 2009. The Investment Adviser also manages one non-infrastructure fund in the field of student accommodation (GCP Student Living plc), and another infrastructure debt fund focused on the Middle East (GCP Sovereign Infrastructure Debt Limited). However, the primary focus of four of the existing partners of the Investment Adviser (as detailed below) is, and is expected to remain, the delivery of investment advisory services to the Company.

The partners in the Investment Adviser have a long track record of working within the UK infrastructure market, particularly with regard to debt advisory work, and have established close relationships with many of the key participants in the UK infrastructure market, including equity investors and lenders.

The partners of the Investment Adviser have advised extensively on debt structures in a wide variety of infrastructure sectors over the last nine years, including healthcare, education, court buildings, specialised offices, registered social landlord accommodation and transport. They have primarily advised Project Companies or their owners.

The personnel primarily responsible for delivering investment advice to the Company on behalf of the Investment Adviser are as follows:

#### **Stephen Ellis (55)**

Stephen Ellis has overall responsibility for the provision of investment advice to the Company.

Stephen graduated from Oxford University in 1980 and after a short service commission with the British Army he spent a 16 year career in investment banking, principally in tax-based finance, securitisation and debt origination. Stephen formed the Investment Adviser in 2008 after five years as a director at DTZ Corporate Finance, where he had responsibility for all UK infrastructure financing, in particular in the healthcare and education sectors.

#### **Rollo Wright (37)**

Rollo Wright is responsible for asset acquisition. He is also responsible for monitoring and reporting on the ongoing performance of the Group.

Rollo graduated with a degree in Mathematics from Oxford University before qualifying as a chartered accountant with Arthur Andersen. He moved to the capital markets division of Commerzbank Securities where he focused on the origination of pan-European corporate debt, specifically convertible bonds. He joined the structured finance team at DTZ Corporate Finance in 2004 and specialised in advising on the sale and financing of healthcare and education projects, as well as the structuring of residential property-backed transactions.

#### **Nick Parker (44)**

Nick Parker is responsible for asset sourcing and acquisition, and the negotiation and documentation of the Subsidiary's financing and hedging arrangements.

Nick holds a degree in Economics from Cambridge University. After 10 years in investment banking, focused on rate structured products and asset-backed securities, he became a Director of Structured Finance at DTZ where he advised on the financing of long-dated cash flows underlying property and infrastructure assets, particularly in respect of their documentation and hedging.

**Ronan Kierans (35)**

Ronan Kierans is responsible for asset sourcing and acquisition. His role involves identifying suitable assets, and carrying out and reporting on acquisition due diligence, including financial modelling and insurance, legal and built asset due diligence.

Ronan qualified as a chartered accountant with KPMG Dublin and subsequently worked in corporate finance with KPMG and DTZ Corporate Finance. At KPMG, Ronan worked on a number of corporate tax and M&A transactions. During his time at DTZ Corporate Finance, Ronan worked in the Fund Structuring team, specialising in the structuring of, and asset acquisition for, European property funds. In 2007, Ronan moved to the Infrastructure team at DTZ, where he primarily worked on healthcare projects.

## PART 6

### THE ISSUE

#### 1. Introduction

The Company is targeting a fundraising in excess of £75 million (before expenses), up to a maximum of £100 million pursuant to the Open Offer, the C Share Placing and the Offer for Subscription. The maximum aggregate number of C Shares that may be issued under the Issue is 100 million.

The Company intends to invest the Net Proceeds of the Issue to make investments in line with its investment objectives and policy (details of which are set out in paragraph 9 of Part 1 of this document). If the gross proceeds of the Issue are £75 million, it is expected that the Company will receive approximately £73.5 million from the Issue, net of fees and expenses associated with the Issue.

Neither the Open Offer, the C Share Placing nor the Offer for Subscription are being underwritten. The decision whether to proceed with the Open Offer, the C Share Placing and the Offer for Subscription will be at the absolute discretion, and subject to the agreement of, the Directors and the Joint Bookrunners.

The Issue is conditional, *inter alia*, upon:

- (a) Initial Admission occurring on or before 8.00 a.m. (London time) on 18 March 2014 or such time and/or date as the Company and the Joint Bookrunners may agree, being not later than 8.00 a.m. (London time) on 30 April 2014; and
- (b) the Placing Agreement having become unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission.

If these conditions are not met, the Issue will not proceed. If the Issue does not proceed, subscription monies received pursuant to the Issue will be returned without interest at the risk of the applicant.

Application will be made for the C Shares to be issued pursuant to the Issue to be admitted to the Official List and to trading on the Main Market of the London Stock Exchange. It is expected that Initial Admission will become effective and that dealings in the C Shares will commence at 8.00 a.m. on 18 March 2014.

#### 2. Investor profile

Typical investors in the Company pursuant to the Issue are expected to be institutional and sophisticated investors and private clients.

#### 3. The Open Offer

##### 3.1 *Details of the Open Offer*

Under the Open Offer, approximately 50 million C Shares (or such greater number as may be made available by the Directors in exercising their discretion to reallocate from the C Share Placing and/or the Offer for Subscription in favour of the Excess Application Facility) will be made available to Existing Shareholders at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares, on the terms of and subject to the conditions of the Open Offer, on the basis of a Basic Entitlement of:

##### **1 C Share for every 7 Existing Ordinary Shares held at the Record Date**

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 7 March 2014. Applications by Existing Shareholders will be satisfied in full up to their Basic Entitlements.

The Basic Entitlements will be rounded down to the nearest whole number of C Shares and any fractional entitlements will be disregarded in calculating Existing Shareholders' Basic Entitlements.

All fractional entitlements will be aggregated and made available to Existing Shareholders under the Excess Application Facility and thereafter, under the C Share Placing and Offer for Subscription.

Existing Shareholders may apply to acquire less than their Basic Entitlements. In addition, Existing Shareholders who apply for their Basic Entitlements in full may also apply to acquire additional C Shares under the Excess Application Facility (details of which are set out in paragraph 3.2 below).

Existing Shareholders should be aware that the Open Offer is not a rights issue and an Open Offer Application Form cannot be traded.

The terms and conditions of the Open Offer are set out at the end of this Prospectus. These terms should be read carefully before an application is made. Prospective investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers duly authorised under FSMA if they are in any doubt as to the action they should take.

### **3.2 *The Excess Application Facility***

Existing Shareholders who take up all of their Basic Entitlements may also apply under the Excess Application Facility for additional C Shares in excess of their Basic Entitlements.

The Excess Application Facility will comprise whole numbers of C Shares under the Open Offer which are not being taken up by Existing Shareholders pursuant to their Basic Entitlements (including any aggregated fractional entitlements), and any C Shares that the Directors determine, in their absolute discretion, should be reallocated from the C Share Placing and Offer for Subscription to satisfy demand from Existing Shareholders.

Existing Non-CREST Shareholders who wish to subscribe for more than their Basic Entitlement should complete the relevant sections on the Open Offer Application Form.

Existing CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 3.2 of Part 6 of this document for information on how to apply for additional C Shares under the Excess Application Facility.

Applications for additional C Shares under the Excess Application Facility will be allocated in such a manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders under the Excess Application Facility will be met in full or in part or at all.

To the extent any C Shares remain unallocated pursuant to the Open Offer (including under the Excess Application Facility), they will be made available under the C Share Placing and Offer for Subscription at the Directors' discretion.

### **3.3 *Action to be taken under the Open Offer***

#### *Existing Non-CREST Shareholders*

Existing Non-CREST Shareholders will be sent an Open Offer Application Form which contains details of their Basic Entitlement, together with notes on how to complete the Open Offer Application Form.

Persons that have sold or otherwise transferred all of their Existing Ordinary Shares should forward this document, together with the Open Offer Application Form (if and when received), at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

Any Existing Shareholder that has sold or otherwise transferred only some of their Existing Ordinary Shares held in certificated form on or before the Record Date, should refer to the instruction regarding split applications in the terms and conditions of the Open Offer set out at the end of this Prospectus.

The terms and conditions of the Open Offer are set out at the end of this Prospectus. Existing Shareholders should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers duly authorised under FSMA if they are in any doubt as to the action they should take.

#### *Existing CREST Shareholders*

Existing CREST Shareholders will not be sent an Open Offer Application Form. Instead, Existing CREST Shareholders will receive a credit to their stock accounts in CREST in respect of their Basic Entitlement and Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 13 February 2014.

In the case of any Existing Shareholder that has sold or otherwise transferred only some of their Existing Ordinary Shares held in uncertificated form on or before the Record Date, a claim transaction will be generated automatically by Euroclear UK which, on settlement, will transfer the appropriate Basic Entitlement to the purchaser or transferee.

The terms and conditions of the Open Offer are set out at the end of this Prospectus. Existing Shareholders should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers duly authorised under FSMA if they are in any doubt as to the action they should take.

The ISIN for Basic Entitlements under the Open Offer is JE00BJT0KL40. The ISIN for additional C Share entitlements under the Excess Application Facility is JE00BJT0KM56.

#### **4. The C Share Placing**

The Company, the Investment Adviser and the Joint Bookrunners have entered into the Placing Agreement, pursuant to which each Joint Bookrunner has agreed, subject to certain conditions, to use reasonable endeavours to procure subscribers for the C Shares made available in the C Share Placing at the Issue Price in return, *inter alia*, for the payment by the Company of placing commissions to the relevant Joint Bookrunner. Each Joint Bookrunner is entitled, at its discretion and out of its own resources, at any time to rebate to some or all of its investors, or to other parties, part or all of its fees relating to the Issue. Placing commitments should be received no later than 12.00 p.m. on 11 March 2014.

Details of the terms of the Placing Agreement are set out in paragraph 7 of Part 10 of this document.

The terms and conditions which shall apply to any subscription for C Shares pursuant to the C Share Placing are set out at the end of this document.

#### **5. The Offer for Subscription**

The Offer for Subscription will open on 12 February 2014 and the latest time for receipt of Offer for Subscription Application Forms will be 4.30 p.m. on 10 March 2014. Initial Admission to the Official List is expected to occur and unconditional dealings in the C Shares are expected to commence at 8.00 a.m. on 18 March 2014.

The terms and conditions of applications under the Offer for Subscription and an Offer for Subscription Application Form are set out at the end of this Prospectus. These terms and conditions should be read carefully before an application is made. Prospective investors should consult their respective stockbrokers, bank managers, solicitors, accountants or other independent financial advisers if they are in doubt. Offer for Subscription Application Forms, accompanied by a cheque or duly endorsed banker's draft, should be returned by post or by hand (during normal business hours only) to Capita Asset Services by no later than 4.30 p.m. on 10 March 2014.

Applications under the Offer for Subscription must be for a minimum subscription amount of £50,000 and thereafter in multiples of £1,000 or such lower amounts as the Joint Bookrunner and the Company may agree.

## **6. Expenses**

The costs of the Issue will (provided that the Issue proceeds) be borne out of the proceeds of the Issue. The total costs of the Issue (including any commissions) are expected to be approximately £1.5 million, assuming that the Company raises £75 million pursuant to the Issue.

## **7. Settlement**

Payment for the C Shares applied for under the C Share Placing should be made in accordance with the terms and conditions of the C Share Placing set out at the end of this document. Payment for C Shares applied for under the Offer for Subscription should be made in accordance with the settlement instructions contained in the Offer for Subscription Application Form set out at the end of this document. To the extent that any application or subscription for C Shares is rejected in whole or in part, or the Directors determine in their absolute discretion that the Issue should not proceed, monies will be returned to each relevant applicant by crossed cheque in favour of the applicant(s) at its risk and without interest.

The Company does not propose to accept multiple subscriptions. 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 the application is being made. Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

## **8. Certificates and CREST**

The C Shares will be issued in registered form and may be held in certificated or uncertificated form. Applicants under the Offer for Subscription who wish their C Shares to be held in uncertificated form (that is, in CREST) should ensure that they complete the details in Box 2B of the Offer for Subscription Application Form. Temporary documents of title will not be issued pending the despatch of definitive certificates for C Shares.

Dealings in the C Shares in advance of the crediting of the relevant CREST account or the issue of share certificates will be at the risk of the persons concerned.

## **9. Money Laundering**

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

The Company and its agents, the Administrator, the Investment Adviser and the Joint Bookrunners reserve the right to request such information as is necessary to verify the identity of the prospective C Shareholder and (if any) the underlying prospective beneficial owner of the C Shares. In the event of delay or failure by the prospective C Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Joint Bookrunners and the Investment Adviser, may refuse to accept any subscription for C Shares.

## **10. Scaling back and allocation**

Subject always to satisfying applications by Existing Shareholders in full up to their Basic Entitlements, in the event that aggregate applications for C Shares under the Open Offer, the C Share Placing and the Offer for Subscription were to exceed a level that the Directors determine, in their absolute discretion at the time of closing the Open Offer, the C Share Placing and the Offer for Subscription, to be the appropriate maximum size of the Issue, it would be necessary to scale back applications under the Issue. The Joint Bookrunners reserve the right, after consultation with the Company, to scale back applications in such amounts as they consider appropriate. The Company reserves the right to decline in whole or in part any application for C Shares pursuant to the Issue.

Accordingly, applicants for C Shares may, in certain circumstances, not be allotted the number of C Shares for which they have applied.

The Company will notify investors of the number of C Shares in respect of which their application has been successful, and the results of the Issue will be announced by the Company by way of an announcement through a Regulated Information Service, on or around 13 March 2014.

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 applicant from whom the money was received.

## **11. Dilution**

The percentage holding of an Existing Shareholder will be diluted to the extent that they do not participate in the Issue.

Pursuant to Conversion, the C Shares issued pursuant to the Issue will convert into Ordinary Shares no later than 6 months from Initial Admission. The number of Ordinary Shares into which each C Share converts will be determined by the relative net asset values per share of the C Shares and the Ordinary Shares. As a result of Conversion, the percentage of the issued Ordinary Shares held by each Existing Shareholder will be reduced. However, Conversion will be net asset value neutral to existing holders of Ordinary Shares.

## PART 7

### THE PLACING PROGRAMME

#### 1. Introduction

On 7 February 2014, Shareholders approved resolutions to enable the Company to issue up to 100 million Ordinary Shares (representing approximately 28 per cent. of the issued share capital of the Company as at 11 February 2014, being the latest practicable date prior to publication of this document) on a non-preemptive basis pursuant to the Placing Programme.

The Directors believe that instituting the Placing Programme will:

- enable the Company to grow further, thereby achieving to an additional extent the benefits of scale listed on page 40 as benefits of the Issue;
- partially satisfy market demand for Ordinary Shares from time to time and improve liquidity in the market for Ordinary Shares; and
- enable the Company to raise additional capital quickly, in order to take advantage of discrete investment opportunities that have been identified.

The maximum number of Placing Programme Shares available under the Placing Programme should not be taken as an indication of the number of Placing Programme Shares to be issued. The allotment and issue of Placing Programme Shares under the Placing Programme is at the discretion of the Directors. Allotments and issuances may take place at any time prior to the final closing date of 11 February 2015.

The Placing Programme is not underwritten.

#### 2. Investor profile

Typical investors in the Company pursuant to the Placing Programme are expected to be institutional and sophisticated investors and private clients.

#### 3. Details of the Placing Programme

The Placing Programme will open on 12 February 2014 and close on 11 February 2015 (or any earlier date on which it is fully subscribed). Notwithstanding that, it is the Directors' intention that no Placing Programme Shares will be issued prior to the conversion of the C Shares issued pursuant to the Issue.

Subject to the requirements of the Listing Rules, the Placing Programme Price at which Placing Programme Shares will be issued will be calculated by reference to the unaudited estimated prevailing Net Asset Value of the existing Ordinary Shares (cum-income) together with a premium intended to at least cover the costs and expenses of the relevant placing under the Placing Programme (including, without limitation, any placing commissions). The minimum Placing Programme Price in respect of an allotment of Placing Programme Shares will not be less than the aggregate of the unaudited Net Asset Value per Ordinary Share (cum-income) and a premium to cover such costs and expenses. Fractions of shares will not be issued.

Where Placing Programme Shares are issued, the total assets of the Company will increase by that number of Placing Programme Shares multiplied by the relevant price, less brokers' commission and expenses. It is not expected that there will be any material impact on the earnings and Net Asset Value per Ordinary Share, as the net proceeds of the Placing Programme, after providing for the Company's operational expenses, will be used to purchase investments sourced by the Investment Adviser in line with the Company's investment policy (details of which are set out in paragraph 9 of Part 1 of this document).

If 100 million Placing Programme Shares (being the maximum number of Placing Programme Shares available under the Placing Programme) are issued pursuant to the Placing Programme, there would be a dilution of approximately 22 per cent. in existing Shareholders' voting control of the Company.

The allotment of Placing Programme Shares is at the discretion of the Directors and may take place at any time prior to the final closing date of 11 February 2015. An announcement of each issue of Placing Programme Shares pursuant to the Placing Programme will be released through a Regulated Information Service, including details of the number of Placing Programme Shares issued and the Placing Programme Price.

The Placing Programme Shares will rank *pari passu* with the Ordinary Shares then in issue and will have the rights set out in the Company's Articles which are summarised in paragraph 4 of Part 10 of this document (save for any dividends or distributions which are declared, made or paid by reference to a record date prior to the issue of the Placing Programme Shares).

Ordinary Shares issued pursuant to the Placing Programme may be admitted to the Official List and to trading on the Main Market of the London Stock Exchange from 12 February 2014 to 11 February 2015. It is the intention of the Directors, however, that no Placing Programme Shares will be issued until after Conversion.

The ISIN number of the Placing Programme Shares is JE00B6173J15.

The Company does not guarantee that at any particular time market-makers 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 NAV per Ordinary Share.

#### **4. Conditions**

The terms and conditions which shall apply to any subscription for Ordinary Shares pursuant to the Placing Programme are set out at the end of this document.

#### **5. Settlement**

Applications will be made for all of the Placing Programme Shares issued pursuant to the Placing Programme to be admitted to the Premium Listing segment of the Official List and for all such Placing Programme Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities. All allotments of Placing Programme Shares will be conditional on Placing Programme Admission occurring in relation to the relevant Placing Programme Shares. The timing of the applications for Admission and their approval are not known at the date of this document but no Placing Programme Shares will be issued if they will not be so admitted. No application is expected to be made for the Placing Programme Shares to be listed or dealt in on any stock exchange or investment exchange other than the London Stock Exchange.

#### **6. Certificates and CREST**

Placing Programme Shares issued pursuant to the Placing Programme will be issued in registered form and transferred to successful applicants through the CREST system. CREST is a voluntary system and holders of Placing Programme Shares who wish to receive and retain share certificates will be able to do so.

Dealings in the Placing Programme Shares in advance of the crediting of the relevant CREST account or the issue of share certificates will be at the risk of the persons concerned.

#### **7. Money Laundering**

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

The Company and its agents, the Administrator, the Investment Adviser and the Joint Bookrunners reserve the right to request such information as is necessary to verify the identity of the prospective Ordinary Shareholder and (if any) the underlying prospective beneficial owner of the Ordinary Shares. In the event of

delay or failure by the prospective Ordinary Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Joint Bookrunners and the Investment Adviser, may refuse to accept any subscription for Placing Programme Shares.

## **8. The Placing Agreement**

Details of the terms of the Placing Agreement are set out in paragraph 7 of Part 10 of this document.

## **9. Scaling back and allocation**

In the event that applications for Placing Programme Shares to be issued pursuant to any Placing carried out pursuant to the Placing Programme were to exceed a level that the Directors determine, in their absolute discretion at the time of closing that Placing, to be the appropriate maximum size of that issue of Placing Programme Shares and, in any event, if applications under the Placing Programme were to exceed the maximum number of Placing Programme Shares available under the Placing Programme, it would be necessary to scale back applications under the relevant Placing. The Joint Bookrunners reserve the right, after consultation with the Company, to scale back applications in such amounts as they consider appropriate. The Company reserves the right to decline in whole or in part any application for Placing Programme Shares pursuant to the Placing Programme.

The Company will notify investors of the number of Placing Programme Shares in respect of which their application has been successful, and the results of the each Placing carried out pursuant to the Placing Programme (including the number of Placing Programme Shares issued and the Placing Programme Price) will be announced by the Company by way of an announcement through a Regulated Information Service, as soon as possible following the closing of each Placing.

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 applicant from whom the money was received.

## PART 8

### TERMS OF THE C SHARES

#### 1. General

- 1.1 An issue of C Shares is designed to overcome the potential disadvantages for both existing and new investors which could arise out of a conventional fixed price issue of further Ordinary Shares for cash. In particular:
- (a) the Net Asset Value of the Pre-Conversion Ordinary Shares will not be diluted by the expenses associated with the Issue which will be borne by the subscribers for C Shares and not by holders of Pre-Conversion Ordinary Shares; and
  - (b) the basis upon which the C Shares will convert into Ordinary Shares is such that the number of Ordinary Shares to which C Shareholders will become entitled will reflect the relative investment performance and value of the pool of new capital attributable to the C Shares issued pursuant to the Issue up to the Calculation Time, as compared to the assets attributable to the Pre-Conversion Ordinary Shares at that time and, as a result, neither the Net Asset Value attributable to the Pre-Conversion Ordinary Shares nor the Net Asset Value attributable to the C Shares will be adversely affected by Conversion.
- 1.2 The C Shares will convert into Ordinary Shares on the basis of the Conversion Ratio.
- 1.3 The Conversion Ratio will be calculated as at the Calculation Time.

#### 2. Example of conversion mechanism

- 2.1 The following example illustrates the methodology which will be followed to calculate the number of Ordinary Shares arising on Conversion. The example is unaudited and is not intended to be a forecast of the number of Ordinary Shares which will arise on Conversion, nor a forecast of the level of income which may accrue to Ordinary Shares in the future.<sup>7</sup>
- 2.2 The following example illustrates the number of Ordinary Shares which would arise on the conversion of 1,000 C Shares held at Conversion using assumed NAVs (solely for these illustrative purposes) attributable to the C Shares and the Ordinary Shares in issue at the Calculation Time. The assumed NAV attributable (solely for these illustrative purposes) to a C Share at the Calculation Time is based on the assumption that 75 million C Shares are issued pursuant to the Issue and that the costs of the Issue amount to £1.5 million. The assumed NAV attributable (solely for these illustrative purposes) to each Ordinary Share is 101.27 pence, being the unaudited NAV as at the close of business on 31 January 2014.

##### *Example*

Number of C Shares subscribed	1,000
Amount subscribed (£)	1,000
Net Asset Value attributable to a C Share at the Calculation Time	97.96
Net Asset Value attributable to an Ordinary Share at the Calculation Time	101.27
Conversion Ratio	96.73
Number of Ordinary Shares arising on Conversion	967

#### 3. Terms of the C Shares

The rights and restrictions attaching to the C Shares are set out in the Articles and are summarised below.

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<sup>7</sup> The figures in the example in paragraph 2.2 are provided solely for illustrative purposes. The Net Asset Values attributable to the Ordinary Shares and the C Shares at the Calculation Time (and, therefore, the Conversion Ratio) could differ from these illustrative figures. These figures should not be used to calculate the number of Ordinary Shares that a subscriber for C Shares pursuant to the Issue will be entitled to following Conversion.

#### 4. Definitions

The following definitions apply for the purposes of this Part 8 of this document in addition to, or (where applicable) in substitution for, the definitions applicable elsewhere in this document.

“**C Share Surplus**” means the net assets of the Company attributable to the C Shares, being the assets attributable to such C Shares (including, for the avoidance of doubt, any income and/or revenue (net of expenses) arising from or relating to such assets) less such proportion of the Company’s liabilities as the Directors shall reasonably allocate to the assets of the Company attributable to the C Shares.

“**Calculation Time**” means the earliest of:

- (a) the close of business on the date, determined by the Directors, on which the value of the investments of the Company is equal to or greater than 90 per cent. of the Net Asset Value of the Company;
- (b) the close of business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen;
- (c) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion; and
- (d) the close of business on the Business Day falling six months after the Issue Date.

“**Conversion**” means the conversion of C Shares into Ordinary Shares and, if applicable, Deferred Shares, as described in paragraph 12 of this Part 8 of this document.

“**Conversion Ratio**” means A divided by B calculated to four decimal places (with 0.00005 being rounded upwards) where:

$$A = \frac{C}{D}$$

and

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

and where:

“C” is the Net Asset Value of the relevant tranche of C Shares as at the Calculation Time;

“D” is the number of the relevant tranche of C Shares in issue at the Calculation Time;

“E” is the Net Asset Value of the Ordinary Shares as at the Calculation Time; and

“F” is the number of Ordinary Shares in issue at the Calculation Time.

“**Conversion Time**” means a time which falls after the Calculation Time and is the time at which the admission of the Ordinary Shares arising on Conversion to the Official List becomes effective, being the opening of business on such business day as is selected by the Directors, provided that such day shall not be more than 20 Business Days after the Calculation Time.

“**Deferred Shares**” means any redeemable deferred shares of £0.01 each in the capital of the Company arising on the conversion of C Shares of the relevant tranche into Post-Conversion Ordinary Shares and (if applicable) Deferred Shares.

“**Force Majeure Circumstances**” means in relation to any tranche of C Shares any political and/or economic circumstances and/or actual or anticipated changes in fiscal or other legislation which, in the reasonable opinion of the Directors, renders Conversion necessary or desirable, notwithstanding that conversion of the C Shares into Ordinary Shares would not otherwise occur at such time.

“**Issue Date**” means the date of the issue of any C Shares (as applicable).

“**Law**” means The Companies (Jersey) Law, 1991 (as amended).

“**Pre-Conversion Ordinary Shares**” means the Ordinary Shares in issue immediately prior to the Conversion Time.

“**Post-Conversion Ordinary Shares**” means the Ordinary Shares arising on Conversion.

“**Share Surplus**” means the net assets of the Company less the C Share Surplus.

## **5. Issues of C Shares**

- 5.1 Subject to Jersey Companies Law and in accordance with the Articles, the Directors shall be authorised to issue C Shares on such terms as they determine provided that such terms are consistent with the provisions of the Articles.
- 5.2 Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

## **6. Dividends and *pari passu* ranking of C Shares, Post Conversion Ordinary Shares and Deferred Shares**

- 6.1 The holders of C Share(s) shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus.
- 6.2 If any dividend is declared after the issue of C Shares and prior to Conversion, the holders of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus.
- 6.3 Subject as provided in the following sentence, the Post-Conversion Ordinary Shares shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise *pari passu* with Ordinary Shares in issue at the Conversion Time. However, Post-Conversion Ordinary Shares shall not be entitled to any dividends or distributions which are declared prior to the Conversion Time but made or paid after the Conversion Time.
- 6.4 The Deferred Shares (to the extent that any are in issue and extant) shall not entitle the holders thereof to any dividend or any other right as the holders thereof to share in the profits (save as set out in paragraph 7 below) of the Company.

## **7. Rights as to capital**

- 7.1 In the event that there are C Shares in issue on a winding up or a return of capital, the capital and assets of the Company available to Shareholders shall, on such a winding up or a return of capital (otherwise than on a purchase by the Company of any of its shares), be applied as follows:
  - (a) if there are for the time being Deferred Shares in issue, in paying to the holders of the Deferred Shares 1p in respect of all of the Deferred Shares;
  - (b) the Share Surplus shall be divided among the holders of Ordinary Shares *pro rata* according to their respective holdings of Ordinary Shares; and
  - (c) the C Share Surplus shall be divided amongst the holders of C Shares *pro rata* according to their respective holdings of C Shares.
- 7.2 In the event that no C Shares are in issue on a winding up or a return of capital, the capital and assets of the Company available to shareholders shall on such a winding up or a return of capital (otherwise than on a purchase by the Company of its shares) be applied as follows:
  - (a) if there are for the time being Deferred Shares in issue, in paying to the holders of the Deferred Shares 1p in respect of all of the Deferred Shares; and

- (b) the surplus shall be divided amongst the holders of Ordinary Shares *pro rata* according to their respective holdings of Ordinary Shares.

## **8. Voting and transfer**

The C Shares shall carry the right to receive notice of, attend and vote at any general meeting of the Company. The voting rights of the holders of C Shares will be the same as those applying to holders of Ordinary Shares. The C Shares shall be transferable in the same manner as the Ordinary Shares. The Deferred Shares shall not be transferable and shall not carry any rights to receive notice of, attend or vote at any general meeting of the Company.

## **9. Redemption by the Company**

- 9.1 At any time prior to Conversion, the Company may, subject to the provisions of the Articles and Jersey Companies Law, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject, where applicable, to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Shares.
- 9.2 The Deferred Shares arising from Conversion (to the extent that any are in issue and extant) may, subject to the provisions of the Articles and Jersey Companies Law, be redeemed at the option of the Company at any time following Conversion for an aggregate consideration of 1 pence for all such Deferred Shares, and for such purposes any Director is authorised as agent on behalf of each holder of Deferred Shares, in the case of any share in certificated form, to execute any stock transfer form, and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of each holder of Deferred Shares, who shall be bound by them.
- 9.3 The Company shall not be obliged to issue share certificates to the holders of Deferred Shares.

## **10. Class consents and variation of rights in relation to the Company**

Without prejudice to the generality of the Articles, for as long as there are C Shares in issue, the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, *inter alia*, by:

- (a) any alteration to the memorandum of incorporation of the Company or the Articles which directly or indirectly affects the rights attaching to the C Shares; or
- (b) any alteration, increase, consolidation, division, subdivision, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion and/or redemption of the Deferred Shares); or
- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (d) the passing of any resolution to wind up the Company; or
- (e) the selection of any accounting reference date other than 30 September.

## **11. Undertakings of the Company**

Until Conversion, and without prejudice to its obligations under Jersey Companies Law:

- (a) the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares;

- (b) there shall be allocated to the assets attributable to the C Shares such proportion of the expenses or liabilities of the Company as the Directors fairly consider to be attributable to the C Shares; and
- (c) the Company shall give appropriate instructions to the Investment Adviser and Administrator to manage the Company's assets so that such undertakings can be complied with by the Company.

## **12. Conversion of C Shares**

12.1 The C Shares shall be converted into Post-Conversion Ordinary Shares and, where applicable, Deferred Shares at the Conversion Time in accordance with the provisions set out below.

12.2 The Directors shall procure that:

- (a) the Company (or its delegate) calculates, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of Post-Conversion Ordinary Shares to which each holder of C Shares shall be entitled on Conversion; and
- (b) chartered accountants appointed by the Company shall be requested to certify, within 3 Business Days after the Calculation Time, that such calculations:
  - (i) have been performed in accordance with the Articles; and
  - (ii) are arithmetically accurate,

whereupon such calculations shall become final and binding on the Company and all Shareholders.

12.3 The Directors shall procure that, as soon as practicable following such certificate, an announcement is made to a Regulated Information Service advising holders of C Shares of that tranche of:

- (a) the Conversion Time;
- (b) the Conversion Ratio; and
- (c) the aggregate number of Post-Conversion Ordinary Shares to which holders of the C Shares are entitled on Conversion.

12.4 On Conversion each C Share shall automatically convert into such number of Post-Conversion Ordinary Shares and, where relevant, Deferred Shares as shall be necessary to ensure that, upon Conversion being completed, the number of Post-Conversion Ordinary Shares equals the number of C Shares in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole Post-Conversion Ordinary Share).

12.5 The Directors may in their absolute discretion from time to time decide the manner in which the C Shares are to be converted, subject to the Articles and Jersey Companies Law.

12.6 The Directors may, where the Conversion Ratio is greater than one, in order to facilitate Conversion, provide for the profits or reserves (of any type whatever) attributable to the C Shares to be capitalised and applied in paying up in full such number of Post-Conversion Ordinary Shares arising pursuant to Conversion as exceeds the number of C Shares in issue immediately prior to the Calculation Time and allot such shares, credited as fully paid up, to the persons holding C Shares immediately prior to the Conversion Time *pro rata* to their holdings of C Shares immediately prior to the Conversion Time.

12.7 The Post-Conversion Ordinary Shares arising upon Conversion shall be divided amongst the former holders of C Shares *pro rata* according to their respective former holdings of C Shares (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to Post-Conversion Ordinary Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Shares, in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including,

in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them. Forthwith upon Conversion, any certificates relating to the C Shares shall be cancelled and the Company shall issue to each such former holder of C Shares new certificates in respect of the Post-Conversion Ordinary Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold its Post-Conversion Ordinary Shares in uncertificated form.

- 12.8 The Company will use its reasonable endeavours to procure that, upon Conversion, the Post-Conversion Ordinary Shares are admitted to the Official List.
- 12.9 The Directors are authorised to effect such and any consolidations and/or divisions and/or combinations of the foregoing (or otherwise as appropriate) as may be necessary from time to time to implement the conversion mechanics for C Shares set out in the Articles.

### **13. Deferred Shares**

As set out above, Deferred Shares shall only be issued in respect of Conversion. The rights of Deferred Shares in respect of dividends, voting and entitlements on winding up are summarised in this Part 8 of this document.

# PART 9

## TAXATION

### 1. 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.

### 2. Jersey Taxation

The following summary of the anticipated treatment of the Company and holders of its Ordinary Shares is based on Jersey taxation law and practice as it is understood to apply at the date of this document. It does not constitute legal or tax advice and does not address all aspects of Jersey tax law and practice (including such tax law and practice as it applies to any land or building situated in Jersey). Prospective investors in the Ordinary Shares should consult their professional advisers on the implications of acquiring, buying, selling or otherwise disposing of Ordinary Shares in the Company under the laws of any jurisdiction in which they may be liable to taxation.

#### 2.1 *Taxation of the Company*

Under Article 123C of the Income Tax (Jersey) Law 1961 (the “**Jersey Income Tax Law**”) and on the basis that the Company is tax resident in Jersey, the Company (being neither a financial services company nor a specified utility company under the Jersey Income Tax Law at the date hereof) will (except as noted below) be regarded as subject to Jersey income tax at a rate of 0%.

If the Company derives any income from the ownership or disposal of land in Jersey, such income will be subject to tax at a rate of 20%. It is not expected that the Company will derive any such income.

#### 2.2 *Holders of Ordinary Shares*

Dividends on Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax and holders of Ordinary Shares will not be subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares. The attention of any holder of Ordinary Shares who is resident in Jersey is drawn to the provisions of Article 134A of the Jersey Income Tax Law, as amended, which may in certain circumstances render such a resident liable to Jersey income tax on undistributed income or profits of the Company.

It should be noted that the Jersey Income Tax Law contains provisions for the taxation of Jersey resident individual shareholders of Jersey tax resident companies. Advice should be obtained from a professional adviser in these circumstances.

#### 2.3 *Goods and Services Tax*

Jersey has a goods and services tax (“**GST**”) on goods and services supplied in the Island. On the basis that the Company has obtained international services entity (“**ISE**”) status, the Company is not:

- a taxable person pursuant to the Goods and Services Tax (Jersey) Law 2007;
- required to charge GST in Jersey in respect of any supply made by it; and

- (subject to limited exceptions that are not expected to apply to the Company) required to pay GST in Jersey in respect of any supply made to it.

The Directors intend to conduct the business of the Company such that no GST will be incurred by the Company.

#### 2.4 *Stamp Duty*

In Jersey, no stamp duty is levied on the issue or transfer of the Ordinary Shares except that stamp duty is payable on Jersey grants of probate and letters of administration, which will generally be required to transfer Ordinary Shares on the death of a holder of such Ordinary Shares. In the case of a grant of probate or letters of administration, stamp duty is levied according to the size of the estate (wherever situated in respect of a holder of Ordinary Shares domiciled in Jersey, or situated in Jersey in respect of a holder of Ordinary Shares domiciled outside Jersey) and is payable on a sliding scale at a rate of up to 0.75 per cent. on the value of an estate with a maximum value of £13,360,000. The rules for joint holders and holdings through a nominee are different and advice relating to this form of holding should be obtained from a professional adviser.

Jersey does not otherwise levy taxes upon capital, inheritances, capital gains or gifts nor are there otherwise estate duties.

#### 2.5 *European Union Directive on the Taxation of Savings Income*

On 1 July 2005, agreements on the taxation of savings income which were entered into between Jersey and each of the EU Member States came into effect. These agreements provided the same provisions as the EU Savings Tax Directive and required, in certain circumstances, the retention of tax from payments made by certain Jersey collective investment vehicles to EU resident individuals. The Company has taken advice and received confirmation from the Comptroller of Taxes acting as the competent authority that administers these agreements that the Company is currently outside the scope of the agreements.

### 3. **United Kingdom**

The statements below relate to the UK tax implications of a UK resident and domiciled individual investing in the Company (unless expressly stated otherwise). The tax consequences may differ for investors who are not resident in the UK or who are not domiciled in the UK for tax purposes. Investors and prospective investors should seek their own professional advice as to this, as well as to any other relevant laws and regulations in the jurisdiction in which they are resident or domiciled for tax purposes that may affect the tax treatment of their investment. The statements are based on current tax legislation and HMRC practice, both of which are subject to change at any time, possibly with retrospective effect. The statements below apply in respect of investors who hold Ordinary Shares or C Shares in the Company (as applicable) as an investment and not as part of a trade such as dealing in securities.

#### 3.1 *UK taxation of the Company*

The Directors intend to conduct the affairs of the Company in such a manner as to minimise, so far as they consider reasonably practicable, taxation suffered by the Company. This will include conducting the affairs of the Company to seek to ensure that it does not become resident in the UK for taxation purposes. Accordingly, and provided the Company does not carry on a trade in the UK (whether or not through a permanent establishment situated therein) and is not centrally managed and controlled in the UK, the Company should not be subject to UK income tax or corporation tax other than on UK source income.

#### 3.2 *UK taxation of individuals*

This paragraph provides general guidance for individual investors who are UK resident and ordinarily resident for UK tax purposes and who hold Ordinary Shares and/or C Shares (as applicable) as investments and not as trading stock.

Individual investors who are resident and domiciled in the UK will be liable to UK tax at their applicable marginal rates on dividends paid by the Company, and on any gain arising from a disposal or part disposal of the Ordinary Shares or C Shares in the Company. Investors who are UK tax resident, or are “eligible non-UK residents” within the meaning of Chapter 3 Part 4 of the Income Tax (Trading and Other Income) Act 2005, and who hold a minority interest in the Company, being less than 10 per cent. of the issued share capital, should be entitled to a non-refundable tax credit in respect of the dividend equal to one ninth of the dividend received, subject to their personal circumstances.

For investors who subscribe for C Shares under the Issue, the conversion of C Shares into new Ordinary Shares, which will occur on Conversion, should under current legislation constitute a reorganisation of share capital and not result in a disposal for the purposes of UK capital gains tax. Accordingly, no liability to UK tax in respect of capital gains should arise on Conversion. Instead, the new Ordinary Shares will be treated as having been acquired on the same date as that on which the C Shares were acquired by the relevant investor and for the same consideration.

The Directors consider that the Company should not constitute an “offshore fund” for the purposes of Part 8 TIOPA, as the Company is closed-ended with an unlimited life. However, as the law and practice in relation to offshore funds has recently changed, the Directors will use reasonable endeavours (but without liability) to monitor the Company’s status in this regard. If the Company were to be treated as an offshore fund, disposals of Ordinary Shares or C Shares (as applicable) would give rise to an offshore income gain taxable as income (rather than capital) unless the Company were to apply to be a “reporting fund” in accordance with the Offshore Funds (Tax) Regulations 2009, as amended.

The attention of investors is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

Investors who are resident in the UK should be aware of the provisions of Chapter 2, Part 13 of the Income Tax Act 2007, which may in certain circumstances, and subject to certain exceptions, render them liable to UK income tax in respect of undistributed income and profits of the Company.

Individual investors who are resident in the UK should be aware that, subject to certain exceptions, if they hold or are treated as holding alone or together with “persons connected with them” (as defined in the relevant legislation) more than a 25 per cent. interest in the Company and the Company would be treated as a “close” company if it were resident in the UK, gains which are capital gains for the purposes of UK tax accruing to the Company may be attributed to them if such gains are not distributed, pursuant to section 13 of TCGA.

### 3.3 *UK taxation of UK companies*

Investors who hold Ordinary Shares or C Shares (as applicable) that are companies resident in the UK for UK taxation purposes may be able to rely on legislation in Chapter 3, Part 9A of the Corporation Tax Act 2009 which exempts certain dividends from the charge to UK corporation tax where certain conditions are met. Such UK companies will, however, be subject to UK corporation tax on chargeable gains in respect of any gains arising on a disposal of Ordinary Shares or C Shares (as applicable).

UK resident companies should note that where they (or they together with their connected persons) have a sufficient interest in the Company (generally 25 per cent. or more), then the controlled foreign company rules in Part 9A TIOPA could apply. Under these rules, a UK resident company with a sufficient interest in the Company may be liable to UK corporation tax in respect of its share of the relevant company’s undistributed profits. These provisions will only apply if the Company is controlled by UK tax residents. The controlled foreign company rules contain a number of exemptions and safe harbours. However, the Directors cannot guarantee that any of these will apply. Accordingly, any UK resident company directly or indirectly acquiring a sufficient interest (as described above) in the Company may be affected by the rules.

The provisions of Part 8 of TIOPA and section 13 of TCGA as set out above apply equally to investors that are subject to UK corporation tax as they do to UK resident individuals. As stated above, the Directors do not consider the Company to constitute an “offshore fund”.

#### 3.4 *Placing Programme Shares – ISAs*

Investors acquiring Placing Programme Shares under the Placing Programme should note that the Placing Programme Shares will not be eligible for inclusion in a stocks and shares ISA.

#### 3.5 *Stamp Duty and Stamp Duty Reserve Tax (“SDRT”)*

The following comments are intended as a guide to the current general 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 C Shares or new Ordinary Shares. UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of Ordinary Shares or C Shares executed within, or in certain cases brought into, the UK. Provided that the Ordinary Shares or C Shares are not registered in any register of the Company kept in the UK, any agreement to transfer Ordinary Shares or C Shares should not be subject to UK stamp duty or SDRT.

**If investors are in any doubt as to their tax position, they should consult an independent professional adviser.**

## PART 10

### ADDITIONAL INFORMATION ON THE COMPANY

#### 1. Incorporation and Status of the Company

- 1.1 The Company is a closed-ended investment company which was incorporated in Jersey on 21 May 2010 under the provisions of the Jersey Companies Law with registered number 105775 with the name GCP Infrastructure Investments Limited.
- 1.2 The principal legislation under which the Company operates, and under which the Ordinary Shares and the C Shares have been created, is the Jersey Companies Law.
- 1.3 The Company's legal and commercial name is GCP Infrastructure Investments Limited.
- 1.4 The registered and head office and the principal place of business of the Company is at 12 Castle Street, St. Helier, Jersey JE2 3RT. The Company is domiciled in Jersey. The telephone number of the Company's registered office is +44 (0)1534 847060.
- 1.5 The Company's accounting period ends on 30 September of each year, with the first such financial period commencing on incorporation of the Company and having ended on 30 September 2011. Historical financial information on the Company from incorporation of the Company to 30 September 2013 is included in this document in Part 11.
- 1.6 Ernst & Young LLP has been the only auditor of the Company since its incorporation. Ernst & Young LLP is a member of the Institute of Chartered Accountants in England and Wales. The annual report and financial statements of the Company are prepared according to IFRS as adopted by the EU and Jersey Companies Law.
- 1.7 The Company is not authorised or regulated by the FCA or by the JFSC or by any equivalent regulatory authority.

#### 2. Share Capital of the Company

- 2.1 As at the date of incorporation of the Company, the authorised share capital of the Company was £1,000,000 divided into 1,000,000 ordinary shares of £1.00 each and the issued share capital of the Company was £100 divided into 100 ordinary shares of £1.00 each of which were held by Capita Financial Administrators (Jersey) Limited. On 24 June 2010, these shares were transferred as to 50 fully paid ordinary shares of £1.00 each to Capita Nominees Limited and as to 50 fully paid ordinary shares of £1.00 each to Capita Secretaries Limited.
- 2.2 By resolutions passed at an extraordinary general meeting of the Company on 28 June 2010 it was resolved that:
  - (a) each of the 100 existing issued ordinary shares of £1.00 each in the capital of the Company and each of the 999,900 authorised but unissued ordinary shares of £1.00 each in the capital of the Company be sub-divided and converted into 100 ordinary shares of £0.01 each in the capital of the Company each having the rights and being subject to the restrictions set out in the Articles; and
  - (b) the authorised share capital of the company be increased from £1,000,000 to £2,000,000 by the creation of an additional 100,000,000 Ordinary Shares.

At such time the issued share capital of the Company was £100 divided into 10,000 Ordinary Shares which were held as to 5,000 Ordinary Shares by Capita Nominees Limited and 5,000 Ordinary Shares by Capita Secretaries Limited.

- 2.3 The Company issued an additional 40,000,000 Ordinary Shares on the IPO Date pursuant to the IPO.
- 2.4 On 27 June 2010, the 5,000 Ordinary Shares held by Capita Nominees Limited and the 5,000 Ordinary Shares held by Capita Secretaries Limited referred to in paragraph 2.2 above were surrendered and subsequently cancelled.
- 2.5 On 17 August 2010, the Company applied for a block listing of 3,996,000 Ordinary Shares in aggregate by way of a tap issue. Pursuant to this block listing, the Company issued 1,000,000 Ordinary Shares on 17 August 2010 at £1.04 per Ordinary Share, 1,500,000 Ordinary Shares on 8 October 2010 at £1.05 per Ordinary Share and 1,496,000 Ordinary Shares on 18 August 2011 at £1.02 per Ordinary Share.
- 2.6 At an annual general meeting of the Company held on 11 November 2011, the authorised share capital of the Company was increased from £2,000,000 to £5,000,000 by the creation of:
- (a) 100,000,000 C Shares;
  - (b) 100,000,000 Ordinary Shares; and
  - (c) 100,000,000 Deferred Shares,
- each having the rights and being subject to the restrictions set out in the Articles.
- 2.7 On 22 December 2011, the Company issued 63,744,500 C Shares and 3,661,012 Ordinary Shares, resulting in the Company's issued share capital consisting of 47,657,012 Ordinary Shares and 63,744,500 C Shares.
- 2.8 On 4 May 2012, as a result of the conversion of the 63,744,500 C Shares referred to in paragraph 2.7 above, the Company issued 61,902,283 new Ordinary Shares and 1,842,217 Deferred Shares.
- 2.9 On 14 June 2012, the Company issued 10,955,928 Ordinary Shares at 102.75 pence per Ordinary Share, by way of a tap issue.
- 2.10 On 26 June 2012, 1,842,217 Deferred Shares were redeemed for an aggregate consideration of £0.01.
- 2.11 As a result of a scrip dividend alternative announced on 1 June 2012, the Company issued, on 28 June 2012, 109,961 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of an interim dividend of 3.7 pence per Ordinary Share.
- 2.12 At an extraordinary general meeting of the Company, held on 5 October 2012, the authorised share capital of the Company from £5,000,000 to £6,500,000 by the creation of:
- (d) 50,000,000 C Shares; and
  - (e) 100,000,000 Ordinary Shares.
- 2.13 On 12 October 2012, the Company issued 132,300,000 C Shares and 11,969,698 Ordinary Shares, resulting in the Company's issued share capital consisting of 132,594,882 Ordinary Shares and 132,300,000 C Shares.
- 2.14 As a result of a scrip dividend alternative announced on 6 December 2012, the Company issued, on 24 December 2012, 213,338 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of a final dividend of 3.8 pence per Ordinary Share.
- 2.15 On 16 April 2013, as a result of the conversion of the 132,300,000 C Shares referred to in paragraph 2.12 above, the Company issued 127,603,350 new Ordinary Shares and 4,696,650 Deferred Shares.
- 2.16 On 17 May 2013, 4,696,650 Deferred Shares were redeemed for an aggregate consideration for £0.01.

- 2.17 As a result of a scrip dividend alternative announced on 6 June 2013, the Company issued, on 24 June 2013, 554,810 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of an interim dividend of 3.8 pence per Ordinary Share.
- 2.18 On 23 September 2013, the Company issued 20,417,633 Ordinary Shares at 107.75 pence per Ordinary Share, by way of a tap issue.
- 2.19 As a result of a scrip dividend alternative announced on 18 November 2013, the Company issued, on 30 December 2013, 651,693 Ordinary Shares to Shareholders who decided to receive a scrip dividend in lieu of a final dividend of 3.8 pence per Ordinary Share.
- 2.20 On 15 January 2014, the Company declared a dividend of 1.9 pence per Ordinary Share, for the period from 1 October 2013 to 31 December 2013.
- 2.21 On 7 February 2014, the Company issued 72,742,362 new Ordinary Shares pursuant to the Reorganisation.
- 2.22 At the EGM, the authorised share capital of the Company was increased from £6,500,000 to £10,000,000 by the creation of:
- (f) 300,000,000 Ordinary Shares; and
  - (g) 50,000,000 C Shares,
- each having the rights and being subject to the restrictions set out in the Articles.
- 2.23 At the EGM, it was resolved that the Directors be empowered to allot equity securities (as defined in the Articles for cash, and/or sell equity securities held as treasury shares for cash, as if the pre-emption rights contained in the Articles in respect of such equity securities did not apply to any such allotment or sale, provided that such power be limited to:
- (a) the allotment of up to 100,000,000 C Shares pursuant to the Issue at an issue price of £1.00 per C Share;
  - (b) the allotment of up to 100,000,000 Ordinary Shares pursuant to the Placing Programme at an issue price calculated by reference to the net asset value per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the relevant placing of Ordinary Shares (including, without limitation, any placing commissions) and the initial investment of the amounts raised; and
  - (c) the allotment and/or sale of equity securities in connection with an offer of such securities by way of a rights issue (as defined in the Articles);
- and such authority shall be in substitution for all existing authorities and shall expire at the conclusion of the annual general meeting of the Company in 2015, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted or equity securities held as treasury shares to be sold after such expiry and the Directors may allot equity securities and/or sell equity securities held as treasury shares in pursuance of any such offer or agreement as if this power had not expired.
- 2.24 As at 11 February 2014 (being the latest practicable date prior to the date of this document), there were 354,778,068 Ordinary Shares and no C Shares in issue.
- 2.25 As at 11 February 2014 (being the latest practicable date prior to the date of this document), the Company did not hold any Ordinary Shares or C Shares in treasury and no Ordinary Shares or C Shares are held by or on behalf of the Company itself or by subsidiaries of the Company.
- 2.26 Other than the issue of C Shares pursuant to the Issue and the issue of Ordinary Shares pursuant to the Placing Programme, the Company has no present intention to issue any of the authorised but

unissued Ordinary Shares or any of the authorised but unissued C Shares in the share capital of the Company.

- 2.27 As at 11 February 2014 (being the latest practicable date prior to the date of this document), the Company is aware of the following existing Shareholders who were at such time interested, directly or indirectly, in 3 per cent. or more of the Company's issued share capital:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of voting rights</i>
HSBC Global Custody Nominee (UK)	38,064,028	10.73%
State Street Nominees Limited	37,844,360	10.67%
GCP Infrastructure OEIC Limited	23,590,600	6.65%
Ferlim Nominees Limited	22,098,943	6.23%
Brewin Dolphin	21,240,032	5.99%
Rathbone Nominees Limited	19,057,588	5.37%
J M Finn Nominees Limited	18,577,376	5.24%
Cheviot Capital (Nominees) Ltd	17,801,530	5.02%
Nortrust Nominees Limited	16,287,650	4.59%
The Bank of New York (Nominees)	13,734,722	3.87%
Vidacos Nominees Limited	13,366,834	3.77%
Roy Nominees Limited	12,940,484	3.65%
Smith & Williamson Nominees Limited	10,959,151	3.09%

- 2.28 If Initial Admission had taken place on 30 September 2013, assuming a fundraising of £75 million, it would have increased the net assets of the Company by £73.5 million. If the Issue had taken place on 1 October 2013, the additional funds would have been held in cash and liquid securities over the period reported. The net impact on earnings would have been broadly neutral with the additional interest earned being offset by the additional variable expenses. The actual net impact would have been dependent on the interest rate the Investment Adviser was able to obtain on cash and liquid securities.
- 2.29 If a Placing of the maximum number of Placing Programme Shares to be issued pursuant to the Placing Programme had taken place on 30 September 2013 at a Placing Programme Price of, for illustrative purposes only, £1.05 per Placing Programme Share (implying that the Company raised total net proceeds of £105 million under the Placing Programme, net of estimated fees and expenses of £1.8 million), it would have increased the net assets of the Company by £103.2 million. If such Placing had taken place on 1 October 2013, the additional funds would have been held in cash and liquid securities over the period reported. The net impact on earnings would have been broadly neutral with the additional interest earned being offset by the additional variable expenses. The actual net impact would have been dependent on the interest rate the Investment Adviser was able to obtain on cash and liquid securities.
- 2.30 The Company does not have in issue any securities not representing share capital.
- 2.31 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises or with a time limit after which entitlement to a dividend lapses and there are no arrangements in force whereby future dividends are waived or agreed to be waived.
- 2.32 Save as disclosed in this paragraph 2, there has been no issue of share or loan capital of the Company since the Company's incorporation.
- 2.33 Save pursuant to the Placing Agreement (which is summarised in paragraph 7 of this Part 10 of this document), no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of the Company.

- 2.34 No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option, nor will any such share or loan capital be under option or agreed, conditionally or unconditionally, to be put under option at Initial Admission.
- 2.35 Other than pursuant to the Issue and the Placing Programme, no shares of the Company have been sold or are available in whole or in part to the public in conjunction with the application for the Placing Programme Shares or C Shares to be admitted to the Official List.
- 2.36 The C Shares and Placing Programme Shares are in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates transfers will be certified against the register. It is expected that definitive share certificates for the C Shares not to be held through CREST will be posted to allottees in the week commencing 24 March 2014. Placing Programme Shares issued pursuant to the Placing Programme will be transferred to successful applicants through CREST. The C Shares and Placing Programme Shares to be held through CREST will be credited to CREST accounts on Initial Admission and any Placing Programme Admission, respectively.
- 2.37 No convertible securities, exchangeable securities or securities with warrants have been issued by the Company.
- 2.38 No person has voting rights that differ from those of other Shareholders.
- 2.39 Neither the Company nor the Subsidiary hold any Ordinary Shares or C Shares in treasury and no Ordinary Shares or C Shares are held by or on behalf of the Company itself.

### **3. The Subsidiary**

The Subsidiary is a wholly-owned subsidiary of the Company.

### **4. Articles of Association<sup>8</sup>**

In addition to the rights, restrictions and conversion mechanics of the C Shares and the Deferred Shares, which are summarised in Part 8 of this document, the Articles contain, *inter alia*, the following material provisions.

#### **4.1 *Objects***

The Memorandum and Articles do not limit the objects of the Company.

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

Subject to the rights or restrictions referred to in paragraph 4.3 below, and subject to any special rights or restrictions as to voting for the time being attached to any shares (including the relevant provisions relating to the C Shares and the Deferred Shares as described in paragraph 8 of Part 8 of this document), on a show of hands (a) every member who (being an individual) is present in person or (being a corporation) is present by a duly authorised representative shall have one vote; and (b) every proxy appointed by a member shall have one vote save that every proxy appointed by one or more members to vote for the resolution and by one or more other members to vote against the resolution, has one vote for and one vote against.

#### **4.3 *Restrictions on voting***

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

A member of the Company shall not, if the Directors determine, be entitled to be present or to vote at general meetings of the Company or to exercise any other rights of membership if he, or another

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<sup>8</sup> At the EGM, it was resolved that certain amendments be made to the Articles to reflect the Reorganisation.

person appearing to be interested in the relevant shares, has failed to comply with a notice requiring disclosure of interests in shares given under Article 42 of the Articles within 14 days.

#### 4.4 *Dividends*

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

The Directors may, if authorised by an ordinary resolution of the Company, offer the holders of any particular class of shares in the Company the right to elect to receive further shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution.

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

A dividend unclaimed for a period of 12 years after having been declared or became due for payment shall be forfeited and cease to remain owing by the Company.

#### 4.5 *Return of capital*

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

#### *Variation of rights*

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

#### 4.6 *Transfer of shares*

Subject to the restrictions set out in this paragraph (and, in respect of the Deferred Shares, to the restrictions set out in paragraph 8 of Part 8 of this document), any member may transfer all or any of his shares in the Company in any manner which is permitted by the Statutes (as defined in the Articles) or in any other manner which is from time to time approved by the Board.

The instrument of transfer of any share in the Company shall be in writing in any usual common form or in any other form permitted by the Statutes (as defined in the Articles) or approved by the Board. The transferor is deemed to remain the holder of the shares concerned until the name of the transferee is entered in the register of members in respect of those shares. All transfers of uncertificated shares shall be made by means of the relevant system or in any other manner which is permitted by the Statutes or the Regulations (each as defined in the Articles) and is from time to time approved by the Board.

The register of members of the Company shall be available for inspection at the registered office of the Registrar.

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

The Directors may, pursuant to the provisions of the Articles relating to disclosure of interests, decline to register a transfer in respect of shares which are the subject of a notice under Article 42 and in respect of which the required information has not been received by the Company within 14 days after service of the notice.

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

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

Save as aforesaid, the Articles contain no restrictions as to the free transferability of fully paid shares.

#### **4.7 *Pre-emption rights***

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

The Articles provide that, unless otherwise authorised by a special resolution, the Company shall not allot equity securities (as defined in the Articles) on any terms unless (i) the Company has first made an offer to each person who holds ordinary shares in the Company to allot to him, on the same or more favourable terms, such proportion of those equity securities that is as nearly as practicable (fractions being disregarded) equal to the proportion in nominal value held by the relevant person of the ordinary shares in the Company; and (ii) the period, which shall not be less than 21 clear days, during which any offer referred to in (i) above may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer made. A reference to the allotment of equity securities includes the grant of a right to subscribe for, or to convert any securities into, equity securities in the Company but does not include the allotment of any equity securities pursuant to such a right.

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

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

#### **4.8 *Disclosure of interests in shares***

The provisions of Chapter 5 of the Disclosure and Transparency Rules (as amended from time to time) (“**DTR 5**”) of the UK Financial Conduct Authority Handbook apply to the Company on the basis that

the Company is a “non-UK issuer”, as such term is defined in DTR 5. As such, a person is required to notify the Company of the percentage of voting rights it holds as a shareholder or holds or is deemed to hold through the direct or indirect holding of financial instruments falling within DTR 5 if, as a result of an acquisition or disposal of shares (or financial instruments), the percentage of voting rights reaches, exceeds or falls below the relevant percentage thresholds being, in the case of a non-UK issuer, 5, 10, 15, 20, 25 30, 50 and 75 per cent. Pursuant to the Articles, DTR 5 is deemed to apply to the Company as though the Company were a “UK issuer”, as such term is defined by DTR 5. As such, the relevant percentage thresholds that apply to the Company are 3, 4, 5, 6, 7, 8, 9, 10 per cent. and each 1 per cent. threshold thereafter up to 100 per cent. notwithstanding that in the absence of the Articles such thresholds would not apply to the Company.

There are no provisions under Jersey Companies Law equivalent to those contained in Part 22 of the UK Companies Act 2006 (Disclosure of Interests in Shares). Accordingly, in order to make provision for the disclosure of interests, the Articles contain provisions which require members, in certain circumstances, to disclose interests in the shares of the Company.

The Company has the right, by service of notice in writing, to require a registered member to disclose to the Company the nature of his interest in shares in the Company held at such time or at any time in the previous 3 years including the identity of any person, other than the member, who has any interest in the shares held by the member, and the nature of such interest.

A member will be required to respond within 14 days of receipt of the notice. The sanctions applicable if a member is in default of his obligation to respond to such notice include the member being no longer entitled to exercise voting rights attaching to the shares held by that member, dividends payable on the member’s shares being withheld and transfers of shares being refused registration, in each case, until such time as the member complies with the obligation to respond.

#### **4.9 *Alteration of capital and purchase of own shares***

The Company may alter its share capital in any way that is permitted by the Statutes (as defined in the Articles).

#### **4.10 *General meetings***

The requirement for the Company to hold an annual general meeting may be dispensed with if all of the members agree in writing and any such agreement remains valid in accordance with the Jersey Companies Law. Otherwise, the Company shall in each calendar year hold a general meeting as its annual general meeting at such time and place outside the UK as may be determined by the directors provided that, so long as the Company holds its first annual general meeting within eighteen months of its incorporation, the Company need not hold an annual general meeting in the year of its incorporation or in the following year.

##### *Convening of general meetings*

All meetings, other than annual general meetings, shall be called general meetings. The Board may convene a general meeting whenever it thinks fit. All general meetings shall take place outside the UK. A general meeting shall also be convened by the Board on the requisition of members not later than two months after the receipt of the requisition pursuant to the provisions of Jersey Companies Law or, in default, may be convened by such requisitions, as provided by the Statutes. The Board shall comply with the provisions of the Statutes regarding the giving and the circulation, on the requisition of members, of notices of resolutions and of statements with respect to matters relating to any resolution to be proposed or business to be dealt with at any general meeting of the Company.

##### *Notice of general meetings*

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

Notwithstanding that a meeting is called by less than fourteen clear days' notice, any such meeting shall be deemed to have been duly called if it is so agreed (a) in the case of an annual general meeting by all the members entitled to attend and vote thereat and (b) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting being a majority together holding not less than ninety-five per cent. in nominal value of the shares giving that right.

Every notice shall specify the place outside the UK, the day and the time of the meeting and the general nature of the business to be transacted and, in the case of an annual general meeting, shall specify the meeting as such.

Subject to the provisions of the Articles, and to any restrictions imposed on any shares, notice of every general meeting shall be given to all members, to all persons entitled to a share in consequence of the death, bankruptcy or incapacity of a member, to the auditors (if any) and to every Director who has notified the secretary in writing of his desire to receive notice of general meetings.

In every notice calling a meeting of the Company there shall appear with reasonable prominence a statement that a member entitled to attend and vote at the meeting may appoint one or more proxies to attend and vote at that meeting instead of him and that a proxy need not also be a member of the Company.

#### *Quorum*

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

A quorum of members shall consist of not less than two members present but so that not less than two individuals will constitute the quorum, provided that, if at any time all of the issued shares in the Company are held by one member such quorum shall consist of that member present.

If within 15 minutes from the time appointed for the holding of a general meeting a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to a day 10 clear days after the original meeting (or, if that day is not a business day, to the next business day) and the same time and place, as the original meeting, or to such later business day, and at such other time and place outside the UK, as the Board may decide and in the latter case not less than seven clear days' notice of the adjourned meeting shall be given in any manner in which notice of a meeting may lawfully be given for the time being. If at an adjourned meeting a quorum is not present within 15 minutes from the time fixed for holding the meeting, the meeting shall be dissolved.

#### *Chairman*

At each general meeting, the chairman of the Board or, if he is absent or unwilling, the deputy chairman (if any) of the Board or (if more than one deputy chairman is present and willing) the deputy chairman who has been longest in such office or, if no deputy chairman is present and willing, then one of the other Directors who is appointed for the purpose by the Board or (failing appointment by the Board), by the members present, shall preside as chairman of the meeting, but if no Director is present within 15 minutes after the time fixed for holding the meeting or, if none of the Directors present is willing to preside, the members present and entitled to vote shall choose one of their number to preside as chairman of the meeting.

#### *Directors entitled to attend and speak*

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

### *Adjournment*

With the consent of any meeting at which a quorum is present, the chairman of the meeting may (and if so directed by the meeting shall) adjourn the meeting from time to time or sine die and from place to place outside the UK.

In addition, the chairman of the meeting may at any time, without the consent of the meeting, adjourn the meeting (whether or not it has commenced or a quorum is present) to another time and/or place outside the UK if, in his opinion, it would facilitate the conduct of the business of the meeting to do so, notwithstanding that by reason of such adjournment some members may be unable to be present at the adjourned meeting.

### *Method of voting and demand for poll*

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

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

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

### *Taking a poll*

If a poll is demanded (and the demand is not withdrawn), it shall be taken at such time (either at the meeting at which the poll is demanded or within 30 days after the meeting), at such place outside the UK and in such manner as the chairman of the meeting shall direct and he may appoint scrutineers (who need not be members).

### *Proxies*

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

## **4.11 Directors**

### *Number and residence*

Unless otherwise determined by ordinary resolution of the Company, the number of Directors (other than alternate directors) shall be not less than two but there shall be no maximum number of Directors. A majority of the directors (including alternate directors) must be resident for tax purposes outside the UK.

### *Remuneration*

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors. The aggregate of such fees shall not exceed £270,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. At the EGM, Shareholders approved an increase in the cap on Directors' aggregate annual base fees from £150,000 to £270,000, in order to allow Clive

Spears and Paul de Gruchy (who were appointed as Directors with effect from 7 February 2014) and any successor Directors to be remunerated on the same terms as the other Directors.

Any fee payable to the Directors under the Articles shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

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

#### *Retirement of Directors*

At each annual general meeting, any Director who has been appointed by the Board since the previous annual meeting and any Director selected to retire by rotation pursuant to the Articles shall retire from office.

#### *Retirement of Directors by rotation*

At each annual general meeting of the Company, one-third of the Directors (excluding any Director who has been appointed by the Directors since the previous annual general meeting) or, if their number is not an integral multiple of 3, the number nearest to one-third, but not exceeding one-third, shall retire from office. In addition, each Director shall retire from office at the third annual general meeting after he was appointed or reappointed, if he would not otherwise fall within the Directors to retire by rotation.

The Directors to retire shall be those Directors who, at the date of the notice of the meeting, have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

The Directors to retire on each occasion shall be determined (both as to number or identity) by the composition of the Board on the day which is 14 days prior to the date of the notice convening the annual general meeting and no Directors shall be required to retire or be relieved from retiring by reason of any change in the number or identity of the Directors after that time but before the close of the meeting.

A retiring Director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be reappointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

#### *Executive Directors*

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

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

#### *Directors' interests*

A Director shall not be entitled to vote on a resolution (or attend or count in the quorum at those parts of a meeting regarding such resolution) relating to a transaction or arrangement with the Company in which he is interested, save where the other Directors resolve that the Director concerned should be

entitled to do so where they are satisfied that the Director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest or save in any of the following circumstances:

- (a) the giving of any guarantee, security or indemnity in respect of (i) money lent or obligations incurred by such Director or by any other person at the request of or for the benefit of the Company (or any of its subsidiary undertakings) or in respect of (ii) a debt or obligation of the Company (or any of its subsidiary undertakings) for which such Director has assumed responsibility, in whole or in part, under a guarantee or an indemnity or by the giving of security;
- (b) any contract concerning an offer of shares, debentures or other securities of or by the Company (or any of its subsidiary undertakings) for subscription or purchase in which offer such Director is or may be entitled to participate as a holder of securities or such Director is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (c) any contract in which such Director is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;
- (d) any contract concerning any other company in which such Director is interested, directly or indirectly, in 1 per cent. or more either of its equity share capital or of its voting rights;
- (e) any contract relating to an arrangement for the benefit of the employees of the Company (or any of its subsidiary undertakings) which does not award such Director any privilege or benefit not generally awarded to the employees to whom the arrangement relates;
- (f) any contract concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates to both Directors and employees of the Company and/or any of its subsidiary undertakings;
- (g) any contract concerning the adoption, modification or operation of an employees' share scheme; and
- (h) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

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

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

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

#### *Authorisation of conflicts of interest*

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

The Non-Conflicted Directors shall meet to consider the matter as soon as possible after the matter is referred to them and they have received all relevant particulars relating to the situation. The quorum for a meeting of the Non-Conflicted Directors shall be the same as for a meeting of the Board. The Non-Conflicted Directors have authority to authorise any matter which gives rise to the conflict of interest concerned on such terms as they think fit.

#### *Benefits*

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

#### *Powers of the Board*

The business of the Company shall be managed by the Board which may exercise all the powers of the Company, subject to the provisions of the Statutes, the Memorandum and the Articles. No special resolution or alteration of the Memorandum or of the Articles shall invalidate any prior act of the Board which would have been valid if the resolution had not been passed or alteration had not been made.

#### *Borrowing powers*

Subject to the provisions of the Statutes and of the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property, assets (both present and future) and 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.

The Board shall not, without the previous sanction of the Company in general meeting, incur any financial indebtedness (“**New Borrowings**”) if the aggregate liabilities of the Company in relation to such financial indebtedness (as defined in the Articles) immediately following the drawdown of such New Borrowings would exceed an amount equal to 20 per cent. of the value of the net assets of the Company immediately following such draw down.

#### *Indemnity of officers*

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

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

#### *Board meetings*

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit provided that no meetings of Directors shall be held in the UK. Any decision reached or resolution passed by the Directors at any meeting which is held in the UK shall be invalid and of no effect.

#### *Quorum*

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two. Subject to the provisions of the Articles, any

Director who ceases to be a Director at a Board meeting may continue to be present and to act as a Director and be counted in the quorum until the termination of the Board meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

There shall be no quorum unless a majority of Directors in attendance at a Board meeting (including any alternate Director) are resident for tax purposes outside the UK and are not attending the meeting from the UK by telephone or other means.

#### *Voting*

Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes the chairman of the meeting shall have a second or casting vote, unless he is not, in accordance with the Articles, to be counted as participating in the decision-making process for quorum, voting or agreement purposes.

#### 4.12 **CREST**

CREST is a paperless settlement procedure enabling securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument. The Company has applied for the C Shares and will apply for the Placing Programme Shares to be admitted to CREST. It is expected that the C Shares and the Placing Programme Shares will be so admitted, and accordingly enabled for settlement in CREST, as soon as practicable after Initial Admission and each Placing Programme Admission, respectively, has occurred.

### 5. **Directors' Interests**

- 5.1 As at 10 February 2014, Paul de Gruchy held (directly or indirectly) in aggregate 680,770.65 accumulation shares in the capital of New OEIC. No other Directors hold any direct or indirect interest in the Company. Save as disclosed in this paragraph, it is not expected that any of the Directors will have any interest in any Ordinary Shares immediately following Initial Admission.
- 5.2 No Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by the Company in the current or immediately preceding financial year or which were effected during an earlier financial year and which remain in any respect outstanding or unperformed.
- 5.3 The Directors currently hold, and have during the five years preceding the date of this document held, the following directorships (other than the Company), partnerships or have been a member of the senior management:

<i>Name</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>
Ian Reeves CBE	Constructing Excellence Limited	Y
	FSI Worldwide Limited	Y
	Zigmaney Consulting Limited	Y
	New Airport Limited	Y
	Synaps Limited	Y
	Dealpride Limited	Y
	G4S FSI Limited	Y
	FSI Europe Limited	Y
	Synaps Partners LLP	Y
	Stylus Ltd	Y
	DBD Limited	Y
	ROC Energy Limited	Y
	Caddington Golf Club Limited	N
	Zigmaney Limited	N
	Fantastic Solutions Marketing Limited	N

<i>Name</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>	
Ian Reeves CBE (continued)	London Greenways Limited	N	
	Griffiths-McGee Demolition Company Limited	N	
	McGee (Haulage) Limited	N	
	McGee Asbestos Removal Limited	N	
	McGee Environmental Ltd	N	
	McGee Group (Holdings) Limited	N	
	McGee Bedrock Limited	N	
	Bedrock Tipping Company (UK) Limited	N	
	Tomorrow's People Limited	N	
	T. McGee & Co Limited	N	
	Tomorrow's People (Services) Limited	N	
	Carlton Corporate Finance Limited	N	
	Carlton Financial Group Limited	N	
	Verbus Systems Limited	N	
	Linscap LLP	N	
	W1 Design LLP	N	
	David Pirouet	D.L.R.S Advisory Services Ltd	Y
		Nordic Capital V Limited	Y
		Nordic Capital V Escrow Limited	Y
		Nordic Capital VI Limited	Y
Ludgate Environmental Fund Limited		Y	
EMSA (formerly CRG) Fund Management (Jersey) Ltd		Y	
Kames (formerly Aegon) Target Healthcare General Partner Limited		Y	
Kreos Capital Group Limited		Y	
ACPI Investments Group Limited		Y	
ACPI FM Limited		Y	
ACPI IM Limited		Y	
Stonehage Investment Partners Focused Alternative Programme Limited		Y	
ICG Europe Fund V GP Limited		Y	
ICG Europe Fund V Jersey Limited		Y	
ICG EFV MLP Limited		Y	
ICG EFV MLP GP Limited		Y	
Emperor Marine Ltd		N	
PwC Channel Islands Ltd		N	
Sept Up Ltd		N	
Harle Syke Ltd		N	
PwC Properties (Jersey ) Limited		N	
PwC Pension Scheme Trustees Limited		N	
PwC Tax and Treasury Services Limited		N	
PwC Properties (Guernsey) Limited		N	
Midhurst Properties Limited		N	
Pembroke House Limited		N	
Pricewaterhouse Coopers CI LLP		N	

<i>Name</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>
Trevor Hunt	GCP Infrastructure Fund Limited	Y
	GCP Sovereign Infrastructure Debt Limited	Y
	Purissima Investment Fund (CI) Limited	Y
	Hero Funds PCC Limited	Y
	Chenavari Capital Solutions Limited	Y
	Harewood Structured Investments PCC Limited	Y
	Urica Capital Limited	Y
	Old Street Acquisitions Limited	Y
	BDP Limited	Y
	Anglo Securities Limited	Y
	Anglo Securities Investments Limited	Y
	Anglo Securities Holdings Limited	Y
	Saar Capital Limited	Y
	Mosel Capital Limited	Y
	EMS Capital Limited	Y
	KIC Fund Managers (Guernsey) Limited	Y
	KIC Global Strategy Fund Limited	Y
	Overlord Europe Limited	Y
	Overlord Europe Asset Managers Limited	Y
	Overlord Europe Holdings Limited	Y
	Standfast Vision 1 Limited	Y
	KW Investment Management Limited	Y
	GCP Infrastructure OEIC Limited	N
	Ukraine Liberty Fund Limited	N
	GEM Capital Diamond Fund Limited	N
	Wellington Partners Ventures Special (GP) Limited	N
	Wellington Partners Management Limited	N
	CF IM Offshore Funds Limited	N
	Golden Gate Real Estate Company Limited	N
	Ruffer International Funds Limited	N
	SIPP Residential Income Choice PCC Limited	N
	Merebis Master Fund Limited	N
	Merebis International Fund Limited	N
	Merebis Capital Management (Jersey) Limited	N
	Capita Financial Administrators (Jersey) Limited	N
	Capita Registrars (Guernsey) Limited	N
	Capita Registrars (Jersey) Limited	N
	Class Solutions Limited	N
	Leebrook Total Return Fund Limited	N
	Leebrook Total Return Master Fund Limited	N
	Leebrook Limited	N
	Concord Misr Investments (Guernsey) Limited	N
	Palio UK Mid-Market Debt Limited	N
	Wellington Partners Technology V Management Limited	N

<i>Name</i>	<i>Name of company/ partnership</i>	<i>Position still held (Y/N)</i>	
Clive Spears	GCP Infrastructure Fund Limited	Y	
	EPE Special Opportunities plc	Y	
	Meridian Asset Management (C.I.) Limited	Y	
	Nordic Capital Limited	Y	
	Nordic Capital VII Limited	Y	
	Nordic Capital VIII Limited	Y	
	Nomura Fund of Funds GP Limited	Y	
	Nomura European Mezzanine Fund GP 1 Limited	Y	
	Lema Fund Limited	Y	
	Gorey Investments Limited	Y	
	Jersey Finance Limited	Y	
	ICG Europe Fund V GP Limited	Y	
	ICG Europe Fund V No. 1 Limited Partnership	Y	
	ICG Europe Fund V Jersey Limited	Y	
	ICG Fund V Limited Partnership	Y	
	ICG Europe Fund V CIP Limited Partnership	Y	
	ICG Fund V Investor Feeder Limited Partnership	Y	
	ICG Fund Dutch CIP Limited Partnership	Y	
	ICG EFV MLP Limited	Y	
	ICG EFV MLP GP Limited	Y	
	Invesco Leveraged High Yield Bond Fund Limited	Y	
	Kreos Capital Group Limited	Y	
	Collosseum Hilversum Managing Trustee Limited	N	
	Rubicon Asset Management (Europe) Limited	N	
	Nordic Capital III Limited	N	
	Nordic Capital IV Limited	N	
	Nordic Capital V Limited	N	
	Cidron Atta Limited	N	
	Moor Park Real Estate Fund III G.P. Limited	N	
	Warner Funds Limited	N	
	EPIC 2007 NO.1 Single Property Real Estate Company Limited	N	
	Jersey Post International Limited	N	
	Warner Advisors (Jersey) Limited	N	
	Warner Estates GLO Limited	N	
	Warner Estates AIF Limited	N	
	GCP Infrastructure OEIC Limited	N	
	Paul de Gruchy	GCP Infrastructure Fund Limited	Y
		Duet Africa Index plc	Y
		Imperium Holdings Limited	N
		GCP Infrastructure OEIC Limited	N

5.4 The business address of all of the Directors is 12 Castle Street, St. Helier, Jersey JE2 3RT.

- 5.5 Save as disclosed above, none of the Directors has at any time within the last five years preceding the date of this document:
- (a) been a member of the administrative, management or supervisory bodies or a partner of any company or partnership;
  - (b) had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
  - (c) been the subject of any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
  - (d) been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors; or
  - (e) been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.
- 5.6 There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which any Director was selected.
- 5.7 There are no restrictions agreed by any Director on the disposal within a certain period of time of his holdings in the Company's securities.
- 5.8 There are no outstanding loans or guarantees provided by the Company for the benefit of any of the Directors nor are there any loans or any guarantees provided by any of the Directors for the Company.
- 5.9 No Director or principal has any potential conflicts of interests between any duties the Directors or principal owes to the Company and any private interests and/or other duties.
- 5.10 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company to the extent that the Company is able to obtain such insurance.

## **6. Directors' Remuneration and Service Agreements**

- 6.1 All of the Directors are non-executive directors. The total remuneration received by each Director during the financial year ended 30 September 2013 is set out below.

<i>Name</i>	<i>Remuneration (£)</i>
Ian Reeves CBE ( <i>Chairman</i> )	49,784
David Pirouet	42,284
Trevor Hunt	39,784

- 6.2 Each of the Directors has entered into a letter of appointment with the Company. The annual base remuneration payable to each Director is as follows:

<i>Name</i>	<i>Annual fee (£)</i>
Ian Reeves CBE ( <i>Chairman</i> )	45,000
David Pirouet	35,000
Trevor Hunt	35,000
Clive Spears	35,000
Paul de Gruchy	35,000

In addition, the Directors have agreed with the Company that each Director's base annual fee, as set out in paragraph 6.2 above, shall increase on each occasion that the NAV of the Company increases through certain specified thresholds, being capped at a base annual fee of £45,000 for the chairman of the Company and a base annual fee of £35,000 for each of the other Directors. To the extent that

the NAV of the Company increases to a level that would result in the Directors' aggregate base annual fees exceeding the current cap on Directors' aggregate annual base fees, any payments in excess of this amount shall be postponed and shall be conditional upon Shareholder approval to increase the current cap on the Directors' aggregate annual base fees, as provided for in the Articles. The Company obtained Shareholder approval at its annual general meeting held on 11 February 2013 to increase the maximum aggregate annual base fees payable to Directors to £150,000 per annum and obtained approval at the EGM to increase the maximum aggregate annual base fees payable to Directors to £270,000 per annum.

In addition to the Directors' base annual fees as set out above, the Company has agreed to pay the following special remuneration:

- (a) £5,000 to each of Ian Reeves, David Pirouet and Trevor Hunt for services provided in connection with the Issue;
- (b) £5,000 to each Director for services provided in connection with the Reorganisation and the Placing Programme;
- (c) £5,000 per annum to David Pirouet as chairman of the audit committee of the Company and £2,500 per annum to each of Trevor Hunt and Ian Reeves as members of the audit committee of the Company; and
- (d) £10,000 per annum to each of Clive Spears, Trevor Hunt and Paul de Gruchy as members of the investment committee of the Company.

Each of the Directors, other than Clive Spears and Paul de Gruchy, was appointed for a fixed initial period ending on the first anniversary of the IPO Date. The appointment of each of the Directors, other than Clive Spears and Paul de Gruchy, may be terminated on not less than 3 months' notice. Clive Spears and Paul de Gruchy have been appointed for a fixed initial period until the Company's 2015 annual general meeting. The Directors will not be entitled to any benefits upon termination of their appointment under the terms of their agreements with the Company.

6.3 None of the Directors is entitled to any pension, retirement or similar benefits.

## **7. Placing arrangements**

### **7.1 *The Issue***

Under the Placing Agreement, each Joint Bookrunner has agreed (conditional, *inter alia*, on Initial Admission becoming effective not later than 8.00 a.m. on 18 March 2014 (or such other date as the Company and the Joint Bookrunners may agree (not being later than 8.00 a.m. (London time) on 30 April 2014)) as agent for the Company to use its reasonable endeavours to procure subscribers for C Shares pursuant to the C Share Placing.

Under the Placing Agreement pursuant to the Issue:

- (a) the Company has agreed to pay Oriel Securities Limited an advisory fee of £150,000 on the date of Initial Admission; and
- (b) the Company has agreed to pay each Joint Bookrunner a commission equal to 0.75 per cent. of the total Issue Price of all of the C Shares issued under the Issue,

together in each case with any applicable VAT.

Under the Placing Agreement pursuant to the Placing Programme, the Company has agreed to pay each Joint Bookrunner a commission equal to 0.75 per cent. of the total Placing Programme Price of all of the Placing Programme Shares issued pursuant to the Placing Programme, together with any applicable VAT.

Each Joint Bookrunner has agreed to pay out of its commission detailed above any commission to sub-placing agents it employs.

The Company will pay certain other costs and expenses (including any applicable VAT) of, or incidental to, the C Share Placing and the Offer for Subscription and the Placing Programme including all fees and expenses payable in connection with Initial Admission and any Placing Programme Admissions, expenses of the registrars, printing and advertising expenses, postage and all other legal, accounting and other professional fees and expenses.

The Placing Agreement contains warranties given by the Company and the Investment Adviser to the Joint Bookrunners as to the accuracy of the information contained in this document and other matters relating to the Company and its business, and also contains indemnities given by the Company to the Joint Bookrunners in a form customary for this type of agreement. Either Joint Bookrunner is entitled to terminate the Placing Agreement in certain specified circumstances prior to Initial Admission.

## **8. The City Code**

The City Code applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment.

The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

The City Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. This is reinforced by Rule 9 of the City Code which requires a person, together with persons acting in concert with him, who acquires shares carrying voting rights which amount to 30 per cent. or more of the voting rights to make a general offer. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting. A general offer will also be required where a person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights, acquires additional shares which increase his percentage of the voting rights. Unless the Panel consents, the offer must be made to all other shareholders, be in cash (or have a cash alternative) and cannot be conditional on anything other than the securing of acceptances which will result in the offeror and persons acting in concert with him holding shares carrying more than 50 per cent. of the voting rights.

## **9. Material Contracts**

The following are the only contracts (not being contracts entered into in the ordinary course of business) which have been entered into by the Group or which are expected to be entered into prior to Initial Admission and which are, or may be, material to the Group:

### **9.1 *The Placing Agreement***

The Placing Agreement, as described in paragraph 7 above.

### **9.2 *The Investment Advisory Agreement***

The Investment Adviser was appointed by the Company with effect from the IPO Date to provide investment advisory services to the Company pursuant to the terms of the Investment Advisory Agreement dated 28 June 2010. The Investment Advisory Agreement was amended and restated on 20 March 2013.

With effect from 7 February 2014, the Investment Advisory Agreement was amended as part of the Reorganisation to substantially reflect the terms of the Subsidiary Investment Advisory Agreement. The Subsidiary Investment Advisory Agreement was terminated with effect from 7 February 2014.

Under the Investment Advisory Agreement, the Investment Adviser will provide or procure the provision of certain investment advisory services, including recommending and regularly reviewing the Group's investment policy and strategy, making investment recommendations to the Board,

identifying potential Group investments and performing and/or procuring all due diligence in relation to potential Group investments. The Group will be under no obligation to follow any advice of the Investment Adviser.

In addition, the Investment Adviser will be responsible, *inter alia*, for the following:

- (a) maintaining a website showing, *inter alia*, the Net Asset Value from time to time of the Ordinary Shares;
- (b) presenting to meetings of the Board in relation to:
  - (i) performance of existing assets; and
  - (ii) opportunities in relation to new investments;
- (c) monitoring the financial and infrastructure markets generally;
- (d) maintaining, in conjunction with the Administrator, complete, up to date and accurate accounting records of the Group and submitting such to the Company on a monthly basis in such form so as to enable the Administrator to calculate the net asset value per share of the Company; and
- (e) conducting investor relationship management activities, including making presentations to existing and potential investors and intermediaries.

The Investment Advisory Agreement will be for an initial term to 28 February 2018, thereafter being terminable upon twelve months' written notice and at any time in the event of the insolvency of the Company or the Investment Adviser. In addition, the Investment Advisory Agreement may be terminated by the Company giving 60 Business Days' written notice to the Investment Adviser upon the occurrence of a "**Key Person Event**" (as defined in the Investment Advisory Agreement).

A Key Person Event occurs if (a) two or more of the Key Persons (being initially Stephen Ellis, Rollo Wright, Nick Parker and Ronan Kierans) are unable to dedicate substantially all of their working time to acting as Investment Adviser to the Company and (b) suitable replacement Key Persons have not been approved by the Company.

In addition, the Investment Advisory Agreement is terminable by the Company in the event that there is a "material and demonstrable deterioration in the quality of performance of, or the services provided by, the Investment Adviser". The determination of whether performance issues should lead to termination rests entirely with the Company.

#### *Indemnity and extent of liability*

The Investment Adviser will not, in the absence of fraud, negligence or wilful default on its part or on the part of its employees, be liable for any loss, damage, cost, claim or expenses sustained or suffered by the Group as a result, or in the course of, the discharge of its duties pursuant to the Investment Advisory Agreement. In addition, the Company has agreed to indemnify the Investment Adviser and its employees from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, or wilful default on the part of the Investment Adviser or its employees) incurred in performing their obligations or duties pursuant to the Investment Advisory Agreement.

#### *Conflicts of Interest*

The Investment Adviser or any "Associate" (as defined in the Investment Advisory Agreement) or any directors, officers, employees, agents and affiliates of any of them (each an "**Interested Party**") may be involved in other financial, investment or other professional activities which may, on occasion, give rise to conflicts of interest with the Group, including with regard to the allocation of investment opportunities to different clients. Whenever such conflicts arise, the Investment Adviser shall endeavour to ensure that they are resolved, and any relevant investment opportunities allocated, fairly.

Each such conflict will be fully disclosed to the Group by the Investment Adviser provided that such disclosure does not breach the rules of the FCA.

It is a provision of the Investment Advisory Agreement that a minimum of three of Stephen Ellis, Rollo Wright and Ronan Kierans dedicate substantially all their working time to the provision of investment advisory services to the Company, except at such times as the Company is at least 85 per cent. invested (or committed to be invested) in its target assets.

#### *Exclusivity and Non-Compete*

Neither the Investment Adviser nor, *inter alia*, any employee of the Investment Adviser, may (while the Investment Advisory Agreement is in force) without the express prior written consent of the Company act as the adviser, manager or sponsor of any fund or entity that may invest in assets within the scope of the Group's investments or engage in any activity which may compete in the same or substantially similar investment area as the Group.

#### *Professional Indemnity Insurance*

The Investment Adviser will, subject to such insurance being available in the market at commercial rates, maintain, at the cost of the Company, professional indemnity insurance to cover each and every professional liability which may arise under the Investment Advisory Agreement, with a limit of indemnity not less than £1,000,000 in respect of each and every claim. This professional indemnity insurance will be maintained for a period expiring not less than six years after the winding up of the Company or the termination of the Investment Advisory Agreement, whichever is the earlier.

### **9.3 *The Company Administration Agreement***

The Administrator has been appointed, pursuant to the Company Administration Agreement between the Company and the Administrator, to provide accounting, company secretarial and administration services to the Company. The Company Administration Agreement was amended pursuant to a side letter dated 11 November 2011, in relation to additional services provided by the Administrator in respect to the previous issue of C Shares by the Company in December 2011, under which the Administrator received an additional one-off fee of £12,800 in consideration of providing such services.

Further, the Company Administration Agreement was amended pursuant to an additional side letter dated 14 September 2012 in respect of the additional services to be provided by the Administrator in relation to a previous issue of C Shares by the Company in October 2012, under which the Administrator received an additional one-off fee of £30,000 in consideration of providing such services.

With effect from 7 February 2014, the Company Administration Agreement was amended as part of the Reorganisation to substantially reflect the terms of the Subsidiary Administration Agreement prior to the Reorganisation becoming effective.

The Company Administration Agreement provides for the payment by the Company of an annual fee based on a percentage (on a sliding scale) of the net asset value of the Company (calculated and accrued on the last business day of each month and payable monthly in arrears), being:

- (a) where the net asset value of the Company is less than or equal to £100 million, 0.125 per cent. per annum of the net asset value of the Company;
- (b) where the net asset value of the Company is greater than £100 million but less than or equal to £350 million, 0.10 per cent. per annum of the net asset value of the Company;
- (c) where the net asset value of the Company is greater than £350 million but less than or equal to £500 million, 0.075 per cent. per annum of the net asset value of the Company; and thereafter

- (d) where the net asset value of the Company is greater than £500 million, 0.05 per cent per annum of the net asset value of the Company,

subject to a minimum annual fee of £160,000.

In addition, the Administrator will charge a fee of £35,000 for each issue of C Shares.

The annual fee for the provision of a Jersey Compliance Officer, Money Laundering Compliance Officer and Money Laundering Reporting Officer shall be £10,000 per annum payable monthly in arrears.

The Company Administration Agreement contains provisions whereby the Company indemnifies and holds harmless the Administrator from and against any and all “Claims” (as defined in the Company Administration Agreement) against the Administrator resulting or arising from the Company’s breach of the Company Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Company Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to the Company under the Company Administration Agreement is limited (in the absence of fraud) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Company Administration Agreement is terminable, *inter alia*, (a) upon six months’ written notice or (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Company Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

#### 9.4 ***The Subsidiary Administration Agreement***

The Administrator has been appointed, pursuant to the Subsidiary Administration Agreement between the Subsidiary and the Administrator, to provide accounting, company secretarial and administration services to the Subsidiary. The Subsidiary Administration Agreement was amended pursuant to a side letter dated 11 November 2011, in relation to additional services provided by the Administrator in respect of an issue of shares by the Subsidiary, under which the Administrator received an additional one-off fee of £17,150 in consideration of providing such services.

Further, the Subsidiary Administration Agreement was amended pursuant to an additional side letter dated 14 September 2012 in respect of additional services to be provided by the Administrator in relation to the issue of class C shares by the Subsidiary, under which the Administrator was to receive an additional one-off fee of £25,000 in consideration of providing such services.

With effect from 7 February 2014, the Subsidiary Administration Agreement was amended as part of the Reorganisation to substantially reflect the terms of the Company Administration Agreement prior to the Reorganisation becoming effective.

Under the Amended Subsidiary Administration Agreement the Administrator will provide accounting, company secretarial and administration services to the Subsidiary.

The Amended Subsidiary Administration Agreement provides for an annual fee of £15,000.

The Amended Subsidiary Administration Agreement contains provisions whereby Subsidiary indemnifies and holds harmless the Administrator from and against any and all “Claims” (as defined in the Amended Subsidiary Administration Agreement) against the Administrator resulting or arising from Subsidiary’s breach of the Amended Subsidiary Administration Agreement and, in addition, any third party Claims relating to or arising from or in connection with the Amended Subsidiary Administration Agreement or the services contemplated therein except to the extent that any such Claims have resulted from the negligence, fraud or wilful default of the Administrator. Further, the liability of the Administrator to Subsidiary under the Amended Subsidiary Administration Agreement

is limited (in the absence of fraud) to the lesser of (a) £1,000,000 or (b) an amount equal to ten times the annual fee paid to the Administrator thereunder.

The Amended Subsidiary Administration Agreement is terminable, *inter alia*, (a) upon six months' written notice or (b) immediately upon the occurrence of certain events including the insolvency of Subsidiary or the Administrator, the Administrator becoming resident in the UK for tax purposes or a party committing a material breach of the Amended Subsidiary Administration Agreement (where such breach has not been remedied within thirty days of written notice being given).

#### 9.5 ***The Share Registration Services Agreement***

The Registrar (a company incorporated in Jersey on 16 March 1996 with registered number 64502 with an issued share capital comprising 10,000 ordinary shares) has been appointed pursuant to the Share Registration Services Agreement to provide certain share registration and online services to the Company. The Share Registration Services Agreement provides for the payment by the Company of the fees and charges of the Registrar.

Under the Share Registration Services Agreement, the Registrar is entitled to receive a minimum agreed fee of £16,500 per annum in respect of basic registration. Together with any additional registrar activity not included in such basic registration services, it is currently expected the fees payable to the Registrar will be approximately £56,500 per annum.

The Share Registration Services Agreement contains provisions whereby the Company indemnifies the Registrar, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Share Registration Services Agreement. In addition, any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Share Registration Services Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

The Share Registration Services Agreement is terminable, *inter alia*, (a) upon three months' written notice in the event of a disagreement over fees; (b) upon service of written notice if the other party commits a material breach of its obligations under the Share Registration Services Agreement which that party has failed to remedy within 45 days of receipt of a written notice to do so from the first party; or (c) upon service of written notice if a resolution is passed or an order made for the winding-up, dissolution or administration of the other party.

#### 9.6 ***The Receiving Agent Agreement***

The Receiving Agent (a company incorporated under the laws of England and Wales on 26 April 1991 with registered number 2605568 with an issued share capital of 40,616,002 ordinary shares) has been appointed pursuant to the Receiving Agent Agreement to provide certain share registration and online services to the Company.

The Receiving Agent Agreement provides for the payment by the Company of the fees and charges of the Receiving Agent.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fee at an hourly rate (subject to a minimum fee of £2,000), plus a processing fee per application. The Receiving Agent will also be entitled to reimbursement of all out of pocket expenses reasonably incurred by it in connection with its duties. These fees will be for the account of the Company.

The Receiving Agent Agreement contains provisions whereby the Company indemnifies the Receiving Agent, its affiliates and their directors, officers, employees and agents from and against any and all losses, damages, liabilities, professional fees (including but not limited to legal fees), court costs and expenses resulting or arising from the Company's breach of the Receiving Agent

Agreement. In addition, the Company indemnifies the Receiving Agent against any third-party claims, actions, proceedings, investigations or litigation relating to or arising from or in connection with the Receiving Agent Agreement or the services contemplated therein are included, except to the extent such losses as set out in this paragraph are determined to have resulted solely from the negligence, fraud or wilful default of the indemnified party seeking the indemnity.

#### 9.7 *The Custodian Agreement*

The Custodian (a company incorporated in Jersey on 28 April 1956 with registration number 702 with an issued share capital comprising 53,975 ordinary shares) has been appointed, pursuant to the Custodian Agreement between the Company and the Custodian, to act as custodian of the Group.

The Company entered into the Custodian Agreement with the Custodian on 31 January 2014, which became effective on 7 February 2014.

Under the Custodian Agreement, which is substantially similar to the Subsidiary Custodian Agreement, the Custodian has been appointed to act as custodian of the Subsidiary. The Subsidiary Custodian Agreement was terminated with effect from 7 February 2014.

The Custodian Agreement contains provisions whereby the Company will indemnify the Custodian out of the assets of the Company in certain circumstances save where such circumstances arise as a result of some act of negligence, fraud or wilful default on the part of the Custodian. The fees payable by the Company pursuant to the Custodian Agreement accrue daily at an agreed annual rate of 0.03 per cent. per annum of the NAV of the Company subject to a minimum annual fee of £10,000. Such fees are payable monthly in arrears on the last Business Day of each quarter.

The Custodian Agreement is terminable, *inter alia*, (a) upon six months' written notice and (b) immediately upon the occurrence of certain events including the insolvency of the Company or the Custodian, the Custodian becoming resident in the UK for tax purposes or a party committing a material breach of the Custodian Agreement (where such breach has not been remedied within thirty days of written notice being given).

#### 9.8 *The Subsidiary Valuation Engagement Letter*

The Valuation Agent has been appointed by the Subsidiary pursuant to the Subsidiary Valuation Engagement Letter. The Valuation Agent is responsible for the following:

- (a) providing a monthly valuation report to the Subsidiary updating the monthly valuation of each class fund's portfolio of investments; and
- (b) valuing assets acquired as at acquisition.

The Subsidiary Valuation Engagement Letter is terminable by 21 days' notice in writing given by either party.

### **10. Working Capital**

The Company is of the opinion that the working capital of the Group is sufficient for its present requirements, that is for at least the next 12 months from the date of this document.

## 11. Capitalisation and indebtedness

Capitalisation and Indebtedness

As at 31 December 2013

£

### Total current debt

Guaranteed	–
Secured	–
Unguaranteed/unsecured	(76,142,427)

**Total current debt** (76,142,427)

### Total non-current debt (excluding current portion of long-term debt)

Guaranteed	–
Secured	–
Unguaranteed/unsecured	(1,765,643)

**Total non-current debt** (1,765,643)

### Shareholders' equity

Share capital	2,820,357
Share premium	287,950,077
Other reserves	65,388

**Total Shareholders' equity** 290,835,822

The information on total current debt, total non-current debt and Shareholders' equity set out above has been extracted from unaudited consolidated accounts of the Company as at 31 December 2013.

As at 31 December 2013

£

### Net indebtedness

A. Cash	9,906,080
B. Cash equivalent	1,765,643
C. Trading securities	–
<b>D. Liquidity (A+B+C)</b>	<b>11,671,723</b>
E. Current financial receivables	166,298
F. Current bank debt	–
G. Current proportion of non-current debt	–
H. Other current financial debt	(76,142,427)
<b>I. Current financial debt (F+G+H)</b>	<b>(76,142,427)</b>
<b>J. Net current financial indebtedness (I-E-D)</b>	<b>(64,304,406)</b>
K. Non-current bank loans	–

As at 31 December 2013

£

L. Bonds issued	–
M. Other non-current loans	(1,765,643)
<b>N. Non-current financial indebtedness (K+L+M)</b>	<b>(1,765,643)</b>
<b>O. Net financial indebtedness (J+N)</b>	<b>(66,070,049)</b>

There is no indirect or contingent indebtedness. The information set out above has not been audited and has been extracted from unaudited information set out in the most recent unaudited consolidated accounts of the Company as at 31 December 2013.

The above capital and indebtedness table is prepared as at 31 December 2013, therefore does not show the effect of the Reorganisation. The liability associated with the minority interest is classed as part of other current financial debt and is extinguished following the Reorganisation.

On 7 February 2014, 52,245,316.21 income shares and 13,975,401.75 accumulation shares of the Subsidiary were acquired by the Company or cancelled, resulting in the Company being the 100% owner of the Subsidiary and the liability associated with the non-controlling interests of £75,055,039 being extinguished.

As a result of the Reorganisation the Company has issued 72,742,362 shares resulting in a corresponding increase of £75,055,039 in net indebtedness.

## **12. Property, Plant and Equipment**

The Company has no existing or planned material tangible fixed assets.

## **13. Litigation**

There are no governmental, legal or arbitrational proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the 12 month period prior to the date of publication of this document which may have, or have had in the recent past, a significant effect on the Group's financial position or profitability.

## **14. Related Party Transactions**

For details of related party transactions relating to the Group, please refer to note 17 on page 58 of the audited consolidated financial statements of the Company for the financial year ended 30 September 2013 which are incorporated by reference in this document. There are no other related party transactions that any member of the Group has entered into from its incorporation to the date of this document.

## **15. Investment restrictions**

The Company is required to manage and invest its assets in accordance with its investment objective and policy which is set out in paragraph 9 of Part 1 of this document. Further investment restrictions are set out in paragraphs 10 and 12 of Part 1 of this document. The Company is not subject to any other investment restrictions.

## **16. Third party information**

Where third party information has been referenced in this document, the source of that third party information has been disclosed. The Company and 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.

## **17. General**

17.1 Save to the extent disclosed in this paragraph 17.1 below, there has been no significant change in the financial or trading position of the Group since 30 September 2013:

- (a) on 25 November 2013 GCP RHI Boiler 1 Limited repaid the £26 million loan advance to it by the Subsidiary in full, on account of lower than anticipated demand for biomass boilers installed on commercial premises;
- (b) on 29 November 2013 the Subsidiary subscribed for £21.2 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 3 Limited. The proceeds were used to make a senior loan secured against a single five turbine 15MW wind farm to be developed in Northern Ireland;
- (c) on 10 December 2013 the Subsidiary subscribed for £14.5 million of loan notes with a yield of 9.1 per cent. per annum, issued by GCP Biomass 2 Limited. The proceeds were used to make a senior loan secured against a wood-fuelled power station to be developed in Birmingham;

- (d) on 10 December 2013 the Subsidiary completed a series of transactions subscribing for an aggregate of £6.5 million of loan notes with a yield of 9.8 per cent. per annum, issued by GCP Onshore Wind 2 Limited. The proceeds are to be used to make senior loans secured against three 500kW single turbine wind sites being developed in Scotland and Wales;
  - (e) on 27 January 2014 GCP RHI Boiler 2 Limited repaid £5 million of the loan advance to it by the Subsidiary, on account of lower than anticipated demand for biomass boilers installed on commercial premises;
  - (f) on 27 January 2014 the Subsidiary subscribed for £4.99 million of loan notes with a yield of 9.3 per cent. per annum, issued by GCP Rooftop Solar 4 Limited. The proceeds were used to make a senior loan secured against rooftop solar installations.
  - (g) on 22 January 2014, at a court meeting convened by an order of the Royal Court of Jersey, votes representing 100% of the votes cast by shareholders of the Subsidiary other than the Company were cast in favour of a resolution approving the Scheme. On 7 February 2014 the Subsidiary became a wholly-owned subsidiary of the Company upon completion of the Scheme; and
  - (h) in accordance with the elections made by Minority Subsidiary Shareholders pursuant to the Scheme, the Company:
    - (i) issued to Minority Subsidiary Shareholders 49,151,762 Ordinary Shares, which were admitted to the Official List and to trading on the Main Market of the London Stock Exchange on 10 February 2014;
    - (ii) issued to New OEIC 23,590,600 Ordinary Shares, which were admitted to the Official List and to trading on the Main Market of the London Stock Exchange on 11 February 2014;
    - (iii) paid to Minority Subsidiary Shareholders £674,665 in cash;
  - (i) as a result of the Reorganisation, on 7 February 2014, 52,245,316.21 income shares and 13,975,401.75 accumulation shares of the Subsidiary were acquired by the Company or cancelled, resulting in the Company being the 100% owner of the Subsidiary and the liability associated with the non-controlling interests of £75,249,109 being extinguished; and
  - (j) in connection with the Scheme, and with effect from 7 February 2014, the Company and the Subsidiary effected the Reorganisation. On 7 February 2014, the Subsidiary ceased to be an expert fund regulated under the CIF Law and became a wholly-owned subsidiary of the Company. The Subsidiary was also delisted from the CISEA. The cost of the Scheme and the Reorganisation was borne by the Company. The cost of the Scheme and the Reorganisation will be included and identified in the next published accounts.
- 17.2 The estimated costs and expenses relating to the Issue payable by the Company are estimated to amount to £1,532,697, assuming that 75 million C Shares are issued pursuant to the Issue. The total Net Proceeds of the Issue, after settling fees and assuming that the Company raises a target gross amount in the sum of £75 million, will be approximately £73,467,303.
- 17.3 In the opinion of the Directors, if the Company raises the target gross amount of £75 million pursuant to the Issue, it will be applied as follows:
- (a) £73,467,303 will be invested in assets in accordance with the Company's investment objectives and policy; and
  - (b) the balance to costs and expenses payable under the Issue of £1,532,697.
- 17.4 Expenses payable by the Company in relation to the Placing Programme irrespective of whether any Ordinary Shares are issued under the Placing Programme will be approximately £0.1 million. On the assumption that the Company issues the maximum number of Placing Programme Shares available

for issue under the Placing Programme at an average Placing Programme Price of £1.05 per Ordinary Share, the gross proceeds from the Placing Programme will be £105 million and the expenses payable by the Company in relation to the Placing Programme (including costs of establishment and publication of the documentation of the Placing Programme, fees for commissions and registration and Placing Programme Admission fees will be £1.8 million, resulting in net proceeds of approximately £103.2 million.

- 17.5 Oriel Securities Limited is registered in England and Wales under number 04373759 and its registered office is at 150 Cheapside, London EC2Y 6ET. Oriel Securities Limited is regulated by the Financial Conduct Authority and is acting in the capacity of sponsor and joint bookrunner to the Company.
- 17.6 Oriel Securities Limited has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 17.7 Cenkos Securities plc is registered in England and Wales under number 05210733 and its registered office is at 6.7.8 Tokenhouse Yard, London EC2R 7AS. Cenkos Securities plc is regulated by the Financial Conduct Authority and is acting in the capacity of joint bookrunner to the Company.
- 17.8 Cenkos Securities plc has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 17.9 The Investment Adviser has given, and has not withdrawn, its written consent to the issue of this document with the inclusion of its name and references to it in the form and context in which they appear.
- 17.10 There are no patents or other intellectual property rights, licences, industrial, commercial or financial contracts or new manufacturing processes which are material to the Company's business or profitability.
- 17.11 As described in paragraph 2.24 of this Part 10 of this document, as at 11 February 2014 (being the latest practicable date prior to publication of this document), the issued and fully paid share capital of the Company was £3,547,780.68 representing 354,778,068 Ordinary Shares of £0.01 par value.
- 17.12 The Ordinary Shares and C Shares are not listed on any other market for securities.
- 17.13 The ISIN for the C Shares is JE00BJT12C24.
- 17.14 The ISIN for the Ordinary Shares is JE00B6173J15.
- 17.15 The ISIN for the Basic Entitlements is JE00BJT0KL40.
- 17.16 The ISIN for the Excess CREST Open Offer Entitlements is JE00BJT0KM56.
- 17.17 As at 11 February 2014 (being the latest practicable date before the publication of this document) there have been no public takeover bids in respect of the Company's share capital since its incorporation.
- 17.18 The Company is not aware of any person or persons who, immediately following Initial Admission, directly or indirectly, jointly or severally, could exercise control over the Company, nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

## **18. Documents Available For Inspection**

Copies of the following documents will be available for inspection during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the offices of the Company and at the offices of Berwin Leighton Paisner LLP, Adelaide House, London Bridge, London EC4R 9HA from the date of this document until the first anniversary of Initial Admission:

- 18.1 Memorandum and the Articles;
- 18.2 the audited consolidated financial statements of the Company that are incorporated by reference in Part 8 of this document; and
- 18.3 the material contracts summarised in Part 10 of this Prospectus.

## PART 11

### FINANCIAL INFORMATION ON THE COMPANY

#### **Audited consolidated financial statements of the Company for the financial year ended 30 September 2011, the financial year ended 30 September 2012 and the financial year ended 30 September 2013**

The audited consolidated financial statements of the Company for the financial years ended 30 September 2011, 30 September 2012 and 30 September 2013 have been prepared in accordance with International Financial Reporting Standards and have been submitted to the National Storage Mechanism and are available for inspection at [www.Hemscott.com/nsm.do](http://www.Hemscott.com/nsm.do) and are incorporated into this document by reference.

The audited financial statements of the Company for the financial year ended 30 September 2011 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

<i>Nature of information</i>	<i>For the year ended 30 September 2011 Page No(s)</i>
Consolidated Statement of Comprehensive Income	36
Consolidated Statement of Financial Position	35
Consolidated Statement of Cash Flow	38
Consolidated Statement of Changes in Equity	37
Significant Accounting policies	39–47
Notes to the Consolidated Financial Statements	39–68
Independent Auditor’s Report	33–34
Investment Adviser’s Report	7–11
Chairman’s Statement	5–6
Overview	3
Group Portfolio	12–15
Company Information	2
Financial Statistics	16

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2011 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The audited financial statements of the Company for the financial year ended 30 September 2012 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

<i>Nature of information</i>	<i>For the year ended 30 September 2012 Page No(s)</i>
Consolidated Statement of Comprehensive Income	42
Consolidated Statement of Financial Position	41
Consolidated Statement of Cash Flow	44
Consolidated Statement of Changes in Equity	43
Significant Accounting policies	45–53
Notes to the Consolidated Financial Statements	45–77
Independent Auditor’s Report	39–40

*For the year ended  
30 September 2012*

<i>Nature of information</i>	<i>Page No(s)</i>
Investment Adviser's Report	8–12
Chairman's Statement	5–7
Overview	3
Group Portfolio	17–19
Company Information	2
Financial Statistics	20–21

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2012 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The audited financial statements of the Company for the financial year ended 30 September 2013 (which have been incorporated in this document by reference), include, on the pages specified in the table below, the following information:

*For the year ended  
30 September 2013*

<i>Nature of information</i>	<i>Page No(s)</i>
Consolidated Statement of Comprehensive Income	38
Consolidated Statement of Financial Position	39
Consolidated Statement of Cash Flow	41
Consolidated Statement of Changes in Equity	40
Significant Accounting policies	42–46
Notes to the Consolidated Financial Statements	42–60
Independent Auditor's Report	36–37
Chairman's Statement	4–5
Introduction	1–3
Strategic Report	6–23
Directors' Report	26–27
Remuneration Report	28–29
Corporate Governance Statement	30–32
Audit Committee Report	33–34

Any statement contained in the audited consolidated financial statements of the Company for the financial year to 30 September 2013 which are deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for the purpose of this document to the extent that a statement contained herein (or in a later document which is incorporated by reference herein) modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this document.

The Company will provide, without charge, to each person to whom a copy of this document has been delivered, upon the written request of such person, a copy of each of the audited consolidated financial statements of the Company for the financial year ended 30 September 2011, 30 September 2012 and 30 September 2013 that are incorporated by reference herein. Written requests should be directed to the Company at its registered office.

## DEFINITIONS

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

“ <b>Administrator</b> ”	Capita Financial Administrators (Jersey) Limited or such administrator as may be appointed from time to time by the Company
“ <b>AGM</b> ”	the annual general meeting of the Company to be held on 27 February 2014
“ <b>AIC</b> ”	the Association of Investment Companies
“ <b>AIC Code</b> ”	the AIC’s Code of Corporate Governance, as amended from time to time
“ <b>AIF</b> ”	an alternative investment fund within the meaning of AIFMD
“ <b>AIFM</b> ”	an alternative investment fund manager within the meaning of AIFMD
“ <b>AIFMD</b> ”	the Alternative Investment Fund Managers Directive 2011/61/EU as implemented in the UK
“ <b>Articles of Association</b> ” or “ <b>Articles</b> ”	the articles of association of the Company in force from time to time
“ <b>Auditors</b> ”	Ernst & Young LLP or such auditor (who shall be suitably qualified under Jersey Companies Law) as may be appointed from time to time by the Company
“ <b>Basic Entitlement</b> ”	the <i>pro rata</i> entitlement of Existing Shareholders to subscribe for 1 C Share for every 7 Existing Ordinary Shares registered in their name as at the Record Date
“ <b>Board</b> ” or “ <b>Board of Directors</b> ”	the board of directors of the Company
“ <b>Business Day</b> ”	any day (other than a Saturday or a Sunday) on which commercial banks are open for business in London and Jersey
“ <b>C Shareholders</b> ”	the holders of C Shares (prior to the conversion of the C Shares into Ordinary Shares in accordance with the Articles)
“ <b>C Share Placing</b> ”	the placings of C Shares under the placing, as described in Part 6 of this document
“ <b>C Shares</b> ”	C ordinary shares of £0.01 each in the capital of the Company having the rights set out in the Articles and as summarised in this document
“ <b>Capita Asset Services</b> ”	a trading name of Capita Registrars Limited
“ <b>Cenkos</b> ”	Cenkos Securities plc
“ <b>certificated</b> ” or “ <b>in certificated form</b> ”	in certificated form, that is, not in CREST
“ <b>CIF Law</b> ”	Collective Investment Funds (Jersey) Law 1988, as amended
“ <b>CISEA</b> ”	the Channel Islands Securities Exchange Authority Limited, which is not a regulated market for the purposes of MiFID
“ <b>City Code</b> ”	the City Code on Takeovers and Mergers
“ <b>Company</b> ”	GCP Infrastructure Investments Limited

<b>“Company Administration Agreement”</b>	the administration agreement dated 28 June 2010 between the Company and the Administrator as amended pursuant to a side letter dated 11 November 2011, a side letter dated 10 September 2012 and further amended with effect from 7 February 2014 pursuant to an agreement dated 31 January 2014, details of which are set out in paragraph 9.3 of Part 10 of this document
<b>“Court” or “Jersey Court”</b>	the Royal Court of Jersey
<b>“CREST”</b>	the computerised settlement system operated by Euroclear UK and Ireland Limited which facilitates the transfer of title to shares in uncertificated form
<b>“Current Portfolio”</b>	the Group’s current investment portfolio, as described in Part 4 of this document
<b>“Custodian”</b>	Capita Trust Company (Jersey) Limited
<b>“Custodian Agreement”</b>	the custodian agreement dated 31 January 2014 between the Company and the Custodian which became effective on 7 February 2014, details of which are set out in paragraph 9.7 of Part 10 of this document
<b>“Deferred Shares”</b>	redeemable deferred shares of £0.01 each in the capital of the Company
<b>“Director”</b>	a director of the Company from time to time
<b>“Disclosure and Transparency Rules”</b>	the disclosure and transparency rules made by the FCA under Part VI of FSMA
<b>“EGM”</b>	the extraordinary general meeting of the Company held on 7 February 2014
<b>“equity securities”</b>	has the meaning given to that expression in the Articles
<b>“Excess Application Facility”</b>	the arrangement pursuant to which Existing Shareholders may apply for additional C Shares in excess of their Basic Entitlement in accordance with the terms and conditions of the Open Offer
<b>“Existing CREST Shareholders”</b>	Existing Shareholders holding Ordinary Shares in uncertificated form in CREST
<b>“Existing Non-CREST Shareholders”</b>	Existing Shareholders holding Ordinary Shares in certificated form
<b>“Existing Ordinary Shares”</b>	Ordinary Shares in issue at the Record Date
<b>“Existing Shareholder”</b>	a holder of Ordinary Shares at the Record Date
<b>“Feed-in Tariff” or “FIT”</b>	the Feed-in Tariff scheme as introduced on 1 April 2010 under the Energy Act 2008
<b>“FCA” or “Financial Conduct Authority”</b>	the Financial Conduct Authority of the United Kingdom in its capacity as the competent authority for the purposes of FSMA
<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the United Kingdom, as amended
<b>“Group”</b>	the Company and the Subsidiary
<b>“HMRC”</b>	HM Revenue & Customs
<b>“IFRS”</b>	International Financial Reporting Standards (including International Accounting Standards)

<b>“Initial Admission”</b>	admission of the C Shares to be issued pursuant to the Issue to the Standard Listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities
<b>“Investment Adviser”</b>	Gravis Capital Partners LLP, being the investment adviser to the Company
<b>“Investment Advisory Agreement”</b>	the investment advisory agreement dated 28 June 2010, as amended and restated on 20 March 2013, between the Company and the Investment Adviser, as further amended with effect from 7 February 2014 pursuant to an agreement dated 31 January 2014, details of which are set out in paragraph 9.2 of Part 10 of this document
<b>“Investment Company Act”</b>	the United States Investment Company Act of 1940, as amended
<b>“IPO”</b>	the initial public offer of the Company pursuant to which 40,000,000 Ordinary Shares were admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities on the IPO Date
<b>“IPO Date”</b>	the date on which the Ordinary Shares were first admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange’s main market for listed securities, being 22 July 2010
<b>“IPO Price”</b>	the price per Ordinary Share at which the Ordinary Shares were issued pursuant to the IPO, being £1.00 per Ordinary Share
<b>“Issue”</b>	the issue of C Shares pursuant to the Open Offer, the C Share Placing and the Offer for Subscription
<b>“Issue Price”</b>	the price at which the C Shares will be offered to placees under the C Share Placing and to successful applicants under the Open Offer and Offer for Subscription, being £1.00 per C Share
<b>“Jersey Companies Law”</b>	the Companies (Jersey) Law, 1991 (as amended)
<b>“Jersey Listed Fund Guide”</b>	the Jersey Listed Fund Guide published by the JFSC
<b>“JFSC”</b>	the Jersey Financial Services Commission
<b>“Joint Bookrunners”</b>	Oriel and Cenkos and either one, as the context requires
<b>“LIBOR”</b>	the London Interbank Offered Rate, being the average rate of interest that leading banks in London charge when lending to other banks
<b>“Listing Rules”</b>	the listing rules made by the UK Listing Authority under section 73A of FSMA
<b>“London Stock Exchange”</b>	London Stock Exchange plc, the main market of which is a regulated market for the purposes of MiFID
<b>“Member State”</b>	a sovereign state which is a member of the European Union
<b>“Memorandum”</b>	the memorandum of association of the Company or the Subsidiary (as the context requires) in force from time to time
<b>“MiFID”</b>	the European Parliament and Council Directive on markets in financial instruments (No. 2004/39/EC)
<b>“Minority Subsidiary Shareholders”</b>	the holders of shares in the Subsidiary other than the Company prior to the Scheme becoming effective

<b>“NAV” or “Net Asset Value”</b>	the value of the assets of the Company less its liabilities as determined in accordance with the procedure set out in paragraph 15 of Part 1 of this document in the paragraph entitled “Valuation and valuation methodology”
<b>“Net Proceeds”</b>	the gross proceeds of the Issue less the costs and expenses associated with the Issue
<b>“New OEIC”</b>	GCP Infrastructure OEIC Limited, a public company incorporated in Jersey
<b>“Offer for Subscription”</b>	the offer for subscription to the public in the UK of the C Shares at the Issue Price on the terms set out in this Prospectus
<b>“Offer for Subscription Application Form”</b>	the application form forming part of this Prospectus for use in connection with the Offer for Subscription
<b>“Official List”</b>	the official list of the UK Listing Authority
<b>“Open Offer”</b>	the offer to Existing Shareholders, constituting an invitation to apply for C Shares at the Issue Price and on the terms and conditions set out in Part 6 of this Prospectus and, in the case of Existing Non-CREST Shareholders only, the Open Offer Application Form
<b>“Open Offer Application Form”</b>	the personalised application form on which Existing Shareholders may apply for C Shares under the Open Offer
<b>“Ordinary Shares”</b>	ordinary shares of £0.01 each in the capital of the Company
<b>“Ordinary Shareholders”</b>	holders of Ordinary Shares from time to time
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“PFI”</b>	private finance initiative
<b>“Placing”</b>	the issue of Ordinary Shares pursuant to the Placing Programme, as described in Part 7 of this document
<b>“Placing Agreement”</b>	the placing agreement dated 12 February 2014 between the Company and the Joint Bookrunners, details of which are set out in paragraph 7 of Part 10 of this document
<b>“Placing Programme”</b>	the placing programme of up to 100 million Placing Programme Shares as described in Part 7 of this Prospectus
<b>“Placing Programme Admission”</b>	admission of any Ordinary Shares to be issued pursuant to the Placing Programme to the Premium Listing segment of the Official List and to trading on the London Stock Exchange’s Main Market for listed securities
<b>“Placing Programme Price”</b>	the price at which any Placing Programme Shares will be issued or sold to placees under the Placing Programme, calculated by reference to the net asset value per Ordinary Share at the time of allotment together with a premium intended to cover the costs and expenses of the Placing (including, without limitation, any placing commissions) and the initial investment of the amounts raised pursuant to the Placing Programme
<b>“Placing Programme Shares”</b>	the new Ordinary Shares proposed to be issued pursuant to the Placing Programme

<b>“Premium Listing”</b>	a listing on the Official List which complies with the requirements of the Listing Rules for a premium listing
<b>“project agreement”</b>	the agreement or group of agreements entered into by a Project Company which regulates its rights and obligations with regard to the relevant infrastructure project
<b>“Project Company”</b>	means a single purpose vehicle established to design and/or finance and/or construct and/or operate and/or acquire one or more infrastructure assets
<b>“Prospectus”</b>	this document, which constitutes a prospectus relating to the Company in accordance with the Prospectus Rules
<b>“Prospectus Rules”</b>	the rules made for the purposes of Part VI of FSMA in relation to offers of securities to the public and admission of securities to trading on a regulated market
<b>“Receiving Agent”</b>	Capita Asset Services
<b>“Receiving Agent Agreement”</b>	the receiving agent agreement dated 1 February 2014 between the Company and the Receiving Agent of the Company, details of which are set out in paragraph 9.6 of Part 10 of this document
<b>“Record Date”</b>	5.00 p.m. on 11 February 2014
<b>“Regulated Information Service”</b>	a regulated information service approved by the FCA and on the list of Regulatory Information Services maintained by the FCA
<b>“Reorganisation”</b>	the reorganisation of the Group pursuant to the Scheme and certain ancillary matters, which became effective on 7 February 2014 and under which the Subsidiary became a wholly-owned subsidiary of the Company
<b>“RHI”</b>	Renewable Heat Incentive, as described in paragraph 1.3 of section B of Part 3 of this document
<b>“ROC”</b>	Renewables Obligation Certificates, as described in paragraph 1.2 of section B of Part 3 of this document
<b>“RPI”</b>	the All Items Retail Prices Index published by the Office for National Statistics
<b>“Scheme”</b>	the court-sanctioned scheme of arrangement made under Article 125 of the Jersey Companies Law between the Company, the Subsidiary and shareholders in the Subsidiary other than the Company, which became effective on 7 February 2014
<b>“Securities Act”</b>	the United States Securities Act of 1933 (as amended)
<b>“Share Registration Services Agreement”</b>	the company share registration services agreement dated 28 June 2010 between the Company and the Registrar, details of which are set out in paragraph 9.5 of Part 10 of this document
<b>“Shareholders”</b>	Ordinary Shareholders and, following Initial Admission, C Shareholders
<b>“Sponsor” or “Joint Bookrunner”</b>	Oriel Securities Limited
<b>“Subsidiary”</b>	GCP Infrastructure Fund Limited, a public company incorporated in Jersey

<b>“Subsidiary Administration Agreement”</b>	the administration agreement dated 9 June 2009 between the Subsidiary and the Administrator, as amended pursuant to a letter dated 28 June 2010 and further amended with effect from 7 February 2014 pursuant to an agreement dated 31 January 2014, details of which are set out in paragraph 9.4 of Part 10 of this document
<b>“Subsidiary Articles”</b>	the articles of association of the Subsidiary in force from time to time
<b>“Subsidiary Board” or “Subsidiary Board of Directors”</b>	the board of directors of the Subsidiary
<b>“Subsidiary Custodian Agreement”</b>	the custodian agreement dated 21 July 2009 between the Subsidiary and the Custodian
<b>“Subsidiary Director”</b>	a director of the Subsidiary from time to time
<b>“Subsidiary Investment Advisory Agreement”</b>	the investment advisory agreement dated 3 June 2009 (as amended on 28 June 2010) between the Subsidiary and the Investment Adviser
<b>“Subsidiary Non-Redeemable Shares”</b>	ordinary non-redeemable shares of £1.00 each in the Subsidiary
<b>“Subsidiary Valuation Engagement Letter”</b>	the valuation engagement letter dated 6 September 2011 between the Subsidiary and the Valuation Agent, details of which are set out in paragraph 9.8 of Part 10 of this document
<b>“Target Net Yield”</b>	has the meaning given to that expression in paragraph 20 of Part 1 of this document
<b>“TCGA”</b>	the Taxation of Chargeable Gains Act 1992
<b>“TIOPA”</b>	the Taxation (International and Other Provisions) Act 2010
<b>“UK Corporate Governance Code”</b>	the UK Corporate Governance Code published in June 2010 by the Financial Reporting Council
<b>“UK Listing Authority”</b>	the FCA acting in its capacity as the competent authority for the purposes of Part VI of FSMA
<b>“United Kingdom” or “UK”</b>	the United Kingdom of Great Britain and Northern Ireland
<b>“US” or “United States”</b>	the United States of America, its states, territories and possessions, including the District of Columbia
<b>“Valuation Agent”</b>	Mazars LLP or such other independent valuer as may be appointed by the Subsidiary from time to time
<b>“Valuation Date”</b>	the last Business Day in each calendar month (or such other day as the Directors may determine)
<b>“VAT”</b>	value added tax or any similar or replacement tax
<b>“£” and “p”</b>	respectively pounds and pence sterling, the lawful currency of the United Kingdom

# TERMS AND CONDITIONS OF THE OPEN OFFER

## 1. Introduction

The Open Offer is an opportunity for Existing Shareholders to apply for C Shares *pro rata* to their current holdings at the Issue Price of £1.00 per C Share in accordance with these terms and conditions. Open Offer Application Forms are expected to be posted to Existing Non-CREST Shareholders on or around 12 February 2014 and Basic Entitlements are expected to be credited to stock accounts of Existing CREST Shareholders in CREST on 13 February 2014. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 7 March 2014 with Initial Admission and commencement of dealings in the C Shares expected to take place at 8.00 a.m. on 18 March 2014.

A summary of the arrangements relating to the Open Offer is set out below. This document and, for Existing Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 below which gives details of the procedure for application and payment for the C Shares available under the Open Offer. The attention of overseas Shareholders is drawn to paragraph 6 of these terms and conditions.

The Excess Application Facility is an opportunity for Existing Shareholders who have applied for all of their Basic Entitlements to apply for additional C Shares. The Excess Application Facility will be comprised of C Shares that are not taken up by Existing Shareholders under the Open Offer pursuant to their Basic Entitlements, aggregate fractional entitlements under the Open Offer and any C Shares that the Directors determine should be reallocated from the Offer for Subscription and/or the C Share Placing to satisfy demand from Existing Shareholders in preference to prospective new investors under the Offer for Subscription and/or the C Share Placing.

There is no limit on the amount of C Shares that can be applied for by Existing Shareholders under the Excess Application Facility, save that the maximum amount of C Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of the Issue less C Shares issued under the C Share Placing and the Open Offer pursuant to Existing Shareholders' Basic Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in part or at all. In the event of oversubscription under the Excess Application Facility the Directors intend to limit application by Existing Shareholders *pro rata* to their aggregate holdings of Existing Ordinary Shares. However, the Directors also have the discretion (but are not obliged) to scale back the C Share Placing and/or Offer for Subscription in favour of the Excess Application Facility by reallocating C Shares that would otherwise be available under the C Share Placing and/or Offer for Subscription to Existing Shareholders through the Excess Application Facility.

Any Existing Shareholder who has sold or transferred all or part of his/her registered holding(s) of Existing Ordinary Shares prior to 8.00 a.m. on 12 February 2014 when the Existing Ordinary Shares were marked "ex" the entitlement to the Open Offer is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for C Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

## 2. Details of the Open Offer

To be eligible to participate in the Open Offer, Existing Shareholders must hold Existing Ordinary Shares at the Record Date. Existing Shareholders can apply for any number of C Shares at the Issue Price of £1.00 per C Share (payable in full on application and free of expenses) up to a maximum of their Basic Entitlement. Each Existing Shareholder's Basic Entitlement will be calculated on the basis of:

**1 C Share for every      7 Existing Ordinary Shares held at the Record Date**

Subject to the terms and conditions set out below, applications by Existing Shareholders will be satisfied in full up to the amount of their individual Basic Entitlement.

Basic Entitlements will be rounded down to the nearest whole number and any fractional entitlements to C Shares will be disregarded in calculating Basic Entitlements. Fractions will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

Existing Shareholders may apply to acquire less than their Basic Entitlement should they so wish. In addition, Existing Shareholders may apply to acquire excess C Shares using the Excess Application Facility, details of which are set out below. Please refer to paragraphs 4.1 and 4.2 below for further details of the Excess Application Facility.

If you are an Existing Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 5).

Existing Shareholders with holdings of Existing Ordinary Shares in both certificated and uncertificated form will be treated as having separate holdings for the purpose of calculating their Basic Entitlements, as will holdings under different designations and in different accounts.

Existing CREST Shareholders will have C Shares representing their Basic Entitlement credited to their stock accounts in CREST and should refer to paragraph 4.2 below and also to the CREST Manual for further information on the relevant CREST procedures.

The Basic Entitlement, in the case of Existing Non-CREST Shareholders, is equal to the number of C Shares shown in Box 6 on the Open Offer Application Form or, in the case of Existing CREST Shareholders, is equal to the number of the C Shares representing their Basic Entitlement standing to the credit of their stock account in CREST. All Existing Shareholders wishing to apply for their Basic Entitlement should complete Boxes 2, 3 and 4 on the Open Offer Application Form.

Existing Non-CREST Shareholders who wish to apply to subscribe for more than their Basic Entitlement should complete Boxes 2, 2A, 3 and 4 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Existing Shareholders will be met in full or in part or at all.

**Existing Shareholders should be aware that the Open Offer is not a rights issue. Existing Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Existing CREST Shareholders should note that, although the C Shares representing their Basic Entitlement and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear UK & Ireland's Claims Processing Unit. C Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Existing Shareholders who do not apply to take up C Shares available under the Open Offer will have no rights under the Open Offer. Any C Shares which are not applied for in respect of the Open Offer may be allotted to Existing Shareholders to meet any valid applications under the Excess Application Facility or may be issued to the subscribers under the C Share Placing and/or the Offer for Subscription, with the proceeds retained for the benefit of the Company.**

### **3. Conditions of the Open Offer**

The Open Offer is conditional on:

- Initial Admission occurring on or before 8.00 a.m. (London time) on 18 March 2014 (or such time and/or date as the Company and the Joint Bookrunners may agree, being not later than 8.00 a.m. (London time) on 30 April 2014); and

- the Placing Agreement becoming otherwise unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver) the Open Offer will not proceed and any applications made by Existing Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of C Shares under the Open Offer held in uncertificated form. Where any C Shares have been issued in certificated form, the Company shall only be required to issue a certificate in respect thereof if: (i) the holder of the relevant C Shares requests in writing that a certificate be issued; or (ii) such C Shares are not converted into Ordinary Shares within two calendar months of their date of issue. In respect of those Existing Shareholders who have validly elected to hold their C Shares in uncertificated form, the C Shares are expected to be credited to their stock accounts maintained in CREST on 18 March 2014.

All monies received by the Receiving Agent in respect of C Shares to be issued under the Open Offer will be held in a separate non-interest bearing bank account opened solely for the Open Offer until Initial Admission when it will be released by the Company.

The Company reserves the right to shorten or extend the closing time of the Open Offer from 11.00 a.m. on 7 March 2014 (provided that if the closing time is extended this Prospectus remains valid at the closing time as extended) by giving notice to the UK Listing Authority. In this event, the revised closing time will be published in such manner as Oriel Securities Limited, in consultation with the Company, determines subject and having regard to the Listing Rules, the Prospectus Rules and any other requirements of the UK Listing Authority.

#### **4. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have C Shares representing your Basic Entitlement and Excess CREST Open Offer Entitlement credited to your CREST stock account in respect of such entitlement.

Existing Shareholders who hold their Existing Ordinary Shares in certificated form will be issued C Shares in certificated form. Existing Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be issued C Shares in uncertificated form to the extent that their entitlement to C Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Existing Shareholders to deposit Basic Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2 below.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Basic Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Existing Shareholders who do not want to apply for the C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.**

##### **4.1 *If you have an Open Offer Application Form in respect of your entitlement under the Open Offer:*** *General*

Subject as provided in paragraph 6 below in relation to overseas Shareholders, Existing Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 5. Box 6A

shows how much they would need to pay if they wish to take up their Basic Entitlements in full. Any fractional entitlements to C Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility. Any Existing Non-CREST Shareholders with fewer than 7 Existing Ordinary Shares will not receive a Basic Entitlement but may apply for additional C Shares pursuant to the Excess Application Facility. Existing Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Existing Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Existing Non-CREST Shareholders may also apply for additional C Shares under the Excess Application Facility by completing Boxes 2, 2A, 3 and 4 in the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Existing Non-CREST Shareholders.

#### *Bona fide market claims*

Applications to acquire C Shares pursuant to the Open Offer may only be made on the Open Offer Application Form and may only be made by the Existing Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 5 March 2014. The Open Offer Application Form is not a negotiable document and cannot be separately traded. An Existing Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked “ex” the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire C Shares under the Open Offer may be a benefit which may be claimed by the transferee. Existing Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 8 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted to any “Excluded Overseas Shareholders” (being a holder of Ordinary Shares with a registered mailing address in the United States, Canada, Australia, South Africa or Japan). If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraph 4.2 below.

#### *Excess Application Facility*

Existing Shareholders who have taken up their Basic Entitlement may apply to acquire additional C Shares using the Excess Application Facility, should they wish. Existing Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Boxes 2, 2A, 3 and 4 of the Open Offer Application Form. The maximum number of C Shares to be issued under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to: (a) the maximum size of the Issue; less (b) C Shares issued under the C Share Placing and the Open Offer pursuant to Existing Shareholders’ Basic Entitlements and any C Shares that the Directors determine to issue under the Offer for Subscription. Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Existing Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

#### *Application procedures*

Existing Non-CREST Shareholders wishing to apply to acquire all or any of the C Shares to which they are entitled under the Open Offer should complete the Open Offer Application Form in

accordance with the instructions printed on it. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 7 March 2014, after which time Open Offer Application Forms will not be valid. Existing Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Existing Shareholders are recommended to allow at least four working days for delivery.

All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom or the Channel Islands which is either a Settlement Member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited and which bears a UK bank sort code number in the top right hand corner. Cheques should be made payable to "Capita Registrars Limited re: GCP Infrastructure Investments Limited – Open Offer A/C" and crossed "A/C Payee Only". Third party cheques or banker's drafts will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. However, third party cheques may be subject to the Money Laundering Regulations which would delay Shareholders receiving their C Shares. The account name should be the same as that shown on the Open Offer Application Form.

Cheques or banker's drafts will be presented for payment upon receipt. Funds will be held in a non-interest bearing account and no interest will be paid on payments. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the conditions to the Issue are fulfilled, the application monies will be kept in a separate non-interest bearing bank account. If the Open Offer does not become unconditional, no C Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

Subject to the provisions of the Placing Agreement, the Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (a) Open Offer Application Forms received after 11.00 a.m. on 7 March 2014; or
- (b) applications in respect of which remittances are received before 11.00 a.m. on 7 March 2014 from authorised persons (as defined in FSMA) specifying the C Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

All enquiries in connection with the Open Offer and the Excess Application Facility should be made to the Shareholder Helpline on 08716640321 (calls to this number are charged at 10 pence per minute (including VAT) from a BT landline, other network providers' costs may vary) or +44 2086393399 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different

charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer or as to whether applicants should take up their Basic Entitlement or apply for additional C Shares under the Excess Application Facility nor give any financial, legal or tax advice.

*Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (a) represents and warrants to the Company and Oriel Securities Limited that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares (and the Ordinary Shares arising on the Conversion thereof) or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees with the Company and Oriel Securities Limited that all applications under the Open Offer and the Excess Application Facility and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (c) confirms to the Company and Oriel Securities Limited that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company and the C Shares (and the Ordinary Shares arising on the Conversion thereof) contained in this document;
- (d) confirms that in making the application he is not relying and has not relied on Oriel Securities Limited or any other person affiliated with Oriel Securities Limited in connection with any investigation of the accuracy of any information contained in this document or his investment decision;
- (e) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the C Shares or the Ordinary Shares arising on Conversion thereof (other than as contained in this document) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Oriel Securities Limited;
- (f) represents and warrants to the Company and Oriel Securities Limited that he is the Existing Shareholder originally entitled to the Basic Entitlement or that he received such Basic Entitlement by virtue of a *bona fide* market claim;
- (g) represents and warrants to the Company and Oriel Securities Limited that if he has received some or all of his Basic Entitlement from a person other than the Company he is entitled to apply under the Open Offer in relation to such Basic Entitlement by virtue of a *bona fide* market claim;
- (h) requests that the C Shares (and the Ordinary Shares arising on the Conversion thereof), to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form, subject to the Memorandum and Articles;
- (i) represents and warrants to the Company and Oriel Securities Limited that he is not, nor is he applying on behalf of a person in any jurisdiction in which the application for C Shares (or the Ordinary Shares arising on the Conversion thereof) is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares (or

the Ordinary Shares arising on Conversion thereof) which are the subject of his application in the United States or to a person in any jurisdiction in which the application for C Shares (or the Ordinary Shares arising on the Conversion thereof) is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares (or the Ordinary Shares arising on the Conversion thereof) under the Open Offer or the Excess Application Facility;

- (j) represents and warrants to the Company and Oriel Securities Limited that he is not, and nor is he 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 sections 67, 70, 93 or 96 (depository receipts and clearance services) of the Finance Act 1986; and
- (k) confirms that in making the application he is not relying and has not relied on Oriel Securities Limited or any of its affiliates in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

**Existing Non-CREST Shareholders who do not want to take up or apply for C Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.**

**4.2 *If you have Basic Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:***

*General*

Subject as provided in paragraph 6 below in relation to overseas Shareholders, each Existing CREST Shareholder will receive a credit to his stock account in CREST of his Basic Entitlements equal to the maximum number of C Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to C Shares will be rounded down to the nearest whole number and any fractional Basic Entitlement will therefore also be rounded down. Any fractional entitlements to C Shares will be disregarded in calculating Basic Entitlements and will be aggregated and made available to Existing Shareholders under the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Existing CREST Shareholder in respect of which the Basic Entitlement and Excess CREST Open Offer Entitlement have been allocated.

If for any reason the Basic Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST, or the stock accounts of Existing CREST Shareholders cannot be credited by 13 February 2014, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Existing CREST Shareholder in substitution for the Basic Entitlement and Excess CREST Open Offer Entitlement which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Existing Non-CREST Shareholders with Open Offer Application Forms will apply to Existing CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to C Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for C Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

### *Market claim*

Each of the Basic Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST and will have a separate ISIN number.

Although Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Basic Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Existing Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the Euroclear UK & Ireland's Claims Processing Unit as "cum" the Basic Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Basic Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

An Existing CREST Shareholder that, as a result of a *bona fide* market claim has received a shortfall of Excess CREST Open Offer Entitlements to their CREST account and would like to apply for a larger number of shares under the Excess Application Facility should contact Capita Asset Services via email at [excessapprequest@capita.co.uk](mailto:excessapprequest@capita.co.uk) to arrange for a further credit of Excess CREST Open Offer Entitlements to be made.

### *Excess Application Facility*

Existing Shareholders may apply to acquire additional C Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Existing CREST Shareholders to apply for additional C Shares in excess of their Basic Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred.

Subject as provided in paragraph 6 below in relation to overseas Shareholders, the CREST accounts of Existing CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for additional C Shares to be settled through CREST.

Existing CREST Shareholders should note that, although the Basic Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Basic Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Existing Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for additional C Shares pursuant to the Excess Application Facility, Existing CREST Shareholders should follow the instructions in paragraph 4.2 below and must not return a paper form and cheque.

Should a transaction be identified by the Euroclear UK & Ireland's Claims Processing Unit as "cum" the Basic Entitlement and the relevant Basic Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Basic Entitlement claim, but will be transferred as a separate claim. Should an Existing CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Existing Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

Applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Existing Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

### *USE instructions*

Existing CREST Shareholders who are CREST members and who want to apply for C Shares in respect of all or some of their Basic Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Basic Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of C Shares applied for; and
- (b) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of C Shares referred to in paragraph (a) above.

### *Content of USE Instruction in respect of Basic Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of C Shares for which application is being made (and hence the number of Basic Entitlement(s) being delivered to the Receiving Agent);
- (b) the ISIN number of the Basic Entitlement. This is JE00BJT0KL40;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Basic Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (f) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 28171GCP;
- (g) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of C Shares referred to paragraph (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 7 March 2014; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 March 2014. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (a) a contact name and telephone number (in the free format shared note field); and
- (b) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 7 March 2014 in order to be valid is 11.00 a.m. on that day. If the Open Offer does not become unconditional by 8.00 a.m. on 18 March 2014 or such later time and date as the Company and Oriel Securities Limited determine (being no

later than 8.00 a.m. (London time) on 30 April 2014), the Open Offer will lapse, the Basic Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

*Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

The USE Instruction must be properly authenticated in accordance with Euroclear UK & Ireland's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (a) the number of additional C Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (b) the ISIN number of the Excess CREST Open Offer Entitlement. This is JE00BJT0KM56;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent in its capacity as Receiving Agent. This is 7RA33;
- (f) the member account ID of the Receiving Agent in its capacity as Receiving Agent. This is 28171GCP;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of C Shares referred to in paragraph (a) above;
- (h) the intended settlement date. This must be on or before 11.00 a.m. on 7 March 2014; and
- (i) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 7 March 2014.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (a) a contact name and telephone number (in the free format shared note field); and
- (b) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 7 March 2014 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 18 March 2014 or such later time and date as the Company and Oriel Securities Limited determine (being no later than 8.00 a.m. on 30 April 2014), the Open Offer and the Excess Application Facility will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

### *Deposit of Basic Entitlements into, and withdrawal from, CREST*

An Existing Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Basic Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Basic Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Basic Entitlement and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 7 March 2014. After depositing their Basic Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as a Basic Entitlement and Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 4 March 2014 and the recommended latest time for receipt by Euroclear UK & Ireland of a dematerialised instruction requesting withdrawal of Basic Entitlements and Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 3 March 2014 in either case so as to enable the person acquiring or (as appropriate) holding the Basic Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Basic Entitlements and Excess CREST Open Offer Entitlements prior to 11.00 a.m. on 7 March 2014. CREST holders inputting the withdrawal of their Basic Entitlement from their CREST account must ensure that they withdraw both their Basic Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Existing Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 3 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not a person in any jurisdiction in which the application for C Shares (and the Ordinary Shares arising on the Conversion thereof) is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer or the Excess Application Facility by virtue of a *bona fide* market claim.

### *Validity of application*

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 7 March 2014 will constitute a valid application under the Open Offer.

### *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear UK & Ireland does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE

Instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 3.00 p.m. on 4 March 2014. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

*Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Receiving Agent, reserves the right:

- (a) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of C Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the C Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

*Effect of valid application*

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (a) represents and warrants to the Company and the Receiving Agent and Oriel Securities Limited that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for C Shares (and the Ordinary Shares arising on the Conversion thereof) or acting on behalf of any such person on a non-discretionary basis;
- (b) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (c) agrees that all applications and any contracts or non-contractual obligations resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the laws of England and Wales;
- (d) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company and the C Shares (and the Ordinary Shares arising on the Conversion thereof) contained in this document;
- (e) represents and warrants to the Company, the Receiving Agent and Oriel Securities Limited that he is the Existing Shareholder originally entitled to the Basic Entitlement and Excess CREST

Open Offer Entitlement or that he has received such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;

- (f) represents and warrants to the Company, the Receiving Agent and Oriel Securities Limited that if he has received some or all of his Basic Entitlement and Excess CREST Open Offer Entitlement from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Basic Entitlement and Excess CREST Open Offer Entitlement by virtue of a *bona fide* market claim;
- (g) subject to certain limited exceptions, requests that the C Shares (and the Ordinary Shares arising on the Conversion thereof) to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Incorporation and Articles of Incorporation;
- (h) represents and warrants to the Company, the Receiving Agent and Oriel Securities Limited that he is not, nor is he applying on behalf of any Shareholder who is a person in any jurisdiction in which the application for C Shares (or the Ordinary Shares arising on the Conversion thereof) is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the C Shares (or the Ordinary Shares arising on the Conversion thereof) which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any jurisdiction in which the application for C Shares (and the Ordinary Shares arising on the Conversion thereof) is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for C Shares under the Open Offer or the Excess Application Facility;
- (i) represents and warrants to the Company, the Receiving Agent and Oriel Securities Limited that he is not, and nor is he 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 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986;
- (j) confirms that in making the application he is not relying and has not relied on Oriel Securities Limited or any of its affiliates in connection with any investigation of the accuracy of any information contained in this document or his investment decision; and
- (k) confirms that no person has been authorised to give any information or to make any representation concerning the Company or the C Shares or the Ordinary Shares arising on the Conversion thereof (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Oriel Securities Limited.

***Company's discretion as to the rejection and validity of applications***

Subject to the provisions of the Placing Agreement, the Company may in its sole discretion:

- (a) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these terms and conditions;
- (b) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;

- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent has received actual notice from Euroclear UK & Ireland of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (d) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for C Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

### ***Lapse of the Open Offer***

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 7 March 2014 or such later time and date as the Company and Oriel Securities Limited may agree being no later than 8.00 a.m. (London time) on 30 April 2014, the Open Offer and the Excess Application Facility will lapse, the Basic Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by an Existing CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

## **5. Anti-money laundering regulations**

### **5.1 *Holders of Open Offer Application Forms***

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom, or on whose behalf, an Open Offer Application Form is lodged with payment. If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent.

The person lodging the Open Offer Application Form with payment, and in accordance with the other terms as described above, including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of offered C Shares as is referred to therein and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant C Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting

CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer or under the Excess Application Facility will be returned (at the applicant's risk) without interest.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Receiving Agent and Oriel Securities Limited from the applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- (a) if the acceptor is an organisation required to comply with the Money Laundering Directive; or
- (b) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (c) if the acceptor (not being an acceptor who delivers his application in person) makes payment by way of a cheque drawn on an account in the acceptor's name; or
- (d) if the aggregate subscription price for the offered C Shares is less than £1,000.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom or the Channel Islands which is either a Settlement Member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited and which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Capita Registrars Limited re: GCP Infrastructure Investments Limited – Open Offer A/C" and crossed "A/C Payee Only". Third party cheques or banker's drafts will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. However, third party cheques may be subject to the Money Laundering Regulations which would delay Shareholders receiving their C Shares. The account name should be the same as that shown on the Open Offer Application Form; or
- (b) if the Open Offer Application Form is lodged with payment by an agent which is an organisation required to comply with the Money Laundering Directive or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will, on demand, make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or the Registrar at 12 Castle Street, St. Helier, Jersey JE2 3RT.

To confirm the acceptability of any written assurance referred to in paragraph (b) above, or in any other case, the acceptor should telephone the Shareholder Helpline on 08716640321 (calls to this number are charged at 10 pence per minute (including VAT) from a BT landline, other network providers' costs may vary) or +44 2086393399 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls made from mobile

telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of C Shares is/are lodged by hand by the acceptor in person, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case by 11.00 a.m. on 7 March 2014, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant Application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **5.2 *Basic Entitlements and Excess CREST Open Offer Entitlements in CREST***

If you hold your Basic Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for C Shares in respect of all or some of your Basic Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the C Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the C Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6. Overseas shareholders**

No person receiving a copy of this Prospectus and/or an Open Offer Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him or her; nor should he or she in any event use an Open Offer Application Form unless in the relevant territory such an invitation or offer could lawfully be made to him or her or the Open Offer Application Form could lawfully be used without contravention of any legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for C Shares under the Open Offer to satisfy himself as to full observance of the laws of any relevant territory in connection with any such application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

The C Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “investment company” under the Investment Company Act, and investors will not be entitled to the benefits of that Act. In addition, relevant clearances have not been, and will not be, obtained from the Securities Commission of any province of Canada, Australia, South Africa or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the C Shares may be offered, sold, renounced, transferred or delivered,

directly or indirectly, in Canada, Australia, South Africa or Japan. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of Canada, Australia, South Africa or Japan and that you are not subscribing for such C Shares for the account of any US Person or resident of Canada, Australia, South Africa or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, C Shares subscribed for by you in the United States, Canada, Australia, South Africa or Japan or to any US Person or resident of Canada, Australia, South Africa or Japan. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Canada, Australia, South Africa or Japan unless an appropriate exemption is available as referred to above.

#### **7. Retention of data**

Pursuant to the Data Protection (Jersey) Law 2005, the Company and/or the Registrar may hold personal data relating to past and present Shareholders. Such personal data held is used by the Registrar to maintain the Company's register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in C Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of C Shares in the Company, a person becomes a data subject and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

## TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

If you apply for the C Shares under the Offer for Subscription, you will be agreeing with the Company, the Sponsor and Capita Asset Services to be bound by the terms and conditions set out below.

In the case of a joint application, references to you in these terms and conditions are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Offer for Subscription Application Form.

In these terms and conditions, which apply to the Offer for Subscription:

“**Applicant**” means a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details of an Offer for Subscription Application Form;

“**Application**” means the offer made by an Applicant by completing an Offer for Subscription Application Form and posting (or delivering it by hand during normal business hours only) it to the Receiving Agent at Capita Asset Services Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as specified in the Prospectus;

“**Money Laundering Directive**” means the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing);

“**Money Laundering Regulations**” means the Money Laundering (Jersey) Order 2008; and

“**Registrar**” means Capita Registrars (Jersey) Limited.

Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Offer for Subscription Application Form and explanatory notes in relation thereto.

### The terms and conditions

The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:

- Initial Admission occurring on or before 8.00 a.m. (London time) on 18 March 2014 (or such time and/or date as the Company and the Joint Bookrunners may agree, being not later than 8.00 a.m. (London time) on 30 April 2014); and
- the Placing Agreement becoming otherwise unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission.

The right is reserved by the Company to present all cheques and banker's drafts for payment on receipt and to retain Application monies and refrain from delivering an Applicant's C Shares into CREST, pending clearance of the successful Applicant's cheques and banker's drafts. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the Application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first Applicant, through the post at the risk of the person(s) entitled thereto. In the meantime, Application monies will be retained by the Receiving Agent in a separate account.

The Directors (acting together) reserve the right, subject to the prior approval of the Sponsor, to bring forward or to postpone the closing time and date for the C Share Placing and Offer for Subscription by up to two weeks if they conclude that this is in the best interests of the Company and/or Shareholders as a whole.

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom, or on whose behalf, an Offer for Subscription Application Form is lodged with payment. If the Offer for Subscription Application Form is submitted by a UK regulated broker or intermediary acting as agent, and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent.

The person lodging the Offer for Subscription Application Form with payment, and in accordance with the other terms as described above, including any person who appears to the Receiving Agent to be acting on behalf of some other person, shall apply under the Offer for Subscription in respect of such number of offered C Shares as is referred to therein and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any Application, the relevant C Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant or Application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Applicant or Application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant Application as invalid, in which event the monies payable will be returned (at the Applicant's risk) without interest.

Submission of an Offer for Subscription Application Form with the appropriate remittance will constitute a warranty to each of the Company and the Receiving Agent from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- (a) if the Applicant is an organisation required to comply with the Money Laundering Directive; or
- (b) if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- (c) if the Applicant (not being an Applicant who delivers his Application in person) makes payment by way of a cheque drawn on an account in the Applicant's name; or
- (d) if the aggregate subscription price for the offered C Shares is less than £1,000.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom or the Channel Islands which is either a Settlement Member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited and which bears a UK bank sort code number in the top right hand corner the following applies. Cheques should be made payable to "Capita Registrars Limited re: GCP Infrastructure Investments Limited – OFS A/C" and crossed "A/C Payee Only". Third party cheques or banker's drafts will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/banker's draft to such effect. However, third party cheques may be subject to the Money Laundering Regulations which

would delay Shareholders receiving their C Shares. The account name should be the same as that shown on the Offer for Subscription Application Form; or

- (b) if the Offer for Subscription Application Form is lodged with payment by an agent which is an organisation required to comply with the Money Laundering Directive or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Offer for Subscription Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will, on demand, make such evidence available to the Receiving Agent. If the agent is not such an organisation, it should contact the Receiving Agent at Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or the Registrar at 12 Castle Street, St. Helier, Jersey JE2 3RT.

To confirm the acceptability of any written assurance referred to in paragraph (b) above, or in any other case, the Applicant should telephone the Shareholder Helpline on 08716640321 (calls to this number are charged at 10 pence per minute (including VAT) from a BT landline, other network providers' costs may vary) or +44 2086393399 if calling from outside the UK. Calls to the helpline from outside the UK will be charged at applicable international rates. Lines are open 9.00 a.m. to 5.30 p.m. (London time) Monday to Friday. Different charges may apply to calls made from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer, C Share Placing and Offer for Subscription nor give any financial, legal or tax advice.

If the Offer for Subscription Application Form(s) is/are in respect of C Shares is/are lodged by hand by the Applicant in person, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address. If, within a reasonable period of time following a request for verification of identity, and in any case by 4.30 p.m. on 10 March 2014, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Receiving Agent may, at its discretion, as agent of the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom or the Channel Islands of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies or committees and must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual Applicant where they have sole or joint title to the funds, should be made payable to "Capita Registrars Limited re: GCP Infrastructure Investments Limited – OFS A/C" and crossed "A/C Payee Only". Third party cheques or banker's drafts 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 building society cheque/banker's draft to such effect. Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.

The account name should be the same as that shown on the Application.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Offer for Subscription Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

- (a) Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and
- (b) if an Applicant makes the Application as agent for one or more persons, he or she should indicate on the Offer for Subscription Application Form whether he or she is a UK or EU regulated person or institution (for example, a bank or stockbroker) and specify his or her status. If an Applicant is not a UK or EU regulated person or institution, he or she should contact the Receiving Agent.

By completing and delivering an Offer for Subscription Application Form, you, as the Applicant (and, if you sign the Offer for Subscription Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (h) below):

- (a) offer to subscribe for the number of C Shares specified in your Offer for Subscription Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the Memorandum and Articles of Association of the Company;
- (b) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked after 4.30 p.m. on 10 March 2014 (or such later time and date as the Directors may determine if they may postpone the closing of the Offer for Subscription in accordance with the Prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Offer for Subscription Application Form;
- (c) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that, if it is not so honoured, you will not be entitled to receive the C Shares until you make payment in cleared funds for the C Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, the Receiving Agent and the Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such C Shares and may issue or allot such C Shares to some other person, in which case you will not be entitled to any payment in respect of such C Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (d) agree that (a) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations; and (b) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (e) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- (f) agree that, in respect of those C Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (a) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (b) by notification of acceptance thereof to the Receiving Agent;

- (g) authorise the Receiving Agent and/or Registrar to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in Jersey in respect of such C Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders, the first-named person) named as an Applicant in the Offer for Subscription Application Form;
- (h) warrant that, if you sign the Offer for Subscription Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Offer for Subscription Application Form;
- (i) agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with Jersey law, and that you submit to the jurisdiction of the Jersey Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (j) confirm that, in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in the Prospectus and, accordingly, you agree that no person (responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;
- (k) irrevocably authorise the Company or any person authorised by it, to do all things necessary to effect registration of any C Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such C Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (l) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the C Shares contained therein;
- (m) confirm that you have reviewed the restrictions contained in these terms and conditions;
- (n) warrant that, if you are an individual, you are not under the age of 18;
- (o) agree that all documents, cheques and banker's drafts sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (p) warrant that, in connection with your Application, you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue or transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your Application;
- (q) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not (a) a US Person (meaning any person who is a US Person within the meaning of Regulation S adopted under the United States Securities Act of 1933 (as amended)) and are not acting on behalf of a US Person, that you are not purchasing with a view to re sale in the US or to or for the account of a US Person and that you are not an employee benefit plan as defined in section 3(3) of the United States Employee Retirement Income Security Act 1974 ("ERISA") (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (b) a resident of Canada, Australia, South Africa or Japan; and

- (r) agree, on request by the Company, the Receiving Agent or Registrar on behalf of the Company, to disclose promptly in writing to the Company, the Receiving Agent or the Registrar any information which the Company, the Receiving Agent or the Registrar may reasonably request in connection with your Application and authorise the Company, or the Receiving Agent or Registrar on behalf of the Company, to disclose any information relating to your Application as it considers appropriate.

No person receiving a copy of this Prospectus and/or an Offer for Subscription Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him or her; nor should he or she in any event use an Offer for Subscription Application Form unless in the relevant territory such an invitation or offer could lawfully be made to him or her or the Offer for Subscription Application Form could lawfully be used without contravention of any legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for C Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

The C Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “investment company” under the Investment Company Act, and investors will not be entitled to the benefits of that Act. In addition, relevant clearances have not been, and will not be, obtained from the Securities Commission of any province of Canada, Australia, South Africa or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the C Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Canada, Australia, South Africa or Japan. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of Canada, Australia, South Africa or Japan and that you are not subscribing for such C Shares for the account of any US Person or resident of Canada, Australia, South Africa or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, C Shares subscribed for by you in the United States, Canada, Australia, South Africa or Japan or to any US Person or resident of Canada, Australia, South Africa or Japan. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States, Canada, Australia, South Africa or Japan unless an appropriate exemption is available as referred to above.

Pursuant to the Data Protection (Jersey) Law 2005, the Company and/or the Registrar may hold personal data relating to past and present Shareholders. Such personal data held is used by the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (a) effecting the payment of dividends to Shareholders and the payment of commissions to third parties and (b) filing returns of Shareholders and their respective transactions in C Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of C Shares in the Company, a person becomes a data subject and is deemed to have consented to the processing by the Company or the Registrar of any personal data relating to them in the manner described above.

The basis of allocation will be determined by Oriel Securities Limited after consultation with the Company at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Offer for Subscription Application Form, including if the accompanying cheque or banker’s draft is for the wrong amount.

## **NOTES ON HOW TO COMPLETE THE OFFER FOR SUBSCRIPTION APPLICATION FORM**

Applications should be returned so as to be received by Capita Asset Services at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 4.30 p.m. on 10 March 2014.

**HELP DESK:** If you have a query concerning the completion of this Offer for Subscription Application Form, please telephone Capita Asset Services between 9.00 a.m. and 5.30 p.m. (London time) Monday to Friday on 08716640321 from within the UK or +44 (0) 2086393399 if calling from outside the UK. Calls to this number are charged at 10 pence per minute (including VAT) from a BT landline (other network providers' costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer, C Share Placing or Offer for Subscription nor give any financial, legal or tax advice.

### **1. Application**

Fill in (in figures) in Box 1 the amount of money being subscribed for the C Shares. The amount being subscribed must be for a minimum of £50,000 and thereafter in multiples of £1,000. Financial intermediaries who are investing on behalf of clients should make separate Applications for each client.

### **2A. Holder details**

Fill in (in block capitals) the full name(s) and addresses of each holder and the address of the first named holder. 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 Offer for Subscription Application Form in section 3 and insert the date.

### **2B. CREST**

If you wish your C Shares to be deposited in a CREST account in the name of the holders given in section 2A, enter in section 2B the details of that CREST account. Where it is requested that C Shares be deposited into a CREST Account, please note that payment for such C Shares must be made prior to the day such C Shares might be allotted and issued. It is not possible for an Applicant to request that C Shares be deposited in their CREST account on an against payment basis. Any Offer for Subscription Application Form received containing such a request will be rejected.

### **3. Signature**

All holders named in section 2A must sign section 3 and insert the date. The Offer for Subscription 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 original power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which will be returned by post at the Applicant'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 Offer for Subscription Application Form.

### **4. Reliable introducer declaration**

Jersey money laundering legislation allows the Receiving Agent, in certain circumstances and upon meeting certain criteria, to meet its obligations in respect of customer due diligence procedures by relying upon a reliable introducer to have applied appropriate identification procedures. This provision, while providing for an efficient process by eliminating the need to duplicate the identification process and copying of documentation, does require adherence to a formal process.

### ***Criteria/Capacity of the introducer***

Jersey legal requirements dictate that in order for the Receiving Agent to be able to rely upon reliable introducer then that introducer must be regulated in an equivalent jurisdiction as detailed in section 4 of the Offer for Subscription Application Form, and acting in a capacity of either:

- (a) deposit taking business,
- (b) collective investment fund functionary,
- (c) investment business or fund services business,
- (d) insurance business.

Confirmation of this is achieved by the completion of section 4 of the Offer for Subscription Application Form.

### ***Customer information profile***

It is necessary for the Receiving Agent to obtain a customer information profile on the underlying investor; this is achieved by the completion of section 4 of the Offer for Subscription Application Form.

The above will provide the Receiving Agent with the required information in order to rely on the reliable introducer process. However, in certain circumstances it may be necessary for the Receiving Agent to require additional information.

### ***No third party information chain***

The certification process is only allowed where the reliable introducer actually holds the customer due diligence information/documentation and the reliable introducer is not relying upon another party to hold the customer due diligence information.

If the declaration cannot be completed, and in the event that the subscription is being made by an individual, corporation, trust or designated body, in accordance with internationally recognised standards for the prevention of money laundering, the documents listed below must be provided with the completed Offer for Subscription Application Form. Notwithstanding that the declaration has been completed and signed, the Receiving Agent reserves the right to request of you the identity documents listed below 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 may be rejected or revoked. Where certified copies of documents are requested below, 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.

## **5. Contact details**

To ensure the efficient and timely processing of your Offer for Subscription 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.

**6A. AML documentation required for individual Applicants**

In order to invest, we require the following:

*Tick box*

- 1 **A fully completed Application.**
- 2 **All money to be invested must be from the Applicant's own bank account by way of a cheque or banker's draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.**
- 3 If introduced through a Reliable Introducer, the Reliable Introducer Certificate in part 4 completed by your introducer.

*Either*

- 4.1 Reliable Introducer Certificate fully completed by your introducer. *Or*
- 4.2 Notarised or certified copy of the Applicant's passport or driver's licence or other form of government issued identity with photograph included; and
- 4.3 Recent (no more than 3 months' old) utility bill in the Applicant's name (original, notarised or certified) identifying the current residential address.

**6B. AML documentation required for corporations (quoted on a recognised stock exchange)**

In order to invest, we require the following:

*Tick box*

- 1 **A fully completed Application.**
- 2 **All money to be invested must be from the Applicant's own bank account by way of a cheque or banker's draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.**
- 3 If introduced through a Reliable Introducer, the Reliable Introducer Certificate in part 4 completed by your introducer.
- 4 A properly authorised mandate of the directors to open/operate an account or establish the business relationship.
- 5 A list of authorised signatories.

*Either*

- 6.1 Reliable Introducer Certificate fully completed by your introducer. *Or*
- 6.2 The original or notarised copy of the Certificate of Incorporation or the Certificate to Trade (copies may alternatively be certified); and
- 6.3 A list of directors' names, occupations, residential and business addresses and dates of birth.

**6C. AML documentation required for corporations, partnerships and limited liability companies (unless the company is quoted on a recognised stock exchange)**

In order to invest, we require the following:

- |   | <i>Tick box</i>          |
|---|--------------------------|
| 1 <b>A fully completed Application.</b>   | <input type="checkbox"/> |
| 2 <b>All money to be invested must be from the Applicant’s own bank account by way of a cheque or banker’s draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.</b> | <input type="checkbox"/> |
| 3 Minutes, resolutions or declaration confirming the power to invest and approving the investment in the Company  | <input type="checkbox"/> |
| 4 A list of authorised signatories.   | <input type="checkbox"/> |
| 5 If introduced through a Reliable Introducer, the Reliable Introducer Certificate in part 4 completed by your introducer.  | <input type="checkbox"/> |

*Either*

- |  |                          |
|--|--------------------------|
| 6.1 Reliable Introducer Certificate fully completed by your introducer.  | <input type="checkbox"/> |
| 6.2 Notarised or certified copy of, or original Certificate of Incorporation/partnership agreement (if any) or other agreement establishing the unincorporated business, and any Change of Name Certificate. | <input type="checkbox"/> |
| 6.3 Notarised or certified copy of, or original Memorandum and Articles of Association (if applicable).  | <input type="checkbox"/> |
| 6.4 In respect of 2 directors, or partners, and anyone authorised as a signatory for this transaction, as well as all beneficial owners of the Applicant (more than 10 per cent.), the following:            |                          |
| (i) Notarised or certified copy of passport or driver’s licence or other form of government issued identity with photograph included;  | <input type="checkbox"/> |
| (ii) Recent (no more than 3 months’ old) utility bill in your name (original, notarised or certified) identifying the current residential address; and   | <input type="checkbox"/> |
| (iii) Specimen signatures.   | <input type="checkbox"/> |
| 6.5 Certificate of Good Standing from relevant company registrar, or equivalent document, may be required.   | <input type="checkbox"/> |
| 6.6 If other corporate entities own more than 25 per cent. each of the Applicant, the information as per 6.2 to 6.4 must be given for those entities.  | <input type="checkbox"/> |

#### 6D. AML documentation required for trusts

In order to invest, we require the following:

- |   | <i>Tick box</i>          |
|---|--------------------------|
| 1 <b>A fully completed Application.</b>   | <input type="checkbox"/> |
| 2 <b>All money to be invested must be from the Applicant's own bank account by way of a cheque or banker's draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.</b> | <input type="checkbox"/> |
| 3 If introduced through a Reliable Introducer, the Reliable Introducer Certificate in part 4 completed by your introducer.  | <input type="checkbox"/> |

*Either*

- |   |                          |
|---|--------------------------|
| 4.1 Reliable Introducer Certificate fully completed by your introducer. <i>Or</i>   | <input type="checkbox"/> |
| 4.2 Notarised or certified copy of, or original Trust Deeds; and  | <input type="checkbox"/> |
| 4.3 In respect of the Trustees (if individuals – corporate Trustees should also provide all information required for a corporate), beneficiaries or anyone else who is the object of a power (e.g. a Protector) and are authorised to sign for this Application, the following: | <input type="checkbox"/> |
| (i) Notarised or certified copy of passport or driver's licence or other form of government issued identity with photograph included;   | <input type="checkbox"/> |
| (ii) Recent (no more than 3 months' old) utility bill in your name (original, notarised or certified) identifying the current residential address; and  | <input type="checkbox"/> |
| (iii) Specimen signatures.  | <input type="checkbox"/> |

#### 6E. AML documentation required for designated bodies

If investing as a principal, but not deemed a "Designated Body", then the Applicant must supply the same information as requested for a Corporate Entity (see 6B above). If investing on a nominee basis, but not deemed a "Designated Body", the Receiving Agent will deal with each case on an individual basis, to satisfy its obligations.

A "Designated Body" ("DB") means, in the context of this Application, a financial institution that is regulated in an equivalent jurisdiction as listed in Appendix B of the Jersey Financial Services Commission's Anti Money Laundering Handbook (the "**Handbook**") (see [www.jerseyfsc.org](http://www.jerseyfsc.org))

- (i) In the case of a DB acting as principal, the following must be provided:

- |   | <i>Tick box</i>          |
|---|--------------------------|
| 1 <b>A fully completed Application.</b>   | <input type="checkbox"/> |
| 2 <b>All money to be invested must be from the Applicant's own bank account by way of a cheque or banker's draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.</b> | <input type="checkbox"/> |
| 3 Confirmation that the DB is a "Designated Body", to include confirmation of membership or association with appropriate regulatory body.   | <input type="checkbox"/> |
| 4 Membership/Registered Number and contact name at regulatory body.   | <input type="checkbox"/> |
| 5 Confirmation that the DB is investing and is allowed to invest as principal for its own account.  | <input type="checkbox"/> |
| 6 Authorised signatories list.  | <input type="checkbox"/> |

(ii) In the case of a DB acting as Nominee, the following must be provided:

*Tick box*

- 1 **A fully completed Application.**
- 2 **All money to be invested must be from the Applicant’s own bank account by way of a cheque or banker’s draft. We require details of the bank account, including a/c number and name, and bank name, address and contact name.**
- 3 Confirmation that the DB is a “Designated Body”, to include confirmation of membership or association with appropriate regulatory body.
- 4 Membership/Registered Number and contact name at regulatory body.
- 5 Written confirmation that the DB will provide, within a reasonable time-frame, copies of its due diligence information on the underlying client(s) should the information be required by the Registrar.
- 6 Authorised signatories list.

**Cheque payment details**

Payment must be made by either cheque or banker’s draft and must accompany your Application. All payments by cheque or banker’s draft must accompany your Offer for Subscription Application Form and be for the exact amount inserted in section 1 of your Offer for Subscription Application Form. Your cheque or banker’s draft must be made payable to “Capita Registrars Limited re: GCP Infrastructure Investments Limited – OFS A/C” and crossed “A/C Payee Only”. If you use 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 cheque and adds its stamp. Cheques should be drawn on the personal account to which you have sole or joint title to the funds. Your cheque must be drawn in pounds sterling on an account at a bank branch in the United Kingdom or the Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques to be cleared through the facilities provided by any of those companies or committees 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 where the bank or building society has confirmed the name of the account holder by stamping and endorsing the cheque to such effect. Your payment must relate solely to this Application. No receipt will be issued.

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# GCP INFRASTRUCTURE INVESTMENTS LIMITED

## OFFER FOR SUBSCRIPTION APPLICATION FORM

Please send this completed form by post or by hand (during normal business hours only) to Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 4.30 p.m. on 10 March 2014.

Important: Before completing this Offer for Subscription Application Form, you should read the accompanying notes.

To: GCP Infrastructure Investments Limited and Capita Asset Services.

### 1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for C Shares subject to the Terms and Condition set out in the Prospectus dated 12 February 2014 and subject to the Memorandum and Articles of Association of the Company.

Box 1:  
  
(Minimum of £50,000 and in multiples of £1,000 thereafter)

### 2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

Mr. Mrs., Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in Full)	
Postcode:	
Designation (if any):	

Mr. Mrs., Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in Full)	
Postcode:	
Designation (if any):	

Mr. Mrs., Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in Full)	
Postcode:	
Designation (if any):	

Mr. Mrs., Miss or Title	Forenames (in full)
Surname/Company Name	
Address (in Full)	
Postcode:	
Designation (if any):	



**2B. CREST DETAILS**

(Only complete this section if C Shares allotted are to be deposited in a CREST account, which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID: ..... CREST Participant ID: .....

**3. SIGNATURE(S) ALL HOLDERS MUST SIGN**

First holder signature:	Second holder signature:
Name (Print)	Name (Print)
Third holder signature	Fourth holder signature
Name (Print)	Name (Print)

Dated: .....

**4. RELIABLE INTRODUCER DECLARATION**

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete the Offer for Subscription Application Form.

The declaration below may only be signed by a person or institution (such as a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the “**Firm**”) which is itself subject in its own country to operation of “know your customer” and anti-money laundering regulations no less stringent than those which prevail in Jersey. Acceptable countries include Australia, Austria, Belgium, Bulgaria, Canada, Cayman Islands, Cyprus, Denmark, Estonia, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hong Kong, Hungary, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Latvia, Liechtenstein, Luxembourg, Malta, Netherlands (excluding Netherlands Antilles and Aruba), New Zealand, Norway, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, the United Kingdom and the United States of America.

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

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 (collectively the “**subjects**”) **WE HEREBY DECLARE:**

*We confirm that the information provided accurately reflects the customer due diligence information that we hold.*

*We confirm that the introduced customer has an established relationship with us.*

*We confirm that we have identified and verified the identity of the underlying customer/introduced customer (and any beneficial owners and controllers) and recorded the evidence of identity according to procedures established and maintained by us.*

*We confirm that our customer due diligence procedures and record keeping procedures are consistent with the standards established in the Financial Action Task Force’s Forty Recommendations and Nine Special Recommendations.*

*We consent to the Receiving Agent relying on our performance of these procedures.*

*We agree to provide other relevant customer due diligence information and copies of documentation establishing evidence of identity of the underlying customer/introduced customer (and any beneficial owners and controllers) upon request and without delay; we undertake to use best efforts to do so within five working days of the request.*

We agree to notify the Receiving Agent of material changes to the information provided in this certificate.

Applicant's name (in full)	
Applicant identification information	
Applicant address	
Postcode	Country
Type of entity	

**Relationship information**

Purpose/intended nature of business relationship
Type, volume and value of activity expected
Source of funds
Source of wealth
Details of any known existing relationships with the relevant person
Name of regulator, if applicable

<p>Additional information:</p> <ul style="list-style-type: none"> <li>• Ownership and control, including underlying companies</li> <li>• Nature of activities and geographical sphere</li> <li>• Classes of beneficiaries (for trusts only)</li> </ul>
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**Risk factors**

Risk factors identified (provide details)	
Is the investor or Applicant associated with a PEP? (yes/no)	Are commission/consultancy fees a source of wealth? (yes/no)
Is the investor or Applicant connected with a high risk jurisdiction? (yes/no)	Is the Applicant part of a complex corporate or trust structure? (yes/no)
Is the Applicant involved in trading? (yes/no)	Does the Applicant have any bearer shares in issue? (yes/no)

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed .....

Name .....

Position ..... having authority to bind the firm

Name of regulatory authority .....

Firm's licence number .....

Website address or telephone number of regulatory .....

authority

STAMP of firm giving full name and business address



**5. CONTACT DETAILS**

To ensure the efficient and timely processing of this Application please enter below the contact details of a person the Registrar or the Receiving Agent may contact with all enquiries concerning this 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 Registrar or the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact name ..... E-mail address .....

Contact address .....

..... Postcode .....

Telephone No ..... Fax No.....

## TERMS AND CONDITIONS OF THE C SHARE PLACING

In these terms and conditions, which apply to the C Share Placing:

“**EEA States**” means the states which comprise the European Economic Area;

“**Money Laundering Regulations**” means the Money Laundering (Jersey) Order 2008;

“**Regulation S**” means Regulation S under the Securities Act;

“**Rule 144A**” means Rule 144A of the Securities Act; and

“**US Person**” means a “US Person” as defined in Regulation S of the Securities Act.

Save where the context otherwise requires, words and expressions defined in the Prospectus of which these terms and conditions form part have the same meanings where they are used in these terms and conditions.

### **The terms and conditions**

These terms and conditions apply to persons making an offer to subscribe for C Shares under the C Share Placing (which may include the Joint Bookrunners or their nominees).

Each person to whom these conditions apply, as described above, who confirms its agreement to a Joint Bookrunner to subscribe for C Shares (an “**Investor**”) hereby agrees with the Joint Bookrunners and the Company to be bound by these terms and conditions as being the terms and conditions upon which C Shares will be subscribed under the C Share Placing. An Investor shall, without limitation, become so bound if a Joint Bookrunner confirms to the Investor its allocation.

### **Agreement to purchase C Shares**

Conditional on (i) Initial Admission occurring on or prior to 8.00 a.m. (London Time) on 18 March 2014 (or such later time and/or date as the Joint Bookrunners and the Company may agree (not being later than 8.00 a.m. (London time) on 30 April 2014)) and (ii) the Placing Agreement becoming unconditional in all respects (save for conditions relating to Initial Admission) and not having been terminated in accordance with its terms before Initial Admission] an Investor agrees to subscribe for, as more particularly described below, at the Issue Price, the number of C Shares allocated to such Investor under the C Share Placing in accordance with the arrangements described in these terms and conditions. To the fullest extent permitted by law, each Investor 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 such Investor may have.

### **Payment for C Shares**

Each Investor undertakes to pay the Issue Price for the C Shares issued to such Investor in such manner as shall be directed by the relevant Joint Bookrunner.

In the event of any failure by any Investor to pay as so directed by the Joint Bookrunner, the relevant Investor shall be deemed hereby to have appointed the Joint Bookrunner or any nominee of the Joint Bookrunner as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the C Shares in respect of which payment shall not have been made as directed by the Joint Bookrunner and to indemnify the Joint Bookrunner 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 C Shares shall not release the relevant Investor from the obligation to make such payment for C Shares to the extent that the Joint Bookrunner or its nominee have failed to sell such C 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 C Share.

## Representations and warranties

By receiving this Prospectus and making the confirmation in the paragraph above entitled “The terms and conditions” each Investor who confirms its agreement to subscribe for C Shares confirms, represents, warrants and undertakes to the Joint Bookrunners and the Company on the terms and subject to the conditions set out in this Prospectus:

- that the exercise by the relevant Joint Bookrunner of any rights or discretion under the Placing Agreement shall be within the absolute discretion of the Joint Bookrunner and the Joint Bookrunner need not have any reference to the Investor and shall have no responsibility or liability to the Investor whatsoever in connection with any decision to exercise or not to exercise any such right. Each Investor agrees that they have no rights against the Joint Bookrunner or any of its affiliates, the Company and any of its respective directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;
- that, in agreeing to subscribe for C Shares under the C Share Placing, each Investor is relying on this Prospectus only, and not on any other information or representation or warranty concerning the Company, any of its shares or the C Share Placing (provided that nothing in these terms and conditions shall exclude the liability of any person for fraudulent misrepresentation);
- that the Investor and, as the case may be, its clients, acknowledge that the relevant Joint Bookrunner has no duties or responsibilities to the Investor similar or comparable to the duties of “best execution” and “suitability” imposed by the Conduct of Business Sourcebook contained in the Financial Conduct Authority’s Handbook of Rules and Guidance and that the Joint Bookrunner is not acting for the Investor or its clients and that the Joint Bookrunner will not be responsible to the Investor or its clients for providing the protections afforded to their respective customers;
- that, save in the event of fraud on the part of a Joint Bookrunner (and to the extent permitted by the rules of the Financial Conduct Authority), neither Joint Bookrunner, its holding companies nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to the Investor or any of its clients for any matter arising out of Oriel Securities Limited’s role as sponsor and joint bookrunner (in the case of Oriel Securities Limited) or Cenkos Securities ples’ role as joint bookrunner (in the case of Cenkos Securities plc) or otherwise in connection with the C Share Placing and that where any such responsibility or liability nevertheless arises as a matter of law the Investor and, if relevant, its clients, will immediately waive any claim against any of such persons which the Investor or any of its clients may have in respect thereof;
- that, in the case of a person who confirms to a Joint Bookrunner on behalf of an Investor an agreement to subscribe for and/or purchase (as applicable) C Shares, that person represents and warrants that he has the authority to do so on behalf of the relevant Investor and that:
  - such person has complied with the customer due diligence measures required by the Money Laundering Regulations in relation to the Investor (and any beneficial owner);
  - such person has complied fully with his obligations pursuant to the Money Laundering Regulations; and
  - such person will provide the Joint Bookrunner on demand with any information it might require for the purposes of verification under any applicable money laundering laws and regulations;
- that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the United Kingdom Proceeds of Crime Act 2002;
- that they are not and are not applying as nominee or agent for a person who is, or may be, mentioned in any of the sections 67, 70, 93 or 96 of the United Kingdom Finance Act 1986 (depository receipts and clearance services);

- that the Investor is entitled to subscribe for the C Shares in its allocation under the laws of all relevant jurisdictions which apply to such Investor and that such Investor has fully observed such laws, obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities;
- that the Investor is not a resident of Canada, Australia, South Africa or Japan and is not subscribing for C Shares for the account of any resident of Canada, Australia, South Africa or Japan; and
- that the Investor, if in the UK, is a person of a kind described in paragraph 5 of Article 19 or paragraph 2 of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

### **Supply and disclosure of information**

If the Company, a Joint Bookrunner or any of their respective agents request any information about an Investor or its agreement to subscribe for C Shares, such Investor must promptly disclose it to them.

### **Miscellaneous**

The rights and remedies of the Joint Bookrunners 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, each Investor may be asked to disclose, in writing or orally, to the relevant Joint Bookrunner:

- if he is an individual, his nationality; or
- if it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Joint Bookrunner.

Each Investor agrees to be bound by the Company's articles of association (as amended from time to time) once the C Shares which such Investor has agreed to subscribe for have been issued to such Investor.

The contract to subscribe for C Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Bookrunners and the Company, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of the matters referred to in these terms and conditions. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for C Shares, references to an Investor in these terms and conditions are to each such Investor and the Investors' liability is joint and several.

Monies received from applicants pursuant to the C Share Placing will be held in accordance with the terms and conditions of the Placing Agreement until such time as the Placing Agreement becomes unconditional in all respects. If the Placing Agreement does not become unconditional in all respects by 8.00 a.m. (London time) on 30 April 2014, application monies will be returned without interest at the risk of the applicant.

### **Selling restrictions**

#### ***Sales outside the United States to Non-US Persons***

Each purchaser of the C Shares offered in reliance on Regulation S will be deemed to represent and agree as follows:

- it and any person, if any, for whose account it is acquiring the C Shares, is not a US Person (as defined in Regulation S) or to a person known by it to be a US Person and is purchasing the C Shares outside the United States in an offshore transaction meeting the requirements of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on a market of the London Stock Exchange for listed securities), and the transaction was not pre-arranged with a buyer in the United States or a US Person;

- it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the C Shares;
- it is aware that the C Shares have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S;
- it is not acquiring the C Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such C Shares into the United States or any jurisdiction referred to above;
- it has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the C Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- that the Company and the Joint Bookrunners, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it, if it becomes aware that the foregoing acknowledgements, representations or agreements are no longer accurate or have not been complied with, it will immediately notify the Company and, if it is acquiring any C Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, until 40 days after commencement of the C Share Placing, an offer or sale of the C Shares within the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Prospective investors are hereby notified that sellers of C Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.

## TERMS AND CONDITIONS OF THE PLACING PROGRAMME

In these terms and conditions, which apply to the Placing Programme:

“**EEA States**” means the states which comprise the European Economic Area;

“**Money Laundering Regulations**” means the Money Laundering (Jersey) Order 2008;

“**Regulation S**” means Regulation S under the Securities Act;

“**Rule 144A**” means Rule 144A of the Securities Act; and

“**US Person**” means a “US Person” as defined in Regulation S of the Securities Act.

Save where the context otherwise requires, words and expressions defined in the Prospectus of which these terms and conditions form part have the same meanings where they are used in these terms and conditions.

### **The terms and conditions**

These terms and conditions apply to persons making an offer to subscribe for Placing Programme Shares under the Placing Programme (which may include the Joint Bookrunners or their nominees).

Each person to whom these conditions apply, as described above, who confirms its agreement to a Joint Bookrunner to subscribe for Placing Programme Shares (an “**Investor**”) hereby agrees with the Joint Bookrunners and the Company to be bound by these terms and conditions as being the terms and conditions upon which Placing Programme Shares will be subscribed under the Placing Programme. An Investor shall, without limitation, become so bound if a Joint Bookrunner confirms to the Investor its allocation.

### **Agreement to purchase Placing Programme Shares**

Conditional on (i) Placing Programme Admission occurring on or prior to 8.00 a.m. (London Time) on such dates as may be agreed between the Joint Bookrunners and the Company prior to the closing of each Placing (not being later than 11 February 2015)) and (ii) the Placing Agreement becoming unconditional in respect of the Placing (save for conditions relating to Placing Programme Admission) and not having been terminated in accordance with its terms before Placing Programme Admission an Investor agrees to subscribe for, as more particularly described below, at the Placing Programme Price, the number of Placing Programme Shares allocated to such Investor in accordance with the arrangements described in these terms and conditions. To the fullest extent permitted by law, each Investor 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 such Investor may have.

### **Payment for Placing Programme Shares**

Each Investor undertakes to pay the Placing Programme Price for the Placing Programme Shares issued to such Investor in such manner as shall be directed by the relevant Joint Bookrunner.

In the event of any failure by any Investor to pay as so directed by the relevant Joint Bookrunner, the relevant Investor shall be deemed hereby to have appointed the relevant Joint Bookrunner or any nominee of the relevant Joint Bookrunner as its agent to use its reasonable endeavours to sell (in one or more transactions) any or all of the Placing Programme Shares in respect of which payment shall not have been made as directed by the relevant Joint Bookrunner and to indemnify the relevant Joint Bookrunner 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 Placing Programme Shares shall not release the relevant Investor from the obligation to make such payment for Placing Programme Shares to the extent that the relevant Joint Bookrunner or its nominee have failed to sell such Placing Programme 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 Placing Programme Price per Placing Programme Share.

## Representations and warranties

By receiving this Prospectus and making the confirmation in the paragraph above entitled “The terms and conditions” each Investor who confirms its agreement to subscribe for Placing Programme Shares confirms, represents, warrants and undertakes to the Joint Bookrunners and the Company on the terms and subject to the conditions set out in this Prospectus:

- that the exercise by the relevant Joint Bookrunner of any rights or discretion under the Placing Agreement shall be within the absolute discretion of the relevant Joint Bookrunner and the relevant Joint Bookrunner need not have any reference to the Investor and shall have no responsibility or liability to the Investor whatsoever in connection with any decision to exercise or not to exercise any such right. Each Investor agrees that they have no rights against the relevant Joint Bookrunner or any of its affiliates, the Company and any of its respective directors and employees under the Placing Agreement pursuant to the Contracts (Rights of Third Parties) Act 1999;
- that, in agreeing to subscribe for Placing Programme Shares under the Placing Programme, each Investor is relying on this Prospectus only, and not on any other information or representation or warranty concerning the Company, any of its shares or the Placing Programme (provided that nothing in these terms and conditions shall exclude the liability of any person for fraudulent misrepresentation);
- that the Investor and, as the case may be, its clients, acknowledge that the relevant Joint Bookrunner has no duties or responsibilities to the Investor similar or comparable to the duties of “best execution” and “suitability” imposed by the Conduct of Business Sourcebook contained in the Financial Conduct Authority’s Handbook of Rules and Guidance and that the relevant Joint Bookrunner is not acting for the Investor or its clients and that the relevant Joint Bookrunner will not be responsible to the Investor or its clients for providing the protections afforded to their respective customers;
- that, save in the event of fraud on the part of a Joint Bookrunner (and to the extent permitted by the rules of the Financial Conduct Authority), neither Joint Bookrunner, its holding companies nor any direct or indirect subsidiary undertakings of such holding company, nor any of their respective directors, members, partners, officers and employees, shall be responsible or liable to the Investor or any of its clients for any matter arising out of Oriel Securities Limited’s role as sponsor and joint bookrunner (in the case of Oriel Securities Limited) or Cenkos Securities plc’s role as joint bookrunner (in the case of Cenkos Securities plc) or otherwise in connection with the Placing Programme and that where any such responsibility or liability nevertheless arises as a matter of law the Investor and, if relevant, its clients, will immediately waive any claim against any of such persons which the Investor or any of its clients may have in respect thereof;
- that, in the case of a person who confirms to a Joint Bookrunner on behalf of an Investor an agreement to subscribe for and/or purchase (as applicable) Placing Programme Shares, that person represents and warrants that he has the authority to do so on behalf of the relevant Investor and that:
  - such person has complied with the customer due diligence measures required by the Money Laundering Regulations in relation to the Investor (and any beneficial owner);
  - such person has complied fully with his obligations pursuant to the Money Laundering Regulations; and
  - such person will provide the relevant Joint Bookrunner on demand with any information it might require for the purposes of verification under any applicable money laundering laws and regulations;
- that they are aware of, have complied with and will at all times comply with their obligations in connection with money laundering under the United Kingdom Proceeds of Crime Act 2002;
- that they are not and are not applying as nominee or agent for a person who is, or may be, mentioned in any of the sections 67, 70, 93 or 96 of the United Kingdom Finance Act 1986 (depository receipts and clearance services);

- that the Investor is entitled to subscribe for the Placing Programme Shares in its allocation under the laws of all relevant jurisdictions which apply to such Investor and that such Investor has fully observed such laws, obtained all governmental and other consents which may be required thereunder or otherwise and complied with all necessary formalities;
- that the Investor is not a resident of Canada, Australia, South Africa or Japan and is not subscribing for Placing Programme Shares for the account of any resident of Canada, Australia, South Africa or Japan; and
- that the Investor, if in the UK, is a person of a kind described in paragraph 5 of Article 19 or paragraph 2 of Article 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005.

### **Supply and disclosure of information**

If the Company, a Joint Bookrunner or any of their respective agents request any information about an Investor or its agreement to subscribe for Placing Programme Shares, such Investor must promptly disclose it to them.

### **Miscellaneous**

The rights and remedies of the Joint Bookrunners 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, each Investor may be asked to disclose, in writing or orally, to the relevant Joint Bookrunner:

- if he is an individual, his nationality; or
- if it is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the relevant Joint Bookrunner.

Each Investor agrees to be bound by the Company's articles of association (as amended from time to time) once the Placing Programme Shares which such Investor has agreed to subscribe for have been issued to such Investor.

The contract to subscribe for Placing Programme Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Joint Bookrunners and the Company, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of the matters referred to in these terms and conditions. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for Placing Programme Shares, references to an Investor in these terms and conditions are to each such Investor and the Investors' liability is joint and several.

### **Selling restrictions**

#### ***Sales outside the United States to Non-US Persons***

Each purchaser of the Placing Programme Shares offered in reliance on Regulation S will be deemed to represent and agree as follows:

- it and any person, if any, for whose account it is acquiring the Placing Programme Shares, is not a US Person (as defined in Regulation S) or to a person known by it to be a US Person and is purchasing the Placing Programme Shares outside the United States in an offshore transaction meeting the requirements of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on a market of the London Stock Exchange for listed securities), and the transaction was not pre-arranged with a buyer in the United States or a US Person;

- it is not in any jurisdiction in which it is unlawful to make or accept an offer to acquire the Placing Programme Shares;
- it is aware that the Placing Programme Shares have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S;
- it is not acquiring the Placing Programme Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Placing Programme Shares into the United States or any jurisdiction referred to above;
- it has received, carefully read and understands this Prospectus, and has not distributed, forwarded, transferred or otherwise transmitted this Prospectus or any other presentation or offering materials concerning the Placing Programme Shares to any persons within the United States or to any US Persons, nor will it do any of the foregoing;
- that the Company and the Joint Bookrunners, their affiliates and others, will rely upon the truth and accuracy of the foregoing acknowledgements, representations or agreements made by it, if it becomes aware that the foregoing acknowledgements, representations or agreements are no longer accurate or have not been complied with, it will immediately notify the Company and, if it is acquiring any Placing Programme Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make such foregoing acknowledgements, representations and agreements on behalf of each such account.

In addition, until 40 days after commencement of the Placing, an offer or sale of the Placing Programme Shares within the United States by a dealer (whether or not participating in the offer) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

Prospective investors are hereby notified that sellers of Placing Programme Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A or another exemption from, or transaction not subject to, the registration requirements of the Securities Act.