

Alternative Investment Fund Managers Directive Pre-investment Disclosure Document

Article 23 AIFMD

The regulatory regime in the European Union covering the management, administration and marketing of alternative investment funds, widely referred to as “AIFMD”, requires the alternative investment fund manager (the “AIFM”) of a fund such as The Renewables Infrastructure Group Limited (“TRIG” or the “Company”) to comply with an extensive set of requirements in connection with the marketing of shares in the capital of the Company in the European Union. The regime is intended to offer an appropriate level of protection to investors in investment products that do not fall under the European Union regime for regulation of certain investment products known as “UCITS”. TRIG is a Guernsey domiciled, internally managed non-EU alternative investment fund for the purposes of the AIFMD and the UK Alternative Investment Fund Managers Regulations 2013 (the “UK AIFM Regulations”) as the board of directors of the Company (the “Directors”) has overall responsibility for the Company’s activities, including its risk and portfolio management activities. TRIG itself is therefore its own AIFM for the purposes of AIFMD.

AIFMD has been implemented in the United Kingdom by a combination of HM Treasury Regulations and FCA Handbook rules and requires that, among other things, certain information is made available by the AIFM to potential investors prior to their making an investment in the Company. The required information is set out in Article 23 of the AIFMD. The UK AIFM Regulations also require the AIFM to disclose certain information on a periodic basis.

To the extent that the AIFM has determined that the requisite information is already set forth in the Company’s Annual Report and Accounts for the year ended 31 December 2019 (the “Annual Report”) (or in any other source document to which investors have access or which they may request), this supplement contains references to the relevant source materials; and to the extent that the AIFM has determined that the requisite information has not been provided to investors, this supplement contains additional disclosure items.

1. A Description of the Investment Strategy and Objectives of the Company, Types of Assets the Company may invest in, Investment Techniques and Associated Risks and Investment Restrictions

For information about the Company’s investment strategy and objectives, the types of assets in which the Company may invest, the investment techniques, principal risks and any investment restrictions, investors are directed to the following disclosures contained in the Company’s Annual Report 2019.

Disclosure requirement	Heading in Annual Report	Page(s) in Annual Report
Investment Strategy and Objectives	2.1 Objectives	12
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Types of assets in which the Company may invest	2.1 Objectives	12
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2. Leverage

The Company intends to make prudent use of leverage to finance the acquisition of investments, to make further investments and to enhance returns to investors. Under the Company's Investment Policy there are restrictions on borrowing as follows:

The Group may enter into borrowing facilities in the short term principally to finance acquisitions. Such short-term financing is limited to 30% of the portfolio value. It is intended that any acquisition facility used to finance acquisitions is likely to be repaid, in normal market conditions, within a year through further equity fund raisings.

Wind farms and solar parks, generally assumed to have operating lives in excess of 25 years, with 30 years or more increasing being assumed, held within portfolio companies generate long-term cash flows that can support longer term project finance debt. Such debt is non-recourse and typically is fully amortising over a 10 to 15-year period. There is an additional gearing limit in respect of such non-recourse debt of 50% of the gross portfolio value (being the total enterprise value of such portfolio companies), measured at the time the debt is drawn down or acquired as part of an investment. The Company may, in order to secure advantageous borrowing terms, secure a project finance facility over a group of Portfolio Companies and may acquire Portfolio Companies which have project finance arranged in this way.

The Company may from time to time employ different types and sources of leverage. This would typically involve the use of bank borrowings, but also encompasses indebtedness incurred through the issue of debt securities. An analysis of the current leverage used by the Company can be found on page 60 of the Annual Report in the section headed "Financing".

The Company uses leverage in the financing of its investments. The use of leverage increases the exposure of investments to adverse factors including reductions in power prices and reduced energy generation that may be caused by unfavourable weather. It is possible that the Company may not be able to refinance borrowing which becomes repayable during the life of the Company, in which case the performance of the Company may be adversely affected. The Company's borrowings may be secured on the assets of the Company. A failure to fulfil obligations under any financing documents may permit lenders to demand early repayment of the loan and to realise their security.

The Company does not have in place any collateral or asset re-use arrangements.

3. Modification of Investment Strategy

In accordance with the Listing Rules of the UK Listing Authority, any material change to the Company's published Investment Policy will require the prior approval of both the Financial Conduct Authority and the shareholders of the Company (by way of an ordinary resolution). In considering what is a material change the Company will have regard to the cumulative effect of all the changes since the Company's shareholders last had the opportunity to vote on the investment policy.

The Investment Policy is set out on pages 18 and 19 of the Annual Report.

4. Contractual Relationship between the Company and Investors, Applicable Law and the Enforcement of Judgments

TRIG is a renewables infrastructure investment company whose shares are listed on the premium segment of the Official List of the UK Listing Authority and are admitted to trading on the London Stock Exchange's main market for listed securities. The Company was incorporated with limited liability under the laws of Guernsey. The constitutional document of the Company is its memorandum and articles of incorporation ("**Articles**") which may only be amended by way of a special resolution. A shareholder's liability to the Company will be limited to the amount uncalled on their shares. The Company has one class of shares in issue, namely ordinary shares, with standard rights as to voting, dividends and payment on winding-up and no special rights and obligations attaching to them. Transfers to US persons are restricted but otherwise there are no material restrictions on transfers of shares. The shares are not redeemable at the option of investors.

As the Company is incorporated under the laws of Guernsey, any disputes between an investor and the Company will be resolved by the Royal Courts of Guernsey in accordance with Guernsey law. A final and conclusive judgment, capable of execution, obtained in the Supreme Court and the Senior Courts of England and Wales (excluding the Crown Court) would be recognised and enforced by the Royal Courts of Guernsey without re-examination of the merits of that case, but would be subject to compliance with procedural and other requirements of the Judgments (Reciprocal Enforcement) (Guernsey) Law, 1957.

As the Company is incorporated under the laws of Guernsey, it may not be possible for an investor located outside that jurisdiction to effect service of process within the local jurisdiction in which that investor resides upon the Company. All or a substantial portion of the assets of the Company may be located outside of the local jurisdiction in which an investor resides and, as a result (except as explained above), it may not be possible to satisfy a judgment against the Company in such local jurisdiction or to enforce a judgment obtained in the local jurisdiction's courts against the Company.

5. Information on the AIFM, Depositary and Service Providers

AIFM

The Company is categorised as an internally managed non-EEA AIF for the purposes of the AIFMD and the UK AIFM Regulations. The Directors are responsible for managing the business affairs of the Company and have overall responsibility for the Company's activities, including its risk and portfolio management activities. The Company has appointed InfraRed Capital Partners Limited (the "Investment Manager") as investment manager and Renewable Energy Systems ("RES") (the "Operations Manager") as operations manager to the Company to provide advice to the Directors to enable the Directors to make informed decisions for the Company, including but without limitation in respect of the portfolio and risk management of the Company and its investment portfolio. The Company makes its investments via a group structure involving investment holding companies. The Investment Manager and the Operations Manager have also been appointed to operate and manage TRIG's wholly-owned subsidiaries, The Renewables Infrastructure Group (UK) Limited and The Renewables Infrastructure Group (UK) Investments Limited, which are the entities that make investments and manage the projects and bear any acquisition facility debt required to fund acquisitions, in accordance with and subject to the Company's investment policy and the investment guidelines that are adopted by the Directors from time to time.

The Investment Manager also has responsibility for financial administration and investor relations, advising the Company and the Group in relation to the strategic management of the Holding Entities and the investment portfolio, advising the Company in relation to any significant acquisitions or investments and monitoring the Group's funding requirements.

Depositary

The Company is categorised as an internally managed non-EEA AIF and so is not subject to the AIFMD requirements relating to the appointment of depositaries.

The Investment Manager, the Operations Manager, the Company Secretary, the Administrator and other key service providers are detailed on pages 70 to 71 of the Annual Report. A description of the duties of the Investment Manager and the Operations Manager are set out on page 14 of the Annual Report. A description of the duties of the Administrator, the Auditor and other key service providers to the Company are contained in this Disclosure Document. All key service providers are appointed directly by the Company. Service providers are appointed following appropriate evaluation and the Directors have ensured that the contractual arrangements with key service providers are appropriate. Investors enter into a contractual relationship with the Company when subscribing for Shares in the Company; they do not have any direct contractual relationship with, or rights of recourse to, the service providers in respect of any of such service provider's default pursuant to the terms of the agreement it has entered into with the Company.

Company Secretary

Aztec Financial Services (Guernsey) Limited ("Aztec") acts as Company Secretary to the Company. The Company Secretary is required to provide company secretarial services including convening meetings of Directors, keeping the statutory books and records of the Company, maintaining the Company register, convening general meetings of the Company, preparing and delivering company announcements and other

company secretarial duties properly or reasonably performed by the secretary of a company or as the AIFM may reasonably require.

Registrar

The Registrar of the Company is Link Market Services (Guernsey) Limited. The register of Shareholders may be inspected at their office at PO Box 627, St Peter Port Guernsey, GY1 4PP, during normal business hours.

The Company has delegated certain investor record-keeping and administration duties to the Registrar, together with associated data processing tasks in respect of the Company. In line with the regulations that govern such operational outsourcing, the Company retains full responsibility for all work performed on its behalf and investors' rights are not affected by this delegation.

Brokers

Investec Bank PLC and Liberum Capital Limited act as the Company's corporate brokers, providing the Company with corporate broking and associated financial advisory services.

Administrator

Aztec also acts as Administrator to the Company, providing administrative and cash management services. Such services include, in particular, keeping the accounts of the Company, providing all information and assistance required by the Investment Manager in relation to the Investment Manager's preparation of the net asset value of the Company's Ordinary Shares, and arranging for and administering the issue of shares. In performance of all such duties, the Administrator is at all times subject to the control and review of the Board.

Auditor

Deloitte LLP acts as the Company's auditor. The Auditor is responsible for auditing the annual financial statements that have been prepared by the AIFM in accordance with auditing standards and, as appropriate, regulations, and for providing its report to shareholders in the annual report and financial statements. In addition, applicable law and regulation may require other reports to be prepared for the Company and, as the appointed auditor of the Company, the Auditor will undertake such work under the auditor service agreement between the Company and the Auditor.

Solicitors

Norton Rose Fulbright LLP acts as the Company's solicitors in respect of matters of English law. Carey Olsen acts as the Company's solicitors in respect of matters of Guernsey law.

6. Protection from Professional Liability Risks

As an internally managed non-EEA AIF, the Company is not required to comply with Article 9(7) of the AIFMD relating to professional liability risk.

7. Delegation Arrangements and Management of Conflicts

Delegation Arrangements

From time to time, the AIFM may delegate certain management functions to third parties. As explained above, the AIFM has delegated:

- certain risk and portfolio management activities to the Investment Manager and the Operations Manager, subject to the Company's investment policy and the investment guidelines that are adopted by the Directors from time to time;
- the company secretarial duties of the Company to Aztec;
- certain record keeping duties to Link Market Services (Guernsey) Limited; and
- administration of the Company to Aztec.

Conflicts of Interests

As regards the conflicts of interest which may arise between the Company and the Investment Manager in relation to the above delegation of portfolio management responsibilities, it is expected that future investments by TRIG will be sourced by the Investment Manager and it is likely that some of these will be investments that have been originated and developed by, and may be acquired from funds managed by the Investment Manager

(or its affiliates). In order to deal with these potential conflicts of interest, detailed procedures and arrangements have been established to manage transactions between the Group, the Investment Manager (or its affiliates) or funds managed by the Investment Manager (or its affiliates) (the “Rules of Engagement”).

Key features of the Rules of Engagement include:

- the creation of separate committees within the Investment Manager. These committees represent the interests of the vendors on the one hand (the “Sellside Committee”) and the Group on the other (the “Buyside Committee”), to ensure arm’s length decision making and approval processes. The membership of each committee is restricted in such a way as to ensure its independence and to minimise conflicts of interest arising;
- a requirement for the Buyside Committee, with assistance from the Operations Manager, to conduct an independent due diligence process on the assets proposed to be acquired prior to making an offer for their purchase;
- a requirement for any offer made for the assets to be supported by a private report on the Fair Market Value for the transaction from an independent expert; and
- the establishment of Information Barriers between the Buyside and Sellside Committees with appropriate information barrier procedures to ensure information that is confidential to one or the other side is kept confidential to that side.

In considering any such acquisition the Directors will, as they deem necessary, review and ask questions of the Buyside Committee and the Group’s other advisers, to ensure that the Directors are satisfied that the terms of any such acquisitions are negotiated on an arm’s length basis.

Part of the Company's investment strategy is to acquire assets that have been originated by the RES Group by exercising the Company's rights under the Right of First Offer Agreement. Pursuant to the Right of First Offer Agreement, the Company has a contractual right of first offer, for so long as the Operations Manager remains the operations manager of the Company, in respect of the acquisition of investments in projects of which the Operations Manager wishes to dispose and that are consistent with the Company's investment policy. It is envisaged that the Operations Manager will periodically make available for sale further interests in projects (although there is no guarantee that this will be the case).

No members of the Company’s Investment Committee are provided by the Operations Manager – the Investment Committee is entirely comprised of senior staff of the Investment Manager and hence no conflict of interest arises with acquisitions by the Company from the Operations Manager. The Operations Manager and its associates may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company.

8. Valuation Procedures

As an internally managed non-EEA AIF, the Company is not subject to the provisions concerning valuation procedures in Article 19 of the AIFMD.

The Company’s key accounting policies as well as its critical accounting judgments, estimates and assumptions are set out on pages 126-137 of the “Notes to the Consolidated Financial Statements” in the Annual Report, and its policy in relation to the valuation of investments is described on pages 48-53 of the Annual Report.

The Investment Manager is responsible for carrying out the fair market valuation of the Group’s investments which is presented to the Directors for their approval and adoption. The valuation is carried out on a six-monthly basis as at 30 June and 31 December each year.

For non-market traded investments (being all the investments in the Company’s current portfolio), the valuation principles used are based on a discounted cash flow methodology, and adjusted in accordance with the European Venture Capital Association’s valuation guidelines where appropriate to comply with IAS 39, given the special nature of infrastructure investments. If an investment were traded, a market quote would be used.

9. Liquidity Risk Management and Redemption Rights

The Company is authorised as a closed-ended investment company pursuant to The Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2015, and redemptions of shares at the option of Shareholders are not permitted; however, the Company's Ordinary Shares are admitted to trading on the main market for listed securities of the London Stock Exchange and are freely transferable.

As an internally managed non-EEA AIF, the Company is not subject to the provisions concerning liquidity management in Article 16 of the AIFMD. In that context, as regards liquidity risk management, the discount management mechanisms which may be employed by the Company involve (i) the ability to purchase Ordinary Shares in the market pursuant to a general authority sought from Shareholders at each annual general meeting of the Company and (ii) the ability to make tender offers from time to time.

The exercise by the Board of the Company's powers to repurchase Ordinary Shares pursuant to the general repurchase authority or by way of a tender offer is entirely discretionary and investors should place no expectation or reliance on the Board exercising such discretion on any one or more occasions. The Board ensures that the Company maintains a level of liquidity in its assets having regard to its obligations and monitors liquidity accordingly.

10. Fees, Charges and Expenses

The aggregate annual management fee payable to the Investment Manager and the Operations Manager is one per cent. of the Adjusted Portfolio Value in respect of the first £1 billion of the Adjusted Portfolio Value, 0.8 per cent. in respect of the Adjusted Portfolio Value in excess of £1 billion, 0.75 per cent. in respect of the Adjusted Portfolio Value in excess of £2 billion and 0.7 per cent. in respect of the Adjusted Portfolio Value in excess of £3 billion, less the aggregate of the IM Advisory Fee and the OM Advisory Fee set out below (the Management Fee). The Management Fee is calculated on a daily basis by reference to the daily Adjusted Portfolio Value taking into account any investment acquisitions, disposals or refinancings since the start of the period concerned.

The Investment Manager is also entitled to be paid an advisory fee in respect of the advisory services which it provides to the Company of £130,000 per annum (the IM Advisory Fee) and the Operations Manager is also entitled to be paid an advisory fee in respect of the advisory services which it provides to the Company of £70,000 per annum (the OM Advisory Fee).

In respect of the first £1 billion of Adjusted Portfolio Value, 80 per cent. of the Management Fee is payable in cash in arrears on a quarterly basis (the Cash Element) and 20 per cent. of the Management Fee is payable in the form of Ordinary Shares rather than cash (the Share Element).

The Investment Manager and/or the Operations Manager are entitled to elect that such Ordinary Shares shall be issued to an associate of either of them in its place. Such Ordinary Shares are issued on a semi-annual basis in arrears, based upon the Adjusted Portfolio Value at the beginning of the 6 month period concerned, adjusted on a time basis for acquisitions and disposals during the six month period, and the number of Ordinary Shares to be issued will be calculated by reference to the prevailing Net Asset Value per Ordinary Share at the end of the relevant period.

In respect of Adjusted Portfolio Value in excess of £1 billion, 100 per cent of the Management Fee is payable via the Cash Element.

The Investment Manager is entitled to 65 per cent. of both the Cash Element (the IM Cash Element) and the Share Element, to the extent payable (the IM Fee Shares) (together the Investment Management Fee) and the Operations Manager is entitled to 35 per cent. of both the Cash Element (the OM Cash Element) and the Share Element (the OM Fee Shares) (together the Operations Management Fee).

The Investment Manager does not receive any directors' or other fees from any Project Company in the Current Portfolio and any fees arising from any Project Company are for the benefit of the Group. RES, the Operations Manager, provides asset management services to many of the investments and operations management services to some of the investments and provides some other *ad hoc* services to the investments and due

diligence and technical advice in relation to acquisitions to the Group. These services are provided by RES on arm's-length terms.

The Company also incurs fees, charges and expenses in connection with bank fees and charges, marketing, company secretarial fees, administrative fees, auditors' fees, lawyers' fees and corporate brokers' fees. There is, however, no maximum cap on the total amount of fees, charges and expenses which may be indirectly borne by investors. There are no expenses charged directly to investors by the Company.

The Company's Ongoing Charges Percentage (which include the Management Fee), as calculated in accordance with guidance published by the Association of Investment Companies, for the last reported financial year amounted to 0.98%.

11. Fair Treatment/ Preferential Treatment of Investors

As its Ordinary Shares are admitted to the premium segment of the Official List and to trading on the Main Market of the London Stock Exchange, the Company is required to comply with, *inter alia*, the relevant provisions of the Listing Rules and the Disclosure Guidance and Transparency Rules and the City Code on Takeovers, all of which operate to ensure fair treatment of investors. No investor in the Company obtains, or has obtained, preferential treatment or has the right to obtain preferential treatment.

12. Availability of the AIF's latest annual report

The Company's latest annual report is available on the Company's website: www.trig-ltd.com.

13. Procedure and Conditions for the Issue and Sale of Shares

The issue of new shares by the Company, either by way of a fresh issue of shares or by way of the sale of shares from treasury, is subject to the requisite shareholder authorities being in place and all FCA Listing Rule requirements having been met. Shares in the Company can also be bought in the open market through a stockbroker.

14. Latest NAV of the AIF

The Company's NAV is published by way of an announcement on a regulatory information service and is also available on the Company's website: www.trig-ltd.com. As well as being available on the Company's website, its share price is also available at www.londonstockexchange.com and appears in the Financial Times and other national newspapers.

15. AIF's historical performance

The Company's historical performance data, including copies of the Company's previous annual reports and accounts, are available on the Company's website: www.trig-ltd.com.

16. Prime Brokerage

The Company has not appointed a prime broker.

17. Periodic Disclosures

The AIFM will, at least as often as the annual report and accounts are made available to shareholders, make the following information available to shareholders:

- any changes to (i) the maximum level of leverage that the AIFM may employ on behalf of the Company and (ii) any right of reuse of collateral or any guarantee granted under any leveraging arrangement;
- the total amount of leverage employed by the Company;
- the percentage of the Company's investments which are subject to special arrangements resulting from their illiquid nature;
- the current risk profile of the Company outlining (i) measures to assess the sensitivity of the Company to the most relevant risks to which the Company is or could be exposed and (ii) if risk limits set by the AIFM

have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and, the remedial measures taken; and

- the risk management systems employed by the AIFM outlining the main features of the risk management systems employed by the AIFM to manage the risks to which the Company is or may be exposed. In the case of a change, information relating to the change and its anticipated impact on the Company and the shareholders will be made available.

The AIFM will inform shareholders as soon as practicable after making any material changes to its liquidity management system and procedures.

The information described above will be provided to shareholders by way of a regulatory news service announcement on the London Stock Exchange.