

OCTOPUS RENEWABLES INFRASTRUCTURE TRUST PLC
(the “Company” or “ORIT”)

INVESTMENT OBJECTIVE AND POLICY

INVESTMENT OBJECTIVE

The Company’s objective is to provide investors with an attractive and sustainable level of income returns, with an element of capital growth, by investing in a diversified portfolio of Renewable Energy Assets in Europe and Australia.

INVESTMENT POLICY

The Company will seek to achieve its investment objective through investment in renewable energy assets in Europe and Australia, comprising (i) predominantly assets which generate electricity from renewable energy sources, with a particular focus on onshore and offshore wind farms and photovoltaic solar (“solar PV”) parks, and (ii) non-generation renewable energy related assets and businesses (together “Renewable Energy Assets”). The Company may invest in operational, in-construction, construction ready or development Renewable Energy Assets. In-construction or construction ready Renewable Energy Assets are assets that have in place the required grid access rights, land consents, planning and regulatory consents. Development Renewable Energy Assets comprise projects that do not yet have in place the required grid access rights, land consents, planning and regulatory consents, as well as investments into development pipelines and developers (“Development Renewable Energy Assets”).

The Company intends to invest both in a geographically and technologically diversified spread of Renewable Energy Assets and, over the long-term, it is expected that investments: (i) located in the UK will represent less than 50 per cent. of the total value of all investments, (ii) in any single country other than the UK will represent no more than 40 per cent. of the total value of all investments, (iii) in onshore or offshore wind farms will not exceed 60 per cent. of the total value of all investments, and (iv) in solar PV parks will not exceed 60 per cent. of the total value of all investments. For the purposes of this paragraph, investments shall (i) be valued on an unlevered basis, (ii) include amounts committed but not yet incurred and (iii) include Cash and Cash Equivalents to the extent not already included in the value of investments or amounts committed but not yet incurred.

The Company may acquire a mix of controlling and non-controlling interests in Renewable Energy Assets and may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity and debt investments. A controlling interest is one where the Company’s equity interest in the Renewable Energy Asset is in excess of 50 per cent.

In circumstances where the Company does not hold a controlling interest in the relevant investment, the Company will secure its shareholder rights through contractual and other arrangements, to, inter alia,

ensure that the Renewable Energy Asset is operated and managed in a manner that is consistent with the Company's investment policy.

Investments may be made into Development Renewable Energy Assets, which may be developers, portfolios and/or pipelines of Development Renewable Energy Assets, where the relevant investment: (i) includes limited exposure to Renewable Energy Assets outside Europe and Australia, which at the time of investment comprises both a minority of the assets in the relevant developer, portfolio or pipeline by number and value and is less than 1 per cent. Of Gross Asset Value, and/or (ii) may include indirect exposure to ancillary assets and/or businesses unrelated to renewable energy whose value is de minimis as at the time of investment. The Company may retain an interest in any such assets and/or businesses following achievement of construction ready status.

Investment Restrictions

The Company aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of wind, solar and other technologies.

The Company will observe the following investment restrictions when making investments:

- the Company may invest up to 32.5 per cent. of Gross Asset Value in one single asset, up to 27.5 per cent. of Gross Asset Value in a second single asset, and the Company's investment in any other single asset shall not exceed 20 per cent. of Gross Asset Value, in each case calculated immediately following each investment.
- the Company's portfolio will comprise no fewer than ten Renewable Energy Assets.
- no more than 20 per cent. of Gross Asset Value, calculated immediately following each investment, will be invested in Renewable Energy Assets which are not onshore or offshore wind farms and solar PV parks.
- no more than 25 per cent. of Gross Asset Value, calculated immediately following each investment, will be invested in assets in relation to which the Company does not have a controlling interest.
- no more than 5 per cent. of Gross Asset Value, calculated immediately following each investment, will be invested in Development Renewable Energy Assets.
- the Company will not invest in other UK listed closed-ended investment companies.
- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole; and
- no investments will be made in fossil fuel assets.

Compliance with the above restrictions will be measured at the time of investment and non-compliance resulting from changes in the price or value of assets following investment will not be considered as a breach of the investment restrictions.

In addition to the above investment restrictions, following the Company becoming fully invested and substantially fully geared (meaning for this purpose borrowings by way of long-term structural debt of 35 per cent. of Gross Asset Value) at the time of an investment or entry into an agreement with an Offtaker, the aggregate value of the Company's investments in Renewable Energy Assets under contract to any single Offtaker will not exceed 40 per cent. of Gross Asset Value.

The Company will hold its investments through one or more special purpose vehicles owned in whole or in part by the Company either directly or indirectly which will be used as the project company for the acquisition and holding of a Renewable Energy Asset (an “SPV”) and the investment restrictions will be applied on a look-through basis.

For the purposes of the investment policy, “Gross Asset Value” means the aggregate of (i) the fair value of the Company’s underlying investments (whether or not subsidiaries), valued on an unlevered basis, (ii) the Company’s proportionate share of the cash balances and cash equivalents of assets and non-subsidiary companies in which the Company holds an interest and (iii) other relevant assets and liabilities of the Company (including cash) valued at fair value (other than third-party borrowings) to the extent not included in (i) or (ii) above.

Borrowing Policy

The Company may make use of long-term limited recourse debt to facilitate the acquisition or construction of Renewable Energy Assets to provide leverage for those specific investments. The Company may also take on long-term structural debt provided that at the time of drawing down (or acquiring) any new long-term structural debt (including limited recourse debt), total long-term structural debt will not exceed 40 per cent. of Gross Asset Value immediately following drawing down (or acquiring) such debt. For the avoidance of doubt, in calculating gearing, no account will be taken of any investment in Renewable Energy Assets that are made by the Company by way of a debt investment.

In addition, the Company may make use of short-term debt, such as a revolving credit facility, to assist with the acquisition or construction of suitable opportunities as and when they become available. Such short-term debt will be subject to a separate gearing limit so as not to exceed 25 per cent. of Gross Asset Value immediately following drawing down (or acquiring) any such short-term debt.

The Company may employ gearing at the level of an SPV, any intermediate subsidiary of the Company or the Company itself, and the limits on total long-term structural debt and short-term debt shall apply on a consolidated basis across the Company, the SPVs and any such intermediate holding entities (but will not count any intra-Group debt).

In circumstances where these aforementioned limits are exceeded as a result of gearing of one or more Renewable Energy Assets in which the Company has a non-controlling interest, the borrowing restrictions will not be deemed to be breached. However, in such circumstances, the matter will be brought to the attention of the Board who will determine the appropriate course of action.

Currency and Hedging Policy

The Company can enter into hedging transactions for the purpose of efficient portfolio management. In particular, the Company may engage in currency, inflation, interest rates, electricity prices and commodity prices (including, but not limited to, steel and gas) hedging. Any such hedging transactions will not be undertaken for speculative purposes.

Cash Management

The Company may hold cash on deposit and may invest in cash equivalent investments, which may include short-term investments in money market type funds (“Cash and Cash Equivalents”).

There is no restriction on the amount of Cash and Cash Equivalents that the Company may hold and there may be times when it is appropriate for the Company to have a significant Cash and Cash Equivalents position. For the avoidance of doubt, the restrictions set out above in relation to investing in UK listed closed-ended investment companies do not apply to money market type funds.

Changes to and Compliance with the Investment Policy

Any material changes to the Company’s investment policy set out above will require the approval of shareholders by way of an ordinary resolution at a general meeting and the approval of the FCA.

In the event of a breach of the investment guidelines and the investment restrictions set out above, the AIFM shall inform the Board upon becoming aware of the same and if the Board considers the breach to be material, notification will be made to a Regulatory Information Service.