

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt about the contents of this document or what action you should take, you should seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended).

If you have sold or otherwise transferred all of your ordinary shares of 1 penny each, or your I ordinary shares of 1 penny each, in Albion Community Power PLC (the "**Company**"), please forward this document, together with the accompanying forms of proxy, as soon as possible to the purchaser, transferee or stockbroker, bank manager, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Howard Kennedy Corporate Services LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting for the Company and for no one else in connection with the proposals described in this document and, accordingly, will not be responsible to any person other than the Company for providing the protections afforded to customers of Howard Kennedy Corporate Services LLP, or for providing advice in relation to such proposals.

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# **ALBION COMMUNITY POWER PLC**

*(incorporated in England and Wales with company number 08239147)*

## **APPROVAL OF WAIVER OF OBLIGATIONS UNDER RULE 9 OF THE CITY CODE ON TAKEOVERS AND MERGERS**

### **NOTICE OF GENERAL MEETING**

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**Notice convening a general meeting of all shareholders of the Company to be held at 9.00 a.m. on 29 June 2016 at 1 King's Arms Yard, London EC2R 7AF is set out at the end of this document.**

**Shareholders are requested to complete and return their forms of proxy accompanying this document to the Company's registrars, Share Registrars Limited of Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL as soon as possible but, in any event, to be valid, so as to be received by Share Registrars Limited by no later than 9.00 a.m. on 27 June 2016. The return of a form or forms of proxy will not preclude a member from attending and voting at the General Meeting in person should he or she subsequently decide to do so.**

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## **EXPECTED TIMETABLE OF PRINCIPAL EVENTS**

Publication and posting to Shareholders of this document and Forms of Proxy	10 June 2016
Latest time and date for receipt of completed Form of Proxy from Shareholders in respect of the General Meeting	9.00 a.m. on 27 June 2016
General Meeting	9.00 a.m. on 29 June 2016

## **SUBSCRIPTION STATISTICS**

Number of Ordinary Shares in issue as at the date of this document	3,893,469
Number of A Shares in issue as at the date of this document	100
Number of I Shares in issue as at the date of this document	21,029,190
Subscription Price	£1.012*
Number of shares in issue immediately following the issue of 79,470,810 Subscription Shares	104,393,569*
79,470,810 Subscription Shares as a percentage of the Company's issued share capital	319%*
Estimated net proceeds receivable by the Company in respect of the issue of 79,470,810 Subscription Shares	£80.4 million*

\* this is included for illustrative purposes only and assumes that: (a) an aggregate of 79,470,810 Subscription Shares are subscribed for by GIB, Strathclyde, Manchester, Merseyside and Albion Ventures; (b) no further A Shares, I Shares or Ordinary Shares (including pursuant to the exercise of Ordinary Warrants or I Warrants) are issued or redeemed following the date of this document; and (c) the Subscription Price for the Subscription Shares is £1.012. In practice, Subscription Shares are likely to be subscribed for on a number of occasions and the Subscription Price may be greater or less than £1.012. The number of Subscription Shares which are subscribed for on each occasion will depend on the funding requirements of particular Power Projects to be undertaken by the Company or the costs and expenses of the Company allocated to the I Shares under the Articles.

## DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

"2014 Offer"	the offer for subscription for Ordinary Shares pursuant to a prospectus dated 20 May 2014, which closed on 28 November 2014
"2015 Offer"	the offer for subscription for Ordinary Shares pursuant to a prospectus dated 1 May 2015, which closed on 29 January 2016
"A Shares"	non-redeemable A ordinary shares of 1 pence each in the capital of the Company
"Act"	Companies Act 2006 (as amended)
"Additionality Letter"	a letter dated 11 December 2014 between the Company, Albion Ventures and GIB relating to GIB's 'additionality' requirements
"Albion Ventures"	Albion Ventures LLP, a limited liability partnership registered in England and Wales (registered number OC341254) and having its registered office at 1 King's Arms Yard, London EC2R 7AF, which is authorised and regulated by the FCA
"Albion Ventures Subscription"	the proposed subscription by Albion Ventures for up to 500,000 I Shares (including I Shares already subscribed) at the Subscription Price pursuant to the terms of the Investment Agreement
"Amended and Restated Management Services Agreement"	the Amended and Restated Management Services Agreement entered into between GIB (1), Strathclyde (2), the Company (3) and Albion Ventures (4) dated 29 January 2015 as described in paragraph 5.1.1 of Part IV of this document, amending and restating the Original Management Services Agreement
"Articles"	the articles of association of the Company (as amended from time to time)
"Central Overheads"	the central overhead costs and expenses of the Company and the other members of the Group including directors' and employees' remuneration, registrars' fees, fees and disbursements payable to the Power Projects valuers and the Company's auditors, inclusive of any recoverable VAT, but excluding the operating costs of the Power Projects, the Execution Fee, the I Share Pool Management Services Fee, the Ordinary Share Pool Management Services Fee, Third Party Costs or costs attributable to any warrants issued by the Company

"Company" or "ACP" or "Albion Community Power"	Albion Community Power PLC, a public company incorporated in England and Wales (registered number 08239147) and having its registered office at 1 King's Arms Yard, London EC2R 7AF
"Directors" or "Board"	the directors of the Company for the time being
"Execution Fee"	has the meaning set out in paragraph 5.1.1.3 of Part IV of this document
"FCA"	the Financial Conduct Authority of the United Kingdom
"Form of Proxy"	the form of proxy for use by Shareholders in connection with the General Meeting
"FSMA"	the Financial Services and Markets Act 2000 (as amended)
"General Meeting"	the general meeting of the Company convened for 9.00 a.m. on 29 June 2016 at 1 King's Arms Yard, London EC2R 7AF (or any adjournment thereof)
"General Meeting Notice"	the notice convening the General Meeting appearing at the end of this document
"GIB"	UK Green Investment Bank plc, a public company registered in Scotland (registered number SC424067) and having its registered office at Atria One, Level 7, 144 Morrison Street, Edinburgh EH3 8EX
"Group"	the Company and its subsidiary companies from time to time, and "Group Company" means a company in the Group
"Howard Kennedy"	Howard Kennedy Corporate Services LLP, which is authorised and regulated by the FCA
"Independent Shareholders"	Shareholders excluding Albion Ventures and any member or employee of Albion Ventures and excluding GIB
"Investment Agreement"	the investment agreement entered into between GIB (1), Strathclyde (2), the Company (3) and Albion Ventures (4) dated 29 January 2015 as described in paragraph 5.1.4 of Part IV of this document
"Investors"	GIB, Strathclyde, Manchester, Merseyside and any other person which adheres as an "Investor" to the Investment Agreement from time to time
"I ShareCo"	ACP I ShareCo Limited, a private company registered in England and Wales (registered number 9330788) and having its registered office at 1 King's Arms Yard, London EC2R 7AF

"I Shareholder"	means a holder of I Shares
"I Share Pool"	means on any day (i) the total amount paid up on Subscription Shares which have been deployed by I ShareCo to fund Power Projects (excluding any Execution Fee); plus (ii) the total amount of any monies allocated to the I Shares which have been deployed by I ShareCo to fund Power Projects pursuant to clause 3.10 of the Investment Agreement (excluding any Execution Fee) less (iii) the total amount of any monies allocated to the I Shares under the Articles which have been deployed by I ShareCo to fund Power Projects which have been written off in whole or in part; less (iv) the total amount of any monies allocated to the I Shares under the Articles which have been deployed by I ShareCo to fund Power Projects which have been realised, in each case on or prior to that day
"I Share Pool Management Services Fee"	has the meaning set out in paragraph 5.1.1.2 of Part IV of this document
"I Shares"	I ordinary shares of 1 penny each in the capital of the Company
"I Shares Net Asset Value"	means the net asset value of the I Shares (being the aggregate amount which would be allocated to the holders of I Shares on an orderly return of assets on a members' voluntary liquidation) as shown in the latest available monthly management accounts of the Company approved by the Board, calculated using the latest available audited and unaudited valuations of the Company's Power Projects which have been approved by the Board as amended to reflect any material change in circumstances as determined by the Board
"I Warrant Instrument"	the warrant instrument executed by the Company on 29 January 2015 relating to the issue by the Company of I Warrants to Albion Ventures as described in paragraph 5.1.3 of Part IV of this document
"I Warrants"	warrants to subscribe for I Shares issued by the Company pursuant to the I Warrant Instrument
"Manchester"	Tameside Metropolitan Borough Council (as the administering authority for the Greater Manchester Pension Fund) whose principal office is located at Guardsman Tony Downes House, 5 Manchester Road, Droylsden, Manchester M43 6SF
"Merseyside"	Wirral Council (as the administering authority for the Merseyside Pension Fund) whose principal office is located at 7 <sup>th</sup> Floor, Castle Chambers, 43 Castle Street, Liverpool L2 9SH

"Net Asset Value"	means the net asset value of the Company as shown in the latest available monthly management accounts of the Company approved by the Board, calculated using the latest available audited and unaudited valuations of the Company's Power Projects which have been approved by the Board as amended to reflect any material change in circumstances as determined by the Board
"Ordinary ShareCo"	means ACP Ordinary ShareCo Limited, a private company registered in England and Wales (registered number 9330790) and having its registered office at 1 King's Arms Yard, London EC2R 7AF
"Ordinary Shareholder"	means a holder of Ordinary Shares
"Ordinary Share Pool Management Services Fee"	has the meaning set out in paragraph 5.1.1.1 of Part IV of this document
"Ordinary Shares"	redeemable ordinary shares of 1 penny each in the capital of the Company
"Ordinary Shares Net Asset Value"	means the net asset value of the Ordinary Shares (being the aggregate amount which would be allocated to the holders of Ordinary Shares and A Shares on an orderly return of assets on a members' voluntary liquidation) as shown in the latest available monthly management accounts of the Company approved by the Board, calculated using the latest available audited and unaudited valuations of the Company's Power Projects which have been approved by the Board as amended to reflect any material change in circumstances as determined by the Board
"Ordinary Warrant Instrument"	the warrant instrument dated 30 May 2013 (as amended by a deed of variation dated 29 January 2015) pursuant to which the Company has issued and will issue Ordinary Warrants to Albion Ventures and certain third party investors, as detailed in paragraph 5.1.2 of Part IV of this document
"Ordinary Warrants"	warrants to subscribe for Ordinary Shares issued by the Company under the Ordinary Warrant Instrument
"Original Management Services Agreement"	the management services agreement entered into between (1) the Company and (2) Albion Ventures dated 30 May 2013 pursuant to which Albion Ventures provided management services to the Company
"Panel"	The Panel on Takeovers and Mergers
"Power Projects"	individual power projects identified for funding by the Company which satisfy the criteria set out in the Investment Agreement

"Project Period"	the period from 29 January 2015 to 1 October 2017 or, if earlier, the earliest Waiver Backstop Date (as defined in the Investment Agreement) or such longer period up to 1 October 2018 as the Investors may approve
"Project Policy"	the Company's agreed policy for funding Power Projects
"Project Subsidiary"	a subsidiary of the Company which undertakes Power Projects
"Resolution"	the resolution of the Company to be proposed to Shareholders, as set out in the General Meeting Notice
"Shareholders"	holders of Ordinary Shares, A Shares and I Shares
"Strathclyde"	Glasgow City Council (as the administering authority for the Strathclyde Pension Fund) whose principal office is located at City Chambers, George Square, Glasgow G2 1DU
"Subscription Price"	unless with I Shareholder Special Consent (including GIB and Strathclyde), an amount per Subscription Share equal to the I Shares Net Asset Value per I Share
"Subscription Shares"	new I Shares to be issued at the Subscription Price pursuant to the Subscriptions
"Subscriptions"	new subscriptions for I Shares pursuant to the Investment Agreement
"Takeover Code"	the City Code on Takeovers and Mergers as published by the Panel
"Third Party Costs"	all third party expenses, charges or costs including the costs of legal counsel, accountants or other professional advisers or consultants
"Waiver"	the waiver granted by the Panel (subject to the passing by Independent Shareholders of the Resolutions set out in the General Meeting Notice) in respect of the obligations of GIB to make a mandatory offer under Rule 9 of the Takeover Code in connection with its Subscriptions, as more particularly described in Part I of this document
"Warrant Instruments"	the Ordinary Warrant Instrument and the I Warrant Instrument

## PART I

### LETTER FROM THE CHAIRMAN

## ALBION COMMUNITY POWER PLC

*(Incorporated and registered in England and Wales with number 08239147)*

*Directors:*

Volker Beckers (*Chairman*)  
Robert Armour OBE (*Non-executive director*)  
Ian Nolan (*Non-executive director*)  
George Finnie (*Non-executive director*)  
Patrick Reeve (*Chief Executive*)  
David Gudgin (*Managing Director*)  
Vikash Hansrani (*Finance Director*)

*Registered office:*  
1 King's Arms Yard  
London  
EC2R 7AF

10 June 2016

*To Shareholders*

Dear Shareholder,

### **Approval of waiver of obligations under Rule 9 of the City Code on Takeovers and Mergers and notice of General Meeting**

#### **1. Introduction**

At General Meetings of the Company and Ordinary Shareholders on 16 February 2015, Shareholders approved, inter alia, the creation of a new class of I Shares to be issued to institutional investors and waivers proposed to be granted by the Panel of any obligation on the part of GIB and Strathclyde to make a general offer to Shareholders under Rule 9 of the Takeover Code which might otherwise arise upon proposed subscriptions by GIB and Strathclyde. Approval was given for such subscriptions up to 30 June 2016.

To date, GIB has subscribed approximately £10.5 million for 10,461,837 I Shares and Strathclyde has subscribed approximately £7.8 million for 7,821,797 I Shares.

It is now intended to seek approval for a further waiver proposed to be granted by the Panel of any obligation on the part of GIB to make a general offer to Shareholders under Rule 9 of the Takeover Code which might otherwise arise upon proposed further subscriptions by GIB after the expiry of the current waiver up to 30 June 2018.

The purpose of this document is to explain the background to and reasons for the Waiver and to seek your approval for the Resolution which is being proposed at the General Meeting to be held at 9.00 a.m. on 29 June 2016 at 1 King's Arms Yard, London EC2R 7AF. Notice of this meeting is set out at the end of this document.

## **2. Background to, and reasons for, recommending the Waiver**

The Company has, to date, raised approximately £3.9 million (before expenses) through the issue of Ordinary Shares and £21.1 million (before expenses) through the issue of I Shares and has been able to embark on 10 projects, of which 6 are generating electricity.

By way of reminder, the I Shares are run as a separate pool segregated from the Ordinary Shares and the two classes normally commit to Power Projects in the ratio of funds available. As set out in the circular to Shareholders dated 29 January 2015, GIB committed to subscribe, subject to matched funding, an initial amount of up to £25 million for I Shares, with the option to subscribe, subject to matched funding, a further £25 million, and Strathclyde committed to subscribe an initial amount of up to £10 million for I Shares.

Strathclyde has subsequently increased its subscription commitment to £15 million, with a further £5 million subject to certain conditions (including its shareholding following such subscription being under 30 per cent.). Manchester has also committed to subscribe £15 million for I Shares, with a further £5 million subject to certain conditions (including its shareholding following such subscription being under 30 per cent.) and Merseyside has committed to subscribe £10 million for I Shares.

As at 10 June 2016, GIB held approximately 41.98 per cent. of the total share capital of the Company and Strathclyde approximately 31.38 per cent. (while Manchester, which committed to subscribe later than GIB and Strathclyde, held 10.60 per cent.). It is not envisaged that Manchester or Merseyside will at any time hold 30 per cent. or more of the Company's share capital.

In order to allow GIB to continue to subscribe following the expiry of the existing waiver on 30 June 2016, and enable ongoing funding of existing and new Power Projects, it is necessary for Shareholders to approve the waiver proposed to be granted by the Panel of any obligation on the part of GIB to make a general offer to Shareholders under Rule 9 of the Takeover Code which might otherwise arise upon proposed subscriptions by GIB up to 30 June 2018.

Further details concerning GIB are set out below in paragraph 5 of this Part I.

The Directors consider that allowing GIB to continue to subscribe offers Shareholders a number of advantages as follows:

- (i) the Company will be able to fund more projects, with the amount committed to future projects normally being allocated between the Ordinary Shares and the I Shares according to the level of funds available within each class of share;
- (ii) Shareholders should therefore achieve exposure to a wider spread of Power Projects than would otherwise be the case;
- (iii) the fixed overhead costs of the Company will relate to a larger portfolio of Power Projects and the economies of scale should help to improve the Company's potential for income dividends paid to Shareholders; and
- (iv) the increase in size of the Company and the number of Shares should make a future listing of the Company more feasible.

It is intended that the Ordinary Shares, the I Shares and the A Shares will merge to create a single share class in the event of a listing of the Company.

### 3. Takeover Code considerations

#### *Background*

The Subscriptions give rise to certain considerations under the Takeover Code.

The Takeover Code is administered by the Panel. The Takeover Code applies to all takeovers and mergers transactions where the offeree company is, *inter alia*, a public company with its registered office in the United Kingdom. ACP is such a company and its shareholders are entitled to the protections afforded by the Takeover Code.

Under Rule 9 of the Takeover Code, except with the consent of the Panel, when (a) a person acquires, whether by a series of transactions over a period of time or not, an interest in shares which, taken together with shares in which he is already interested and in which persons acting in concert with him are interested, carry 30 per cent. or more of the voting rights of a company which is subject to the Takeover Code, or (b) a person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent. of such voting right and that person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interest, that person is normally required to make a general offer to all the remaining shareholders to acquire their shares. An offer under Rule 9 must be made in cash and at the highest price paid by the person required to make the offer (or any person acting in concert with him) for any interest in shares of the Company during the 12 months prior to the announcement of the offer.

GIB currently holds more than 30 per cent. of the Company's share capital.

Furthermore, as the Ordinary Shares are redeemable, any redemption would result in an increase in GIB's percentage holding in the Company's issued share capital. This would result in GIB increasing its percentage holding of voting rights of the Company between 30 per cent. and 50 per cent. If all the Ordinary Shares were redeemed, GIB's current holding would be 49.75 per cent.

#### *Illustration of GIB's voting rights – Subscriptions by GIB for 25 million I Shares*

Table A below shows the voting rights which would be held by GIB based on Subscriptions by it for 25 million I Shares alongside 20 million I Shares from each of Strathclyde and Manchester and 10 million I Shares from Merseyside.

Column (4) of Table A shows the maximum potential percentage of voting rights which would be held by GIB (before any Warrants are exercised and before any redemptions of Ordinary Shares).

Column (6) shows the effect on such percentage if no Warrants were exercised but all Ordinary Shares were redeemed (as theoretically could be the case).

Table A:

Existing GIB holding of shares with voting rights (1)	% Existing GIB holding of shares with voting rights (2)	Shares with voting rights after subscriptions for 25m I Shares (3)	% issued share capital with voting rights at subscriptions for 25m I Shares (4)	Maximum shares with voting rights assuming no Warrants are exercised but after redemption of all Ordinary Shares (5)	% issued share capital with voting rights assuming no Warrants are exercised but after redemption of all Ordinary Shares (6)
10,461,516,837	41.98%	25,000,000	31.56%	25,000,000	33.19%

Notes:

- The table assumes that GIB, Strathclyde, Manchester and Merseyside subscribe for 25 million, 20 million, 20 million and 10 million I Shares respectively.
- The table assumes that no further A Shares or Ordinary Shares are issued.
- Each A Share, I Share and Ordinary Share carries one vote on a poll at a general meeting of the Company.

*Illustration of GIB's voting rights – Subscriptions by GIB for 50 million I Shares in aggregate (that is, 25 million in addition to the 25 million referred to in Table A above), alongside 20 million from Strathclyde, 20 million from Manchester and 10 million from Merseyside*

Table B below shows the voting rights which would be held by GIB on Subscription by GIB for a further 25 million I Shares in addition to the 25 million referred to in Table A above (an aggregate subscription for GIB of 50 million I Shares), alongside 20 million from Strathclyde, 20 million from Manchester and 10 million from Merseyside.

Column (2) of Table B shows the maximum potential percentage of voting rights which would be held by GIB (before any Warrants are exercised and before any redemptions of Ordinary Shares).

Table B:

GIB Shares with voting rights after subscriptions for 50m I Shares (1)	% issued share capital with voting rights at subscription of 50m I Shares (2)	Maximum shares with voting rights assuming no Warrants are exercised but after redemption of all Ordinary Shares (3)	% issued share capital with voting rights assuming no Warrants are exercised but after redemption of all Ordinary Shares (4)
50,000,000	47.90%	50,000,000	49.75%

Notes:

- As described in paragraph 2 of this Part I in this document, GIB's commitment to subscribe for Subscription Shares is conditional on matched funding from other Investors in I Shares. Therefore, this table assumes that, in addition to Strathclyde's Subscription for an aggregate amount of 20 million I Shares, Manchester and Merseyside subscribe for an aggregate amount of 30 million I Shares.
- The table assumes that no further A Shares or Ordinary Shares are issued.
- Each A Share, I Share and Ordinary Share carries one vote on a poll at a general meeting of the Company.

## *Waiver*

The Panel has agreed, subject to approval of Independent Shareholders, to waive the obligation for GIB to make a general offer that would otherwise arise under Rule 9 of the Takeover Code (a) in connection with the allotment and issue of up to 50,000,000 I Shares (including those already issued) to GIB on or before 30 June 2018 under the Investment Agreement (as amended from time to time) or (b) at any time as a result of an increase in GIB's shareholding following redemptions of any Ordinary Shares, subject to the resulting shareholding of GIB not exceeding 49.75% (being the percentage in column 4 of Table B above). Accordingly, the Resolution is being proposed at the General Meeting, and will be taken on a poll.

For these purposes, the Independent Shareholders are all Shareholders other than GIB and Albion Ventures and any member or employee of Albion Ventures. Albion Ventures and its members and employees are not considered to be independent as the fees which Albion Ventures will receive under the Amended and Restated Management Services Agreement and issued or to be issued Warrants under the I Warrant Instrument will be based on the subscriptions for I Shares made by I Shareholders. Accordingly, the Panel requires that the Resolution be considered only by Independent Shareholders.

## **4. Current trading**

The core nature of the Company's business is to generate power. The business began on 1 August 2013 with a view to identifying, developing, constructing, commissioning, registering and subsequently operating renewable energy projects in the United Kingdom. The focus has been on community-scale (i.e. smaller) renewable projects principally in the wind, hydro-electricity and biogas sectors. To date, the Company has raised approximately £25 million (before expenses) and has embarked on 10 projects.

The Group will fund future Power Projects using the proceeds from the Subscriptions and other monies raised in the future. Revenues generated by the Group's operations will be used to fund its on-going operations and, to the extent the Board resolves, to pay dividends in accordance with the Articles.

## **5. Information on GIB**

GIB was established in 2012 by the UK Government, its sole shareholder, which committed an initial £3.8 billion of public funds. Its purpose is to accelerate the UK's transition to a greener, stronger economy. It uses its finance to back green projects on commercial terms and mobilise other private sector capital into the UK's green economy. Its investments help fund the creation of new energy and waste infrastructure across the UK and, with that, new jobs in construction and operations. By 31 March 2015 it had committed £1.8 billion to 46 projects and helped mobilise a total of £6.9 billion for UK green infrastructure.

As at 31 March 2015, GIB employed 113 people. The current members of GIB board are:

Lord Smith of Kelvin KT (Chairman)  
Shaun Kingsbury (Chief Executive)  
Peter Knott (Chief Financial Officer)  
Tony Poulter (Senior Independent Director)  
Anthony Odgers (Shareholder Representative Director)

Julia King, Professor the Baroness Brown of Cambridge DBE (Non-executive Director)  
Tom Murley (Non-executive Director)  
David Nish (Non-executive Director)  
Professor Isobel Sharp CBE (Non-executive Director)  
Tessa Tennant (Non-executive Director)  
Laurence Mulliez (Non-executive Director).

At 31 March 2015, GIB had net assets of £981 million.

Further information on GIB is available at [www.greeninvestmentbank.com](http://www.greeninvestmentbank.com). Audited consolidated accounts for GIB for the financial years ended 31 March 2015 and 31 March 2014 (which are incorporated into this document by reference) are available at <http://www.greeninvestmentbank.com/governance/governance-documents/annual-reports/>.

GIB has confirmed to the Board that it is not proposing any changes to the employment rights of employees of the Company and its subsidiaries and that there are no likely repercussions for the employment of the Company's employees or the location of its place of business.

GIB has also confirmed its intention that the business of the Company should continue to be conducted consistently with the agreed policy in the Investment Agreement and that the I Shares will continue to be run as a separate pool segregated from the Ordinary Shares in accordance with the Investment Agreement, the Amended and Restated Management Services Agreement and the Articles. GIB has confirmed that it does not intend to redeploy the Company's fixed assets.

GIB intends to fund the GIB Subscription by using available capital contributions from its shareholders.

## **6. Action to be taken**

### ***General Meeting***

Set out at the end of this document is a notice convening the General Meeting to be held at 9.00 a.m. on 29 June 2016 at 1 King's Arms Yard,, London EC2R 7AF, at which the Resolution will be proposed. The Resolution can be summarised as an ordinary resolution to approve the Waiver. It will be taken on a poll of Independent Shareholders voting in person or by proxy at the General Meeting; GIB is not an Independent Shareholder and accordingly, as required by the Code, is disenfranchised at the General Meeting.

### ***Forms of Proxy***

You will find the Form of Proxy for use in connection with the General Meeting accompanying this document. The Form of Proxy should be completed in accordance with the instructions printed thereon, whether or not you intend to be present at the General Meeting, and returned to the Company's registrars as soon as possible and in any event so that they are received not later than 9.00 a.m. on 27 June 2016. Completion and return of a Form of Proxy will not prevent you from attending the General Meeting and voting in person, if you so wish.

**7. Additional information**

Your attention is drawn to the financial information regarding the Company contained by reference in Part II and to the additional information contained in Part IV which contains certain additional information in respect of the Company and the Directors' interests. Shareholders are advised to read the whole of this document and not to rely solely on the summary information set out in this letter.

**8. Recommendation**

**The Directors, who have been so advised by Howard Kennedy, consider (Ian Nolan, a Director nominated by GIB abstaining) that the Resolution is fair and reasonable and in the best interests of Shareholders and the Company as a whole. In providing advice to the Directors, Howard Kennedy has taken account of the Directors' commercial assessments. Accordingly, the Directors unanimously (save for Ian Nolan, abstaining) recommend that Shareholders vote in favour of the Resolutions.**

**The Directors, with the exception of Patrick Reeve, David Gudgin and Vikash Hansrani, who are members or employees of Albion Ventures and are therefore not Independent Shareholders, intend to vote their own beneficial shareholdings in the Company, amounting to 126,000 Ordinary Shares, which represent approximately 0.51 per cent. (in aggregate) of the voting rights of the Company, in favour of the Resolution.**

Yours faithfully

Volker Beckers  
*Chairman*

**PART II**  
**FINANCIAL INFORMATION ON THE COMPANY**

Please refer to the Company's Report and Financial Statements for the year ended 30 November 2014, the Company's Report and Financial Statements for the period ended 31 January 2015 and the Company's Report and Financial Statements for the year ended 31 January 2016.

These documents (which are incorporated into this document by reference) can be found on the Company's website at: [www.albioncommunitypower.co.uk/investor-relations](http://www.albioncommunitypower.co.uk/investor-relations). You have the right to receive a hard copy of these documents on request. Documents will not be sent in hard copy unless requested. To request a hard copy, please contact Sarah Fitton at [sfitton@albion-ventures.co.uk](mailto:sfitton@albion-ventures.co.uk) or on 0207 601 1874.

**PART III**

**CONSOLIDATED LIST OF INFORMATION INCORPORATED BY REFERENCE**

The following information is incorporated into this document from other sources:

<b>Information</b>	<b>Website address</b>	<b>Document reference</b>
Company's Report and Financial Statements for the year ended 30 November 2014	<a href="http://www.albioncommunitypower.co.uk/investor-relations">www.albioncommunitypower.co.uk/investor-relations</a>	Whole document
Company's Report and Financial Statements for the period ended 31 January 2015	<a href="http://www.albioncommunitypower.co.uk/investor-relations">www.albioncommunitypower.co.uk/investor-relations</a>	Whole document
Company's Report and Financial Statements for the year ended 31 January 2016	<a href="http://www.albioncommunitypower.co.uk/investor-relations">www.albioncommunitypower.co.uk/investor-relations</a>	Whole document
Audited consolidated accounts for GIB for the financial year ended 31 March 2015	<a href="http://www.greeninvestmentbank.com/governance/governance-documents/annual-reports/">http://www.greeninvestmentbank.com/governance/governance-documents/annual-reports/</a>	Whole document
Audited consolidated accounts for GIB for the financial year ended 31 March 2014	<a href="http://www.greeninvestmentbank.com/governance/governance-documents/annual-reports/">http://www.greeninvestmentbank.com/governance/governance-documents/annual-reports/</a>	Whole document

**PART IV  
ADDITIONAL INFORMATION**

**1. RESPONSIBILITY**

- 1.1 The Directors accept responsibility for the information set out in this document relating to the Company. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 GIB's directors, whose names are set out in paragraph 5 of Part I, each accept responsibility for the information set out in this document relating to GIB and themselves, their immediate families, related trusts and connected persons. To the best of the knowledge and belief of GIB's directors (who have taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

**2. DIRECTORS**

- 2.1 The Directors at the date of this document are:

Volker Bernd Beckers	<i>Chairman</i>
Robert Malcolm Armour OBE	<i>Non-executive director</i>
Ian Michael Nolan	<i>Non-executive director</i>
George Finnie	<i>Non-executive director</i>
Patrick Harold Reeve	<i>Chief Executive</i>
David Gudgin	<i>Managing Director</i>
Vikash Chandar Hansrani	<i>Finance Director</i>

The business address of the Directors is the Company's registered address.

- 2.2 Absence of concert parties or related parties

Ian Nolan was nominated by GIB as a Director.

Save as disclosed above and for agreements, arrangements or understandings between the Company and Albion Ventures, Patrick Reeve, David Gudgin and Vikash Hansrani, the Directors confirm that they are unaware of any agreements, arrangements or understandings between any of the Directors or Shareholders of the Company acting in concert with any of the Directors.

**3. DISCLOSURE OF INTERESTS AND DEALINGS**

**3.1 Definitions and references**

For the purposes of this paragraph 3:

- 3.1.1 "acting in concert" has the meaning given to it in the Takeover Code;
- 3.1.2 "arrangement" includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to relevant securities which may be an inducement to deal or refrain from dealing;
- 3.1.3 "connected person" has the meaning given in section 252 of the Act;
- 3.1.4 "dealings" or "dealt" includes the following:

- 3.1.4.1 the acquisition or disposal of securities or the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attached to securities, or of general control of securities;
- 3.1.4.2 the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option, (including a traded option contract) in respect of any securities;
- 3.1.4.3 subscribing or agreeing to subscribe for securities;
- 3.1.4.4 the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights;
- 3.1.4.5 the acquisition of, disposal of, entering into, closing out, exercise of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities;
- 3.1.4.6 the entry into or termination or variation of the terms of any agreement to purchase or sell securities; and
- 3.1.4.7 any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he has a short position;
- 3.1.5 "derivative" includes any financial product the value of which, in whole or in part, is determined directly or indirectly by reference to the price of an underlying security;
- 3.1.6 "disclosure date" means close of business on 27 May 2016, being the latest practicable date prior to the publication of this document;
- 3.1.7 "disclosure period" means the period commencing on 27 May 2015 (being the date twelve months prior to the disclosure date) and ending on 27 May 2016 (being the latest practicable date prior to the publication of this document);
- 3.1.8 "interested" in securities includes if a person:
  - 3.1.8.1 owns them;
  - 3.1.8.2 has the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to them or has general control of them;
  - 3.1.8.3 by virtue of any agreement to purchase, option or derivative, has the right or option to acquire them or call for their delivery or is under an obligation to take delivery of them, whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise;
  - 3.1.8.4 is a party to any derivative whose value is determined by reference to their price and which results, or may result, in his having a long position in them; or

- 3.1.8.5 has long economic exposure, whether absolute or conditional to changes in the price of those securities (but a person who only has a short position in securities is not treated as interested in those securities);
- 3.1.9 "relevant securities" includes:
- 3.1.9.1 shares and any other securities in the Company conferring voting rights;
- 3.1.9.2 equity share capital of the Company; and
- 3.1.9.3 any securities convertible into, or rights to subscribe for the securities of the Company described in paragraphs 3.1.9.1 and 3.1.9.2 above; and
- 3.1.10 "short position" means any short position (whether conditional or absolute and whether in the money or otherwise) including any short position under a derivative.

### 3.2 Interests in relevant securities

- 3.2.1 At the close of business on the disclosure date, GIB held 10,461,837 I Shares and had committed to invest up to a total of £25 million (including the shares already subscribed), with an option to invest up to a further £25 million.
- 3.2.2 At the close of business on the disclosure date, the interests and rights to subscribe of the Directors (and any person whose interests in the share capital of the Company is taken to be interested in pursuant to Part 22 of the Act and related regulations), all of which are beneficial unless otherwise stated, in relevant securities were as follows:

<i>Director</i>	<i>No. of Ordinary Shares and A Shares</i>	<i>No. of I Shares</i>	<i>No. of Ordinary Warrants</i>	<i>No. of I Warrants</i>
Volker Beckers	75,000	-	1,474	-
Robert Armour	51,000	-	1,003	-
Patrick Reeve	37,986	-	94,948	515,428
David Gudgin	36,070	-	94,948	515,428
Vikash Hansrani	2,500	-	15,192	82,468
Albion Ventures*	524,098	104,187	10,088	1,133,953

\*Patrick Reeve and David Gudgin are partners of Albion Ventures and are interested in the Shares and Warrants held by Albion Ventures as set out above. Vikash Hansrani is Director of Finance at Albion Ventures.

### 3.3 Dealings in relevant securities

3.3.1 During the disclosure period, the following dealings by GIB in I Shares have taken place:

<i>Date</i>	<i>Nature of trade</i>	<i>No. of I Shares</i>	<i>Price paid per I Share</i>
6 July 2015	Subscription	62,786	£1
17 July 2015	Subscription	298,500	£1
31 July 2015	Subscription	298,500	£1
7 August 2015	Subscription	1,094,500	£1
24 August 2015	Subscription	59,477	£1
2 September 2015	Subscription	99,500	£1
25 September 2015	Subscription	70,645	£1
30 September 2015	Subscription	447,750	£1
30 September 2015	Subscription	49,750	£1
27 October 2015	Subscription	968,205	£1
31 October 2015	Subscription	49,750	£1
30 November 2015	Subscription	28,288	£1
30 November 2015	Subscription	99,500	£1
30 November 2015	Subscription	447,750	£1
11 December 2015	Subscription	492,028	£1
28 January 2016	Subscription	597,000	£1
28 January 2016	Subscription	925,128	£1
3 February 2016	Subscription	85,209	£1
25 February 2016	Subscription	99,500	£1
25 February 2016	Subscription	238,800	£1
16 May 2016	Subscription	146,037	£1.022
23 May 2016	Subscription	504,809	£1.022

3.3.2 During the disclosure period, the following dealings in Ordinary Shares, I Shares, Ordinary Warrants and I Warrants by the Directors and Albion Ventures have taken place:

<i>Name</i>	<i>Date</i>	<i>Nature of trade</i>	<i>No. of Shares</i>	<i>No. of Warrants</i>	<i>Price paid per Share</i>
Volker Beckers	29 May 2015 to 30 September 2015	Grant of Ordinary Warrants	-	93 Ordinary Warrants	-

<i>Name</i>	<i>Date</i>	<i>Nature of trade</i>	<i>No. of Shares</i>	<i>No. of Warrants</i>	<i>Price paid per Share</i>
Robert Armour	29 May 2015 to 30 September 2015	Grant of Ordinary Warrants	-	64 Ordinary Warrants	-
Patrick Reeve	30 September 2015 and 14 November 2015	Subscription pursuant to dividend reinvestment scheme	497 Ordinary Shares	-	£1.0868
Patrick Reeve	27 May 2016	Subscription pursuant to dividend reinvestment scheme	444 Ordinary Shares	-	£1.25
Patrick Reeve	29 May 2015 to 14 November 2015	Allocation of Ordinary Warrants	-	5,323 Ordinary Warrants	-
Patrick Reeve	28 January 2016	Allocation of I Warrants	-	515,428 I Warrants	-
David Gudgin	30 September 2015 and 14 November 2015	Subscription pursuant to dividend reinvestment scheme	345 Ordinary Shares	-	£1.0868
David Gudgin	29 May 2015 to 14 November 2015	Allocation of Ordinary Warrants	-	5,323 Ordinary Warrants	-
David Gudgin	28 January 2016	Allocation of I Warrants	-	515,428 I Warrants	-
Vikash Hansrani	29 May 2015 to 14 November 2015	Allocation of Ordinary Warrants	-	852 Ordinary Warrants	-
Vikash Hansrani	28 January 2016	Allocation of I Warrants	-	82,468 I Warrants	-
Albion Ventures	30 September 2015 and 14 November 2015	Subscription pursuant to dividend reinvestment scheme	6,899 Ordinary Shares	-	£1.0868
Albion Ventures	27 May 2016	Subscription pursuant to dividend reinvestment scheme	6,133 Ordinary Shares	-	£1.25
Albion Ventures	29 May 2015 to 14 November 2015	Grant of Ordinary Warrants	-	6,088 Ordinary Warrants	-
Albion Ventures	6 July 2015 to 25 February 2016	Subscription for I Shares	I Shares	-	£1

<i>Name</i>	<i>Date</i>	<i>Nature of trade</i>	<i>No. of Shares</i>	<i>No. of Warrants</i>	<i>Price paid per Share</i>
Albion Ventures	16 May 2016 to 23 May 2016	Subscription for I Shares	7,093 I Shares		£1.022
Albion Ventures	28 January 2016 to 23 May 2016	Grant of I Warrants		1,133,953 I Warrants	

3.3.3 During the disclosure period, the following dealings by the Company in Ordinary Shares have taken place:

<i>Date</i>	<i>Nature of trade</i>	<i>No. of Ordinary Shares</i>	<i>Price paid per Ordinary Share</i>
18 January 2015	Redemption	56,138	£1.090782

### 3.4 **General**

As at the close of business on the disclosure date and save as set out in this paragraph 3:

3.4.1 none of:

3.4.1.1 the Company;

3.4.1.2 the Directors or their respective immediate families, related trusts and any other connected persons;

3.4.1.3 any person acting in concert with the Company;

had any interest in or right to subscribe for any relevant securities or any short position in any relevant securities nor has any such person dealt in any relevant securities during the disclosure period;

3.4.2 none of:

3.4.2.1 GIB;

3.4.2.2 GIB's directors or their respective immediate families, related trusts and any other connected persons;

3.4.2.3 any person acting in concert with GIB;

had any interest in or right to subscribe for any relevant securities or any short position in any relevant securities nor has any such person dealt in any relevant securities during the disclosure period;

3.4.3 neither the Company nor any person acting in concert with the Company had borrowed or lent any relevant securities;

3.4.4 neither GIB nor any person acting in concert with GIB had borrowed or lent any relevant securities;

3.4.5 the Company has not redeemed or purchased any relevant securities during the disclosure period;

- 3.4.6 neither the Company nor any person acting in concert with the Company had any arrangement of the kind referred to in Note 11 of the definition of "acting in concert" in the Takeover Code;
- 3.4.7 neither GIB nor any person acting in concert with GIB had any arrangement of the kind referred to in Note 11 of the definition of "acting in concert" in the Takeover Code; and
- 3.4.8 neither the Company nor any of the Directors (including their respective immediate families, related trusts or any other connected persons) had any interest in or right to subscribe for, or had any short position in relation to, any shares in GIB (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof.

#### **4. DIRECTORS' LETTERS OF APPOINTMENT AND SERVICE AGREEMENTS AND OTHER ARRANGEMENTS WITH THE COMPANY**

The Directors' letters of appointment and service agreements will be available for inspection as set out in paragraph 8 below and are summarised below. There are no other service contracts between the Directors and the Company or any of its subsidiaries and no service contracts have been entered into nor have existing service contracts been amended during the period of six months prior to the date of this document.

- 4.1 Pursuant to a letter of appointment dated 18 September 2013, Volker Beckers agreed to act as a non-executive Director and Chairman of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Beckers. He is entitled to a fee equal to the sum of £15,000 and 0.035 per cent. of the Net Asset Value, provided that the total fee payable shall not exceed £50,000. There is a right to pay Mr Beckers in lieu of fees during his notice period. Mr Beckers is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.
- 4.2 Pursuant to a letter of appointment dated 30 May 2013, Robert Armour agreed to act as a non-executive Director of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Armour. He is entitled to a fee equal to the sum of £11,250 and 0.02375 per cent. of the Net Asset Value, provided that the total fee payable shall not exceed £35,000. There is a right to pay Mr Armour in lieu of fees during his notice period. Mr Armour is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.
- 4.3 Pursuant to a letter of appointment dated 15 July 2015, Ian Nolan agreed to act as a non-executive Director of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Nolan. He is entitled to a fee equal to the sum of £11,250 and 0.02375 per cent. of the Net Asset Value, provided that the total fee payable shall not exceed £25,000. There is a right to pay Mr Nolan in lieu of fees during his notice period. Mr Nolan is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.

- 4.4 Pursuant to a letter of appointment dated 3 September 2015, George Finnie agreed to act as a non-executive Director of the Company. The appointment is terminable by either party on one month's written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Finnie. He is entitled to a fee equal to the sum of £11,250 and 0.02375 per cent. of the Net Asset Value, provided that the total fee payable shall not exceed £25,000. There is a right to pay Mr Finnie in lieu of fees during his notice period. Mr Finnie is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.
- 4.5 Pursuant to a service agreement dated 30 May 2013, Patrick Reeve agreed to act as a Chief Executive of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Reeve. He is paid an annual salary of £5,000 where the Net Asset Value is equal to £1.5 million and £30,000 where the Net Asset Value is equal to or greater than £100 million. Where the Net Asset Value is between £1.5 million and £100 million he will be paid an annual salary pro-rata. There is a right to pay Mr Reeve in lieu of salary during his notice period. Mr Reeve is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.
- 4.6 Pursuant to a service agreement dated 30 May 2013, David Gudgin agreed to act as a Managing Director of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Gudgin. He is paid an annual salary of £10,000 where the Net Asset Value is equal to £1.5 million and £80,000 where the Net Asset Value is equal to or greater than £100 million. Where the Net Asset Value is between £1.5 million and £100 million he will be paid an annual salary pro-rata. There is a right to pay Mr Gudgin in lieu of salary during his notice period. Mr Gudgin is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.
- 4.7 Pursuant to a service agreement dated 18 September 2013, Vikash Hansrani agreed to act as a Finance Director of the Company. The appointment is terminable by either party on three months' written notice and is terminable immediately on retirement by rotation or if removed as a Director in accordance with the Articles and, inter alia, in the event of a serious breach by Mr Hansrani. He is paid an annual salary of £5,000 where the Net Asset Value is equal to £1.5 million and £30,000 where the Net Asset Value is equal to or greater than £100 million. Where the Net Asset Value is between £1.5 million and £100 million he will be paid an annual salary pro-rata. There is a right to pay Mr Hansrani in lieu of salary during his notice period. Mr Hansrani is not eligible to participate in any Company share bonus or pension schemes or other benefit in kind arrangements of the Company nor is he entitled to any compensation on loss of office.

## **5. MATERIAL CONTRACTS**

- 5.1 The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company since 10 June 2014 (being the date two years prior to the publication of this document) and ending on 10 June 2016 (being the latest practicable date prior to the publication of this document):

5.1.1 an agreement entered into between GIB (1), Strathclyde (2), the Company (3) and Albion Ventures (4) dated 29 January 2015 (the "**Amended and Restated Management Services Agreement**") pursuant to which Albion Ventures agreed to make available executive management and certain other services to the Company. The Company agreed to pay to Albion Ventures by way of remuneration for the services rendered the following fees:

5.1.1.1 a quarterly fee (the "**Ordinary Share Pool Management Services Fee**") which shall be allocated to the Ordinary Shares equivalent to 0.5 per cent. of the Ordinary Shares Net Asset Value;

5.1.1.2 a quarterly fee (the "**I Share Pool Management Services Fee**") which shall be allocated to the I Shares equivalent to 0.5 per cent. of the total of the I Share Pool until the last day of the Project Period, following which the fee will reduce to 0.375 per cent. of the total amount of the I Share Pool.

5.1.1.3 a one-off execution fee of 2 per cent. of the amount of funding provided by the Company to each Power Project (the "**Execution Fee**") which shall be allocated to the Ordinary Shares and I Shares in the respective proportions of the amounts paid up on the Ordinary Shares and I Shares which the Company commits to the Power Project in question. Any Execution Fee allocated to the I Shares is to be deducted from the I Share Pool Management Services Fee;

5.1.1.4 in the event of aborted projects, Albion Ventures may from 1 February 2015 re-charge to the Company certain third party costs up to an aggregate maximum amount of £25,000 per annum. Any such amounts shall be allocated to the I Shares;

5.1.1.5 in respect of Power Projects that proceed, Albion Ventures may re-charge to the Company certain third party costs which shall be allocated to the I Shares and Ordinary Shares in accordance with the funding provided.

Any excess in Central Overheads allocated to the Ordinary Shares above 0.5 per cent. of the Ordinary Shares Net Asset Value shall either be paid by Albion Ventures or refunded by way of a reduction in fees which are allocated to the Ordinary Shares.

Any excess in Central Overheads allocated to the I Shares above £80,000 (or, after GIB has given a Commitment Termination Notice under the Investment Agreement, £55,000) shall either be paid by Albion Ventures or refunded by way of a reduction in fees payable by the Company which are allocated to the I Shares.

The Investors agreed to pay Albion Ventures formation fees of up to £350,000 in aggregate (of which £285,000 have been paid to date).

Albion Ventures' appointment shall expire on 31 January 2035 but may be terminated on two years' notice given by the Company or Albion Ventures at any time after 29 May 2018.

5.1.2 a warrant instrument dated 31 May 2013, as amended by a deed of variation dated 29 January 2015, (the "**Ordinary Warrant Instrument**") issued

by the Company, pursuant to which the Company has issued and will issue Warrants over Ordinary Shares to Albion Ventures or, if directed by Albion Ventures, to certain third parties. Albion Ventures is entitled to Warrants to subscribe for one new Ordinary Share for every five Ordinary Shares issued. The exercise price of each Warrant will be the Net Asset Value per Ordinary Share on the date of issue of the Warrant, though the exercise price will be adjusted downwards, on a penny-for-penny basis, to the extent to which cumulative dividends thereafter exceed 3 pence per annum. The Warrants may be exercised within a period of 20 years from issue. The Ordinary Warrants must be exercised on a listing, a change of control or the sale of the business of the Group subject to the holders of the Ordinary Warrants giving certain covenants and indemnities;

5.1.3 a warrant instrument dated 29 January 2015 (the “**I Warrant Instrument**”) issued by the Company, pursuant to which the Company has issued and will issue Warrants over I Shares to Albion Ventures or, if directed by Albion Ventures, to certain third parties. Albion Ventures is entitled to Warrants to subscribe for one new I Share for every four I Shares issued. Each I Warrant entitles the holder to either subscribe in cash at the exercise price calculated pursuant to a formula set out in the I Warrant Instrument for one I Share or exchange such subscription rights for the issue of I Shares carrying a value calculated pursuant to a formula set out in the I Warrant Instrument, in each case upon on a listing, a change of control or the sale of the business of the Group, subject to giving certain covenants and indemnities;

5.1.4 an agreement dated 29 January 2015 (the “**Investment Agreement**”) made between GIB (1), Strathclyde (2), the Company (3) and Albion Ventures (4) pursuant to which GIB and Strathclyde agreed to commit, respectively, £25,000,000 and £10,000,000 to be invested in the Company by way of subscriptions for I Shares at the Subscription Price. GIB's commitment to subscribe for Subscription Shares is conditional on matched (or greater) funding from other Investors. GIB also has the right to elect to commit a further amount of up to £25,000,000 to be invested in the Company by way of subscription for I Shares at the Subscription Price. Albion Ventures agreed to subscribe for and hold I Shares equivalent to at least 0.5 per cent. of the aggregate amounts paid up by GIB, Strathclyde and other Investors for their I Shares.

The Investment Agreement also contains:

- the rights of the Investors to terminate or suspend their subscription commitments;
- the circumstances in which the Investment Agreement can be terminated;
- warranties given by the Company and Albion Ventures to GIB, Strathclyde and other Investors from time to time;
- requirements to provide GIB, Strathclyde and other Investors from time to time with regular information on the Group;
- a schedule of matters which cannot be undertaken without the prior consent of a requisite majority of the holders of I Shares;
- the right (but not the obligation) for GIB to appoint one Director;
- details of the Company's project policy, which can only be amended with the prior consent of I Shareholders; and
- arrangements for further persons in the future to adhere, as Investors, to the terms of the Investment Agreement provided that such persons meet certain criteria, including that they agree to subscribe for I Shares for a total Subscription Price of at least £5 million;

- 5.1.5 an agreement dated 1 May 2015 (the "**2015 Offer Agreement**") made between the Company (1), the Directors (2) and Albion Ventures (3) pursuant to which Albion Ventures undertook as promoter of the Company to assist in procuring subscribers for the 2015 Offer. Albion Ventures was paid a total of £5,844.59 under the 2015 Offer Agreement. The 2015 Offer closed on 29 January 2016;
  - 5.1.6 a deed of adherence to the Investment Agreement dated 27 July 2015 (the "**Manchester Deed of Adherence**") pursuant to which Manchester committed to invest £10,000,000 in the Company by way of subscription for I Shares;
  - 5.1.7 a deed of amendment to the Investment Agreement dated 16 December 2015 (the "**Strathclyde Deed of Amendment**") pursuant to which Strathclyde increased its commitment initially to £15,000,000 and thereafter, subject to certain conditions, to £20,000,000;
  - 5.1.8 a deed of amendment to the Investment Agreement dated 17 May 2016 (the "**Manchester Deed of Amendment**") pursuant to which Manchester increased its commitment initially to £15,000,000 and thereafter, subject to certain conditions, to £20,000,000; and
  - 5.1.9 a deed of adherence to the Investment Agreement dated 2 June 2016 (the "**Merseyside Deed of Adherence**") pursuant to which Merseyside committed to invest £10,000,000 in the Company by way of subscription for I Shares.
- 5.2 Except as set out above, no contracts have been entered into by the Company, other than in the ordinary course of business, within the period of two years prior to the publication of this document which are or may be material.

## 6. SIGNIFICANT CHANGES

There has been no significant change in the financial or trading position of the Company since the Report and Accounts for the Company for the year ended 31 January 2016 was published.

## 7. GENERAL

- 7.1 Howard Kennedy 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 this document in the form and context in which they appear.
- 7.2 Save as set out in the Investment Agreement, the Amended and Restated Management Services Agreement, the Additionality Letter and an agreement between GIB and Strathclyde to share certain due diligence costs in relation to the Company, no agreement, arrangement or understanding (including any compensation arrangement) exists between GIB (or any person acting in concert with it) and the Directors, Albion Ventures, Howard Kennedy, recent directors, Shareholders or recent shareholders of the Company having any connection with or dependence upon the proposals set out in this document.
- 7.3 As at 10 June 2016 (being the latest practicable date prior to the publication of this document) the Company had 786,643 Ordinary Warrants and 5,257,294 I Warrants in issue which it is expected, on exercise, will be satisfied by the issuing of new Ordinary Shares and I Shares respectively.

- 7.4 As at 10 June 2016 (being the latest practicable date prior to the publication of this document), GIB did not have any agreement, arrangement or understanding to transfer the I Shares to be subscribed by them pursuant to the Investment Agreement.
- 7.5 All announcements relating to the Resolution and the Waiver required to be made under the Takeover Code will be found on the Company's website at [www.albioncommunitypower.co.uk/investor-relations](http://www.albioncommunitypower.co.uk/investor-relations).

## **8. DOCUMENTS ON DISPLAY**

Copies of the following documents are available for inspection at the registered office of the Company at 1 King's Arms Yard, London EC2R 7AF until the date of the General Meeting and will also be available for inspection at the place of General Meeting for 15 minutes prior to the meeting and during the meeting. These documents can also be found on the Company's website at [www.albioncommunitypower.co.uk/investor-relations](http://www.albioncommunitypower.co.uk/investor-relations). You have the right to receive a hard copy of these documents on request. To request a hard copy, please contact Sarah Fitton at [sfitton@albion-ventures.co.uk](mailto:sfitton@albion-ventures.co.uk) or on 0207 601 1874.

- 8.1 this document;
- 8.2 the articles of association of the Company;
- 8.3 the memorandum and articles of association of GIB;
- 8.4 the audited consolidated accounts of the Company for the financial year ended 30 November 2014, the financial period ended 31 January 2015 and the financial year ended 31 January 2016;
- 8.5 the Directors' letters of appointment and service agreements referred to in paragraph 4 above;
- 8.6 the consent letter from Howard Kennedy referred to in paragraph 7.1 above; and
- 8.7 the material contracts referred to in paragraph 5 above.

10 June 2016

**ALBION COMMUNITY POWER PLC**  
(Registered in England and Wales with number 08239147)  
(the "**Company**")

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of the Company will be held at 9.00 a.m. on 29 June 2016 at 1 King's Arms Yard, London EC2R 7AF, for the purpose of considering and, if thought fit, passing the following ordinary resolution (to be taken on a poll and to be voted on only by the Independent Shareholders):

**THAT** the waiver granted by The Panel on Takeovers and Mergers of any obligation which might fall on UK Green Investment Bank plc ("**GIB**") to make a general offer to the shareholders of the Company pursuant to Rule 9 of the City Code on Takeovers and Mergers in connection with the allotment and issue of up to 50,000,000 I ordinary shares of one penny each in the capital of the Company ("**I Shares**") to GIB on or before 30 June 2018 under an investment agreement dated 29 January 2015 between GIB, Glasgow City Council (as Administering Authority for the Strathclyde Pension Fund), the Company and Albion Ventures LLP (as amended from time to time) (the "**Investment Agreement**") or (b) at any time as a result of an increase in its shareholding following redemptions of ordinary shares of one penny each in the capital of the Company ("**Ordinary Shares**"), resulting in a holding of voting rights of the Company of up to 49.75 per cent., be and is hereby approved.

*By order of the Board*

Albion Ventures LLP  
*Company Secretary*

*Registered office:*

1 King's Arms Yard  
London  
EC2R 7AF

10 June 2016

**Notes:**

1. Voting on the resolution will be by means of a poll of Independent Shareholders and each Independent Shareholder will be entitled to one vote for each share held.
2. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001, the Company specifies that only those shareholders registered in the register of members of the Company as at:
  - 6.00 p.m. on 27 June 2016; or,
  - if this Meeting is adjourned, at 6.00 p.m. on the day two business days prior to the adjourned meeting,shall be entitled to attend and vote at the Meeting,

Appointment of proxies

3. A member of the Company is entitled to attend, speak and vote at the General Meeting and is entitled to appoint one or more proxies to exercise all or any of their rights to attend, speak and vote in his stead. Each member of the Company should have received the Form of Proxy with this General Meeting Notice. A proxy need not be a member of the Company. You can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy. If you wish your proxy to speak on your behalf at the General Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.
4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, each different proxy appointment form must be received by the Company's Registrars, Share Registrars Limited of Suite E, First Floor, Lion and Lamb Yard, Farnham, Surrey GU9 7LL not less than two business days before the time appointed for the General Meeting.
5. A vote withheld is not a vote in law which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.

6. To be valid, the Form of Proxy and any power of attorney or other authority under which it is signed (or a duly certified copy of such power of attorney or such other authority) must be lodged with the Company's Registrars, Share Registrars Limited of Suite E, First Floor, Lion and Lamb Yard, Farnham, Surrey GU9 7LL so as to be received not less than two business days before the time appointed for the General Meeting. The return of the Form of Proxy will not preclude a member of the Company from attending and voting at the General Meeting in person should he or she subsequently decide to do so.
7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Proxy instructions

8. To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also applies in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.