



# NOTICE OF ANNUAL GENERAL MEETING JLEN ENVIRONMENTAL ASSETS GROUP LIMITED

(a closed-ended company incorporated in Guernsey  
with registration number 57682)

Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR  
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**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.** If you are in any doubt about the contents of this document, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000, as amended.

If you have sold or otherwise transferred all of your ordinary shares in the Company ("Ordinary Shares"), you should send this document, together with the accompanying proxy form, at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

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**NOTICE IS HEREBY GIVEN** that the annual general meeting of JLEN Environmental Assets Group Limited (the "Company") will be held at Sarnia House, Le Truchot, St Peter Port, Guernsey GY1 1GR on Thursday, 1 September 2022 at 10:00 a.m. for the transaction of the following business:

## **ORDINARY BUSINESS**

To consider and, if thought fit, pass the following resolutions, each of which will be proposed as an ordinary resolution:

1. To receive and consider the audited accounts, the Directors' report and the Auditors' report for the year ended 31 March 2022.
2. To approve the Directors' remuneration for the year ended 31 March 2022, including the remuneration policy, as provided in the Directors' Remuneration Report.
3. THAT Mr Edmond Warner OBE be elected as a Director of the Company.
4. THAT Mr Hans Joern Rieks be re-elected as a Director of the Company.
5. THAT Ms Stephanie Coxon be re-elected as a Director of the Company.
6. THAT Mr Alan Bates be re-elected as a Director of the Company.
7. THAT Ms Jo Harrison be re-elected as a Director of the Company.
8. THAT Mr Richard Ramsay be re-elected as a Director of the Company.
9. THAT Deloitte LLP, who have indicated their willingness to continue in office, be re-appointed as Auditors of the Company to hold office from the conclusion of this annual general meeting until the conclusion of the next annual general meeting of the Company.
10. THAT the Directors be authorised to determine the remuneration of the Auditors for their next period of office.

## **SPECIAL BUSINESS**

To consider and, if thought fit, pass the following resolutions of which resolutions 11, 12 and 13 will be proposed as ordinary resolutions and resolutions 14, 15 and 16 will be proposed as special resolutions:

11. THAT the interim dividend of 1.70 pence per Ordinary Share in respect of the period 1 April 2021 to 30 June 2021, the interim dividend of 1.70 pence per Ordinary Share in respect of the period 1 July 2021 to 30 September 2021, the interim dividend of 1.70 pence per Ordinary Share in respect of the period 1 October 2021 to 31 December 2021 and the interim dividend of 1.70 pence per Ordinary Share in respect of the period 1 January 2022 to 31 March 2022 declared by the Company be approved.

**SPECIAL BUSINESS** continued

12. THAT, in accordance with Article 45 of the Articles of Incorporation of the Company (the "Articles"), the Board may, in respect of dividends declared for any financial period or periods of the Company ending prior to the annual general meeting of the Company to be held in 2023, offer shareholders the right to elect to receive further shares, credited as fully paid, in respect of all or any part of such dividend or dividends declared in respect of any such period or periods.
13. THAT the Company adopts the proposed changes to its investment policy, as set out in the explanatory notes accompanying the Notice of AGM published by the Company on 9 August 2022.
14. THAT the Company be and is hereby generally and unconditionally authorised in accordance with Section 315 of The Companies (Guernsey) Law, 2008 (as amended) (the "Law") (subject to the UK Listing Rules and all other applicable legislation and regulations) to make market acquisitions (as defined in the Law) of its Ordinary Shares in issue, provided that:
  - a. the maximum number of Ordinary Shares hereby authorised to be purchased is 14.99 per cent. per annum of the Ordinary Shares in issue immediately following the passing of this resolution;
  - b. the minimum price (exclusive of expenses) which may be paid for an Ordinary Share is 1 pence;
  - c. the maximum price (exclusive of expenses) which may be paid for an Ordinary Share shall be not more than the higher of (i) 5 per cent. above the average market value for the five business days prior to the day the purchase is made and (ii) the higher of the price of the last independent trade and the highest independent bid at the time of the purchase for any number of the Ordinary Shares on the trading venues where the purchase is carried out;
  - d. the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company held in 2023 or 18 months from the date of this resolution, whichever is the earlier, unless such authority is varied, revoked or renewed prior to such time;
  - e. the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make an acquisition of Ordinary Shares pursuant to any such contract; and
  - f. any Ordinary Share bought back may be held in treasury in accordance with the Law or be subsequently cancelled by the Company.
15. THAT pursuant to Article 7.7 of the Articles, the provisions of Article 7.2 of the Articles shall not apply and shall be excluded in relation to the issue of up to an aggregate number of Ordinary Shares as represents up to 10 per cent. of the number of Ordinary Shares admitted to trading on London Stock Exchange plc's main market for listed securities immediately following the passing of this resolution, provided that such disapplication and exclusion shall expire on the date which is 18 months from the date of the passing of this resolution or, if earlier, at the conclusion of the next annual general meeting of the Company following the date of the passing of this resolution (unless previously renewed, revoked or varied by the Company by special resolution) save that the Company may before such expiry make an offer or agreement which would or might require Ordinary Shares to be allotted after such expiry and the Directors may allot Ordinary Shares in pursuance of such an offer or agreement as if the disapplication and exclusion conferred hereby had not expired.
16. THAT Article 38.2 of the articles of incorporation of the Company be deleted in its entirety and replaced with the following: "A Director in communication with one or more other Directors so that each Director participating in the communication can hear or read what is said or communicated by each of the others, is deemed to be present at a meeting with the other Directors so participating and, where a quorum is present, such meeting shall be treated as a validly held meeting of the Board and shall be deemed to have been held in the place where the directors present at such meeting determine by resolution, in the absence of which the meeting will be deemed to be held in the place where the chairman is present."

BY ORDER OF THE BOARD

**Sanne Fund Services (Guernsey) Limited**

**Company Secretary**

9 August 2022

Sarnia House  
Le Truchot  
St Peter Port  
Guernsey

## **EXPLANATORY NOTES**

### **Directors' remuneration – resolution 2:**

Under the Law, Guernsey-registered companies are not required to publish a Directors' Remuneration Report. However, in consideration of best practices in corporate governance the Company has included details of its Directors' remuneration within the Annual Report and Accounts for the year ended 31 March 2022 and an ordinary resolution will be proposed seeking shareholder approval of the Directors' remuneration. This is an advisory rather than a binding vote.

### **Re-election of Directors – resolutions 3 – 8:**

Pursuant to the AIC Code of Corporate Governance published in February 2019 (the "AIC Code"), all Directors should be subject to annual re-election by shareholders.

Having undertaken an evaluation of the performance of the individual Directors, the Board considers that the contributions of each of the Directors proposed to be elected and re-elected as a Director of the Company is, and will continue to be, important to the Company's long-term sustainable success. The Board has determined that each of its members continues to have the relevant skills, experience and diversity to allow the Board to operate effectively and to contribute to the risk management and portfolio management functions of the Board. Further details of each Director's specific contributions to overall Board effectiveness, together with a biography of each Director standing for election and re-election, are set out below.

As set out in the Annual Report and Accounts for the year ended 31 March 2022, the Company currently complies with the principles of good governance contained in the AIC Code and has determined that each of the Directors is independent in accordance with such principles.

The selection of the Board by the Company was based on the Directors' complementary skill sets and experience, as set out in more detail in the biographies set out in the following explanatory notes. The selection process for new Directors involves the use of external search consultancies, the Company's network of existing contacts, and candidate vetting using a combination of interviews and questionnaires to determine suitability for the role.

Pursuant to Article 29.2 of the Articles, the Board shall have power at any time to appoint any person eligible in accordance with Section 137 of the Law to be a Director either to fill a casual vacancy or as an addition to the existing Directors, with any Director so appointed holding office until the next annual following annual general meeting and shall then be eligible for election. The Board appointed Edmond Warner OBE as a Director of the Company effective 2 August 2022 and, in accordance with Article 29.2, Mr Warner is standing for election at the 2022 AGM.

### **Edmond Warner OBE (Chair and Chair of the Nomination Committee)**

Ed has extensive financial services experience from his time spent in senior positions at several investment banks and financial institutions, including IFX Group, Old Mutual, NatWest Markets, and Dresdner Kleinwort Benson. He also has considerable investment trust experience, having been Chair of both Standard Life Private Equity Trust plc and Blackrock Energy and Resources Income Trust. Ed is currently Chair of HarbourVest Global Private Equity Limited. Ed has also previously served as Chair of Air Partner plc and non-executive director and interim Chair of Clarkson plc.

Ed has been appointed to the Board in recognition of his extensive experience within investment trusts and financial services, and the Board believes he will be a valuable addition to the Board going forwards. As such, it is recommended that shareholders vote in favour of Mr Warner's election at the AGM.

### **Hans Joern Rieks (Chair of the Risk Committee)**

Hans has over 26 years' experience within the global wind industry and has previously worked for Siemens Gamesa and Vestas Central Europe. He is highly regarded in the energy sector and has successfully led growth agendas and international strategies. An engineer by background, Hans has a strong technical grounding and excellent operational experience of how to manage the constantly evolving renewables landscape. Hans is Chair of the Risk Committee and is a member of the Nomination Committee.

**EXPLANATORY NOTES:** continued

**Hans Joern Rieks (Chair of the Risk Committee)** continued

Hans is Chair of the Risk Committee, an integral function of the Company's overall risk management and governance framework. Hans provides the Board with considerable industry experience in operating renewable infrastructure assets which helped inform the portfolio strategy during the year and the transfer of certain risk management functions to the Investment Manager following its appointment as AIFM in January 2022. It is intended that Hans continues in his role as the Chair of the Risk Committee. It is recommended that shareholders vote in favour of Mr Rieks' re-election at the AGM.

**Stephanie Coxon (Chair of the Audit Committee)**

Stephanie is a Fellow of the Institute of Chartered Accountants in England and Wales and is a non-executive director of several London listed companies. Stephanie is a director of International Public Partnerships Limited, Apax Global Alpha Limited, PPHE Hotels Group Limited and PraxisIFM Group Limited. Prior to joining the JLEN Board, Stephanie led the PwC capital markets team responsible for advising on the listing process for UK, Guernsey and Jersey investment funds. Stephanie is Chair of the Audit Committee, a member of the Risk Committee and the Nomination Committee.

Stephanie has taken an active role in overseeing the audit and valuations processes during the year, meeting informally with the external auditor six times and with the independent valuation specialist three times to monitor progress with their work and that their formal reporting meets the Audit Committee's needs. Stephanie's capital markets experience has also helped to guide the Company's approach to investor research and engagement. It is recommended that shareholders vote in favour of Ms Coxon's re-appointment at the AGM.

**Alan Bates (Director)**

Alan has over 31 years' experience in the energy and infrastructure sectors including electricity, gas and water utilities. He has extensive experience in infrastructure operations and has excellent strategic and commercial skills. He has developed a broad understanding of the dynamics behind the energy transition and has assisted the Government of Guernsey in developing its energy policy. Alan has been the CEO of Guernsey Electricity since 2010 and is a Director of the Channel Islands Electricity Grid and Alderney Electricity Limited. Alan is a Chartered Engineer, Fellow of the Institute of Mechanical Engineers and a Member of the Institute of Engineering Technology. Alan is a member of the Audit Committee and the Risk Committee.

Alan brings a wealth of experience to the Board from his extensive engineering background and his operational experience in the energy industry. During the year this contributed to guiding the Company's ESG priorities, providing input to developing health and safety policies and challenging views on emissions efficiency activities. The Board recommends that shareholders vote in favour of Mr Bates' re-appointment at the AGM.

**Jo Harrison (Director)**

Jo has over 23 years' experience working in the water industry and is the Director of Environment, Planning and Innovation at United Utilities, where she is accountable for leading the approach to environmental and long-term planning; including developing and strengthening the approach to all aspects of the environment, climate change and carbon, asset management, risk and resilience. Jo is a chartered member of the Institute of Water and Environmental Managers and is a Chartered Environmentalist. She is also a trustee of the Rivers Trust.

Jo brings a wealth of knowledge and leadership on environmental, social and governance matters to the Board, and the Board recommends that shareholders vote in favour of Ms Harrison's re-appointment at the AGM.

**Richard Ramsay (Senior Independent Director)**

The Board confirmed in the Annual Report that it was intended that at the AGM, Richard Ramsay would retire from the Board, and would not stand for re-election. The Board wishes to inform Shareholders that it is now intended that Richard continues in his role as Director and Senior Independent Director, whilst the process to identify a successor for the position of Senior Independent Director is underway, and to allow for a smooth transition and effective induction of the new Chair

Richard is a chartered accountant with considerable experience of the energy sector and the closed-ended fund industry. Richard's previous energy sector experience includes: leading the Barclays de Zoete Wedd team that privatised the Scottish electricity industry; a period at Ofgem as Managing Director Finance and Regulation; working as director of the Shareholder Executive, principally involved with government businesses in the nuclear sector; and chairman of Northcourt Ltd, a provider globally of nuclear insurance. At Ivory & Sime, Barclays de Zoete Wedd and latterly at Intelli Corporate Finance, he has worked as a corporate adviser in the closed-end funds sector, completing over £2.5 billion of transactions. He has also previously been a director of three investment trusts and one venture capital trust.

Richard has continued in his role as Senior Independent Director during the year and has continued to be available to the Company's key stakeholders as a channel through which any concerns or issues may be raised. Following Richard Morse's retirement on 15 July 2022, Richard will assist in the effective induction of Ed Warner as Chair of the Board. It is intended that Richard continues in his role as Senior Independent Director until he stands down once his successor is identified and the Board recommends that shareholders vote in favour of his re-election at the AGM.

**Re-appointment and remuneration of the Auditors – resolutions 9 – 10:**

Shareholders are asked to vote on the re-appointment of Deloitte LLP as the Company's Auditors until the conclusion of the next AGM to be held in 2023, and to grant authority to the Directors to determine Deloitte LLP's remuneration for their services as Auditors to the Company in respect of their next period of office.

**Approval of interim dividends – resolution 11:**

In line with corporate governance best practice, the Board wishes to afford the shareholders the ability to approve the interim dividends the Company has paid in this financial year. As such interim dividends have already been declared and paid, this is an advisory rather than a binding vote.

**Scrip dividends – resolution 12:**

This resolution allows the Directors to offer shareholders the right to elect to receive further Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend). The Directors believe that the ability for shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Ordinary Shares in the Company rather than cash will benefit the Company as it will benefit from the ability to retain cash which would otherwise be paid as dividends. It may also benefit certain shareholders depending on their tax status. The Company has not to-date implemented a scrip dividend scheme, however, the Board wishes to retain the flexibility to do so, if it deems appropriate.

**Amendment to Investment Policy – resolution 13:**

The Board wishes to take this opportunity to propose certain changes to the Company's existing published investment policy (the "**Proposed Changes**"). The adoption of the Proposed Changes, which are described in more detail in the section of this Notice of AGM entitled "Proposed changes to the investment policy" and are set out in full in the section of this Notice of AGM entitled "Amended investment policy" have been approved by the Financial Conduct Authority in accordance with the Listing Rules and are now conditional upon Shareholder approval at the annual general meeting. The Board recommends that shareholders vote in favour of resolution 13.

**Market acquisitions – resolution 14:**

This resolution renews the share buy-back authority that was given by the Company's shareholders on 2 September 2021. Resolution 14 gives the Company authority to make market acquisitions of the Company's own Ordinary Shares, up to a maximum of 14.99 per cent. per annum of the Company's Ordinary Shares in issue (as at the time immediately following the passing of the resolution) and subject to minimum and maximum purchase prices as set out in parts b. and c. of resolution 14. This authority will only be invoked if, after taking proper advice, the Directors consider that benefits will accrue to shareholders generally.

In normal market circumstances the Directors intend to favour pro rata capital distributions ahead of Ordinary Share repurchases in the market, however, if the Ordinary Shares have traded at a significant discount to net asset value for a prolonged period the Board will seek to prioritise the use of net income after the payment of dividends on market repurchases over other uses of capital. If the Board does decide that the Company should repurchase Ordinary Shares, purchases will only be made through the market for cash at prices below the estimated prevailing net asset value per Ordinary Share where the Directors believe such purchases will result in an increase in the net asset value per Ordinary Share.

The Board notes the view taken by PIRC and their opposition to resolutions granting a general authority to undertake share buy-backs, and the efforts by the AIC to engage with PIRC, as explained in the AIC's July 2020 note titled 'Controlling discounts and increasing shareholder value' which explains the use of share buy-backs by closed-ended investment companies and how the investment company practice differed from trading companies.

**EXPLANATORY NOTES:** continued

**Market acquisitions – resolution 14:** continued

As stated above, purchases will only be made in circumstances where doing so would be accretive to existing shareholders. The Board recognises their duty under the AIC Code to monitor the Company's share price and to take action to address discounts to NAV. The Company's shares have consistently traded at a premium to NAV since launch and, to-date, the Board has not exercised the general authority for the Company to purchase its own shares. The Board adopts a conservative approach to discount management and will only undertake purchases after careful consideration and in consultation with advisers to ensure that doing so would benefit long-term shareholders.

The Board disagrees with PIRC's stance and believes that share buy-backs are an appropriate mechanism to control discount volatility, and that investment company shareholders understand and support the use of buy-backs by investment company boards as such has been shown to help deliver shareholder value. Accordingly, the Board recommends that shareholders vote in favour of resolution 14.

**Disapplication of pre-emption rights - resolution 15:**

Special resolution 15, a standard resolution for investment companies listed under Chapter 15 of the UK Listing Rules, renews the authority given to the Directors by the Company's shareholders on 2 September 2021 to allot Ordinary Shares for cash without first offering them to existing holders on a pro rata basis. The number of shares allotted under this authority is up to 10 per cent. of the number of Ordinary Shares admitted to trading on London Stock Exchange plc's main market for listed securities immediately following the passing of this resolution.

If resolution 15 is passed, shareholders will be granting Directors the authority to allot up to 10.0 per cent. of the existing issued Ordinary Share capital of the Company. This authority, if given, will lapse at the conclusion of the 2023 AGM of the Company.

The Directors do not currently intend to issue Ordinary Shares pursuant to the authority granted by resolution 15 other than to take advantage of opportunities in the market as they arise and only if they believe it would be advantageous to the Company's shareholders to do so. The Directors confirm that no issue of new Ordinary Shares will be made pursuant to the authority granted by resolution 15 unless the lowest market offer price of the Ordinary Shares is at least a premium to the latest published net asset value.

**Amendment to the Articles of Incorporation – resolution 16:**

Article 38.2 of the Articles currently requires all meetings of the Directors are deemed to have been held in the place where the Chair is present. In 2021, The Companies (Guernsey) Law, 2008 (Miscellaneous Amendments) Ordinance, 2021 provided greater flexibility allowing a company's memorandum of incorporation (Memorandum), Articles or a resolution of its Board to stipulate where such meeting is deemed to take place (in the absence of which, the meeting will be deemed to be held in the place in which the chairman is present). Resolution 16 proposes an amendment to Article 38.2 to conform the Articles to the Law. A copy of the Articles is available from the Company Secretary upon request.

**Note from the Board**

Members are requested to submit their votes in respect of all of the resolutions proposed in this Notice of AGM. It is the recommendation of the Board that members vote in favour of each resolution on the basis that the Board considers their passing to be in the best interests of the members as a whole.

The below named Directors are each also a member of the Company, and each intends to vote in favour of all resolutions (other than the resolution in respect of his or her own election or re-election, as applicable) proposed in this Notice of AGM. Their holdings as at the date of this Notice of AGM are as follows:

	Ordinary Shares of no par value each held	Percentage of total issued share capital
Hans Joern Rieks	95,000	0.015%
Richard Ramsay	53,813	0.008%
Stephanie Coxon	15,000	0.002%
Ed Warner	60,000	0.009%

Information as to how to vote can be found in the Notes below or contained in the notes to the Form of Proxy, which accompanies this Notice of AGM.

## **PROPOSED CHANGES TO THE INVESTMENT POLICY**

### **Background to and reasons for the proposed changes to the investment policy**

Since the Company's IPO in 2014, it has made strong progress against its investment objectives. Its performance has been robust, delivering a 77.4 per cent. total shareholder return between launch and 31 March 2022. In addition, the size of the Company's investment portfolio has increased five-fold from £156.6 million at launch to £795.4 million as at 31 March 2022.

In March 2021, the Company amended its investment policy, including to allow it to invest in a wider pool of prospective investments and to increase by 10 per cent. (to 25 per cent.) the limit on the percentage of the Company's Net Asset Value which can be attributed to projects which are in construction. The Company has subsequently made investments in standalone battery storage projects, and a controlled environment aquaculture project, all of which are currently under construction.

Whilst the Investment Manager continues to identify a significant pipeline of opportunities, and the Company expects its investment portfolio to continue to predominantly consist of operational infrastructure (with some exposure to construction stage assets), there is an observable trend within the environmental infrastructure market of investors partnering with developers to secure future pipeline investments. Accordingly, and having regard to the pipeline of investment opportunities being identified by the Investment Manager, the Board is proposing the Proposed Changes to allow the Company to invest to a limited extent in environmental infrastructure which is in its development phase – where additional steps are required to be completed before construction of such environmental infrastructure can commence.

The Board and the Investment Manager believe that adopting the Proposed Changes will improve the Company's competitive position in respect of acquisition opportunities. By engaging with carefully selected partners, the Company would seek to secure access to a further pipeline of investment opportunities which may otherwise not be available or which would be subject to a competitive process. In addition, the Proposed Changes would allow the Company to make investments at an earlier stage, potentially benefitting from the higher returns available for development phase environmental infrastructure as compared to those brought to the market as 'shovel ready' projects. Investments in development phase infrastructure which proceed to 'shovel ready' status typically enjoy a significant uplift in value versus the value of the invested capital.

The Proposed Changes would also permit the Company to invest in environmental infrastructure developers and development funding structures relating to environmental infrastructure, where the rights to invest in or acquire environmental infrastructure often sit, rather than at the level of projects or assets themselves. As such, the Company expects that, in some instances, it would be better placed to secure preferential access to upcoming pipeline were it to own an interest in a relevant developer or development funding structure.

Whilst the Company would be selective in pursuing development phase investments, the Investment Manager and the Board believe that the ability to capitalise on such opportunities will assist the Company in delivering on its investment objectives and be accretive to shareholders. The Investment Manager has significant experience in investing in development stage opportunities, with a successful track record of progressing projects through to construction, as well as of successfully managing forward funding projects, joint venture arrangements and investments in developers of the type which the Company would expect to make if the Proposed Changes are approved. Examples of successful development opportunities in which the Investment Manager has experience sit within wind, solar, reserve power peaking plants, pumped hydroelectric storage and geothermal energy, along with several others currently at earlier stages of development.

## **PROPOSED CHANGES TO THE INVESTMENT POLICY**

continued

### **Background to and reasons for the proposed changes to the investment policy** continued

Under the Company's existing investment policy, the Company may not acquire any investment if, as a result of such investment, 25 per cent. or more of the Net Asset Value is attributable to projects which are in construction and are not yet fully operational. Under the Proposed Changes, up to one fifth of this allocation (i.e. up to 5 per cent. of NAV in aggregate) could be invested in environmental infrastructure in its development phase (including in developers or development funding structures).

### **Risks associated with the adoption of the Proposed Changes**

If adopted, the Proposed Changes would bring with them certain increased risks, including:

- that any development phase environmental infrastructure in which the Company invests does not progress through to the construction phase, resulting in irrecoverable sunk costs for the Company, with a consequential adverse effect on returns to shareholders and the market value of the Ordinary Shares;

- that the development of an environmental infrastructure asset is subject to budget or time overruns which result in increased costs for the Company (which it may not be able to recover in whole or part from third parties) and/or lower (or delayed) returns for a developer or development funding structure in which the Company has invested. This would, in turn, reduce returns to shareholders;
- that any defects in the development of environmental infrastructure developed by a developer or development funding structure in which the Company has invested could result in such developer receiving lower returns than projected, which, in turn, would adversely affect the returns received by the Company (in its capacity as an investor in the developer or development funding structure); and
- that any developers in which the Company may make an investment pursuant to the Proposed Changes would be operating businesses and would be subject to the risks associated with such businesses.

In light of these risks, the Investment Manager would seek to partner with high quality developers who have a demonstrable track record of success and/or have been subject to a thorough due diligence process.

## AMENDED INVESTMENT POLICY

The Company's provided revised investment policy, highlighting the changes to be proposed at the annual general meeting is as follows:

The Company seeks to achieve its objectives by investing in a diversified portfolio of environmental infrastructure.

JLEN defines environmental infrastructure as infrastructure assets, projects and asset-backed businesses that utilise natural or waste resources or support more environmentally friendly approaches to economic activity, support the transition to a low carbon economy or which mitigate the effects of climate change.

Environmental infrastructure that the Company invests in typically has one or more of the following characteristics:

- they have the benefit of long-term, predictable cash flows, which may be wholly or partially inflation-linked;
- they are supported by long-term contracts or stable and well-proven regulatory and legal frameworks; or
- they feature well-established technologies, and demonstrable operational performance.

The Company will invest in environmental infrastructure either directly or through holding [or other](#) structures that give the Company an investment exposure to environmental infrastructure. The Company's investment interests in environmental infrastructure may include partnership equity, partnership loans, membership interests, share capital, trust units, shareholder loans and/or debt interests in or to project entities or any other entities or undertakings in which the Company invests or may invest.

Whilst there are no restrictions on the amount of the Company's assets that may be invested in any individual type of environmental infrastructure, the Company will, over the long term, seek to invest in a diversified spread of investments both geographically (although the UK will always represent a minimum of 50% of the portfolio by value) and across different types of environmental infrastructure in order to achieve a broad spread of risk in the Company's portfolio.

[Whilst the Company invests predominantly in operational assets, it may also invest in environmental infrastructure which is in its construction or development phase, which includes investment in developers of environmental infrastructure or development funding structures relating to environmental infrastructure.](#)

The Company will also ensure that its investment portfolio comprises a minimum of five investments at any given time, save that this requirement shall not apply when the Company is being wound up or dissolved.

As technologies and the markets in which they contract into develop and become established, future investments may differ from those currently within the portfolio. These assets may incorporate new technologies that have a demonstrable track record or traditional infrastructure projects with features such as greater exposure to merchant markets in feedstock or by-products.

### Investment restrictions

With the objective of achieving a spread of risk, the following investment restrictions will apply to the acquisition of investment interests in the portfolio:

- the substantial majority of investments in the portfolio by value and number will be operational. The Company will not acquire investment interests in any investment if, as a result of such investment: [\(i\) 5% or more of the NAV is attributable to environmental infrastructure in the development phase \(including in developers or development funding structures\); or \(ii\) 25% or more of the NAV is attributable to projects that are either in the development phase \(including in developers or development funding structures\) or are](#) in construction and are not yet fully operational;
- at least 50% of the portfolio (by value) will be based in the UK and the Company will only invest in environmental infrastructure located in the UK, member states of the European Union or OECD countries and, accordingly, the Company will not make any investment if, as a result of such investment, more than 50% of the Net Asset Value immediately post-acquisition would be attributable to investments that are not based in the UK; and
- it is intended that interests in any single investment acquired will not have an acquisition price (aggregated with the value of any existing investment in the relevant project, asset or business if relevant) greater than 25% of the Net Asset Value immediately post-acquisition. In no circumstances will a new acquisition exceed a maximum limit of 30% of the Net Asset Value immediately post-acquisition.

## **AMENDED INVESTMENT POLICY** continued

### **Borrowing and gearing**

The Company intends to make use of short-term debt financing to facilitate the acquisition of investments (either itself or by one of its subsidiaries). Borrowing may be secured against the assets comprising the portfolio. It is intended that such debt will be repaid periodically by the raising of new equity finance by the Company. The level of such debt is limited to 30% of the Company's Net Asset Value immediately after the acquisition of any further investment. Such debt will not include (and will be subordinate to) any project-level gearing or borrowings by assets or businesses in which the Company may invest, which shall be in addition to any borrowing at Company level.

The Company may acquire investment interests in respect of projects that have non-recourse project finance in place at the project entity level. The Company will target aggregate non recourse financing attributable to renewable energy generation projects not exceeding 65% of the aggregate gross project value of such projects. The Company will target aggregate non recourse financing attributable to projects structured as PFI/PPP projects not exceeding 85% of the aggregate gross project value of such projects. The Company will not invest in any project that would cause the Company to be in breach of the targeted limits set out in this paragraph if the Directors do not reasonably believe that the relevant target leverage limit can be achieved within six months of the date of investment in that project. It is therefore possible that the Company may exceed the targeted gearing limits set out in this paragraph, but only in circumstances where the Directors reasonably believe that such breach can be cured (by achieving the relevant target leverage limit) within six months of the date of investment in the relevant project.

### **Hedging**

Where investments are made in currencies other than pounds sterling, the Company will consider whether to hedge currency risk in accordance with the Company's currency and hedging policy as determined from time to time by the Directors. Interest rate hedging may be carried out to provide protection against increasing costs of servicing debt drawn down by the Company to finance investments.

This may involve the use of interest rate derivatives and similar derivative instruments. Hedging against inflation may also be carried out where appropriate and this may involve the use of RPI swaps and similar derivative instruments. The currency, interest rate and any inflationary hedging policies will be reviewed by the Directors on a regular basis to ensure that the risks associated with movements in foreign exchange rates, interest rates and inflation are being appropriately managed.

Any hedging transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to enhance returns from the portfolio and will not be carried out for speculative purposes.

The execution of hedging transactions is at the discretion of the Investment Manager, subject to the policies set by and the overall supervision of the Directors.

### **Cash balances**

Pending reinvestment or distribution of cash receipts or repayments of any outstanding indebtedness, cash received by the Company will be invested in cash, cash equivalents, near-cash instruments, money market instruments and money market funds and cash funds.

The Company may also hold derivative or other financial instruments designed for efficient portfolio management or to hedge interest, inflation or currency rate risks. The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

**Origination of further investments**

Each of the investments comprising the portfolio comply with the Company's investment policy and further investments will only be acquired if they comply with the Company's investment policy.

Subject to due diligence and agreement on price, the Company will seek to acquire those investments that fit the investment objectives and investment policy of the Company. If, in the opinion of the Investment Manager, the risk characteristics, valuation and price of the prospective investment are acceptable and consistent with the Company's investment objective and investment policy, then (subject to the Company having sufficient sources of capital and, in respect of certain transactions, the approval of the Directors) an offer will be made (without seeking the prior approval of shareholders) and, if successful, the investment will be acquired by the Company.

The Investment Manager will be subject to the overall supervision of the Board, all of whom are independent of the Investment Manager.

**Potential disposal of investments**

Whilst the Investment Manager may elect to retain investment interests in the portfolio of investments that the Company acquires, and any other further investments made by the Company over the long-term, the Investment Manager will regularly monitor the valuations of such investments and any secondary market opportunities to dispose of investments.

The Investment Manager only intends to dispose of investments where it considers that appropriate value can be realised for the Company or where it otherwise believes that it is appropriate to do so. Proceeds from the disposal of investments may be reinvested or distributed at the discretion of the Directors.

**Amendments to and compliance with the investment policy**

Material changes to the investment policy of the Company may only be made in accordance with the approval of the shareholders by way of ordinary resolution and (for so long as the ordinary shares are listed on the official list maintained by the Financial Conduct Authority) in accordance with the Listing Rules. Minor changes to the investment policy must be approved by the Directors. The investment restrictions detailed above apply at the time of the acquisition of investment interests and the values of existing investment interests shall be as at the date of the most recently published NAV of the Company, unless the Directors believe that such valuation materially misrepresents the value of the Company's investment interests at the time of the relevant acquisition. The Company will not be required to dispose of investment interests and to rebalance its portfolio as a result of a change in the respective valuations of investment interests.

#### **NOTES TO THE NOTICE OF AGM:**

1. A member is entitled to attend and vote at the meeting provided that all calls due from him/her in respect of his/her shares have been paid. A member is also entitled to appoint one or more proxies to attend, speak and vote on his/her behalf at the meeting. The proxy need not be a member of the Company. A form of proxy is enclosed with this Notice of AGM. To be effective, the instrument appointing a proxy (together with any power of attorney or other authority under which it is executed or a duly certified copy of such power) must be sent to PXS 1 Link Group, Central Square, 29 Wellington Street, Leeds, LS1 4DL, by no later than 10:00 a.m. on Tuesday, 30 August 2022, or not less than 48 hours before (excluding weekends and bank holidays) the time for holding any adjourned meeting, as the case may be. A corporation may execute a proxy under its common seal or by the hand of a duly authorised officer or other agent. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting.
2. An ordinary resolution of the members (or of a class of members) of the Company means a resolution passed by a simple majority.
3. A special resolution of the members (or of a class of members) of the Company means a resolution passed by a majority of not less than 75%.
4. The quorum for the AGM is at least one member present in person or by proxy and holding 5% or more of the voting rights available at such meeting.
5. Joint registered holders of shares shall not have the right of voting individually in respect of such share but shall elect one of their number to represent them and to vote whether in person or by proxy in their name. In default of such election the person whose name stands first on the register of members of the Company shall alone be entitled to vote.
6. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the register of members of the Company at close of business on Tuesday, 30 August 2022 (or in the event that the meeting is adjourned, only those members registered on the register of members of the Company as at close of business on the day which is two days prior to (excluding weekends and bank holidays) the adjourned meeting) shall be entitled to attend in person or by proxy and vote at the AGM in respect of the number of shares registered in their name at that time. Changes to entries on the register of members after that time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
7. A copy of this Notice of AGM is available on the Company's website: **[www.jlen.com](http://www.jlen.com)**.
8. The total issued share capital of the Company as at the date of this Notice of AGM is 661,531,229 Ordinary Shares. Pursuant to the Articles, on a show of hands every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative shall have one vote on a show of hands, and one vote per Ordinary Share on a poll (other than the Company itself where it holds its own shares as treasury shares). As at the date of this Notice of AGM, there are no outstanding warrants and/or options to subscribe for Ordinary Shares and there are no treasury shares in issue.
9. You may also vote your shares electronically at [www.signalshares.com](http://www.signalshares.com) so as to have been received by the Company's registrars not less than 48 hours (excluding weekends and public holidays) before the time appointed for the meeting or any adjournment of it. By registering on the Signal Shares portal at [www.signalshares.com](http://www.signalshares.com), you can manage your shareholding, including cast your vote, change your dividend payment instruction, update your address, and select your communication preferences.