

27 April 2018

## NEW ENERGY SOLAR

### 2018 NOTICE OF ANNUAL GENERAL MEETING AND GENERAL MEETING

New Energy Solar Limited (ACN 609 396 983) (**Company**) and New Energy Solar Fund (ARSN 609 154 298) (**Trust**) hereby notify you of their upcoming Annual General Meeting and General Meeting (**the Meetings**).

The Annual General Meeting of shareholders of the Company will be held in conjunction with a General Meeting of unitholders of the Trust at the time, date and place detailed below, or at such later time and date as notified to holders of units in the Trust and shares in the Company (**Securityholders**), to consider and vote on the following resolutions in this notice.

The Company and the Trust (together with their controlled entities) are referred to as the '**Business**' or '**New Energy Solar**'.

Date:	Wednesday 30 May 2018
Time:	12.00pm (Sydney time)
Venue:	Level 15, 100 Pacific Highway, North Sydney NSW 2060

The Meetings will provide an overview of New Energy Solar's activities for the year ended 31 December 2017 as well as an update on recent developments.

The attached New Energy Solar Notices of Meetings 2018 (including explanatory memorandum) provides details of the items of business to be considered by Securityholders.

Securityholders are encouraged to:

- Read the Notices of Meetings in full.
- Attend the Meetings, which will provide you with an opportunity to meet New Energy Solar's Directors and senior management and to ask questions regarding your investment.
- Vote on the resolutions as set out in the Notices of Meetings.

For further information, please contact:

Hannah Chan  
Company Secretary  
Tel: 1300 454 801



**New Energy Solar Limited**

ACN 609 396 983

Annual General Meeting

and

**New Energy Solar Fund**

ARSN 609 154 298

General Meeting

**12:00pm Sydney Time  
Wednesday 30 May 2018**

**Level 15  
100 Pacific Highway  
North Sydney NSW 2060**

**New Energy Solar  
Notices of Meetings 2018**

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**New Energy Solar**

**Australia**

Level 15, 100 Pacific Highway North Sydney NSW 2060

**T** 1300 454 801 **F** 1300 883 159

**E** [info@newenergysolar.com.au](mailto:info@newenergysolar.com.au) **W** [nes.com.au](http://nes.com.au)

Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433) as responsible entity for New Energy Solar Fund (ARSN 609 154 298)  
New Energy Solar Limited (ACN 609 396 983)

**United States**

140 Broadway, 28th Floor, New York NY 10005

**T** 646 860 9900

## 1 Background

New Energy Solar (or the **Business**) is a stapled security structure comprised of the following entities:

- New Energy Solar Limited (ACN 609 396 983) (**Company**); and
- New Energy Solar Fund (ARSN 609 154 298 (**Trust**)).

The issued shares of the Company (**Shares**) and issued units of the Trust (**Units**) are stapled together and quoted jointly on the ASX (under the code **NEW**) and are referred to as **Stapled Securities**. As a result, each Unit or Share cannot be traded separately.

## 2 General Meetings

The Annual General Meeting of Shareholders of the Company will be held in conjunction with a General Meeting of Unitholders of the Trust (**Meetings**) at the time, date and place detailed below, or at such later time and date as notified to Stapled Securities holders, to consider and vote on the following resolutions in this notice:

**Date: 12:00pm on Wednesday 30 May 2018**

**Venue: Level 15, 100 Pacific Highway, North Sydney NSW  
2060**

It is recommended that holders of New Energy Solar Stapled Securities (**Securityholders**) read the Notices of Meetings and Explanatory Memorandum in full and seek professional advice if they are uncertain about how they should cast their votes at the Meetings.

The Directors unanimously recommend that Securityholders vote in favour of all resolutions set out in the Notices of Meetings except Company Resolution 8. Company Resolution 8 relates to remuneration of the Directors and accordingly the Directors do not consider it appropriate to give a voting recommendation on that resolution.

Company Resolution 9 and Trust Resolution 1 are interconditional, meaning that if either of Company Resolution 9 or Trust Resolution 1 are not passed, the issue of the Stapled Securities the subject of these resolutions will not proceed.

Capitalised terms are defined in the Glossary in Section 8.

### 3 Notices of Meetings

## NOTICE OF ANNUAL GENERAL MEETING

### New Energy Solar Company (ACN 609 396 983)

Important: The resolutions set out in this Notice of Meeting should be read with the Explanatory Memorandum. Terms and expressions used in this Notice of Meeting have, unless otherwise defined, the same meanings as set out in the Explanatory Memorandum.

### Ordinary Business

#### Financial Accounts and Reports

To receive and consider the Financial Statements, the Directors' Report, and the Independent Auditor's Report of New Energy Solar Limited contained within the New Energy Solar Annual Report for the period 1 January to 31 December 2017.

No resolution is required for this item of business.

### Remuneration Report

#### Company Resolution 1: Adopting the Remuneration Report

To consider, and if thought fit, to pass as a non-binding and advisory resolution in accordance with section 250R of the Corporations Act:

*"In accordance with Section 250R of the Corporations Act, the Company adopts the Remuneration Report as set out in the Directors' Report of New Energy Solar for the year ended 31 December 2017."*

Notes:

- (a) The Company's key management personnel and their closely related parties must not cast a vote on the remuneration report unless they are appointed in writing as a proxy for a securityholder (other than a member of the Company's key management personnel and their closely related parties) eligible to vote on the resolution and that proxy specifies how to vote on the resolution.
- (b) The Chairman may cast a vote on the remuneration report if appointed in writing as a proxy for a securityholder (other than a member of The Company's key management personnel and their closely related parties) eligible to vote on the resolution and where that proxy does not specify how to vote on the resolution only if the proxy form authorises the Chairman to

exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

## **Appointment of Directors**

### **Company Resolution 2: Re-election of James Davies as a Director of the Company**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution** of the Company:

*“That Mr. James Davies, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography of James Davies.

### **Company Resolution 3: Re-election of Alan Dixon as a Director of the Company**

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution** of the Company:

*“That Mr. Alan Dixon, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography of Alan Dixon.

### **Company Resolution 4: Re-election of John Holland as a Director of the Company**

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution** of the Company:

*“That Mr. John Holland, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography of John Holland.

### **Company Resolution 5: Re-election of John Martin as a Director of the Company**

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution** of the Company:

*“That Mr. John Martin, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography on John Martin.

### **Company Resolution 6: Re-election of Maxine McKew as a Director of the Company**

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution** of the Company:

*“That Ms. Maxine McKew, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography on Maxine McKew.

### **Company Resolution 7: Re-election of Jeffrey Whalan as a Director of the Company**

To consider, and if thought fit, to pass the following Resolution as an **ordinary resolution** of the Company:

*“That Mr. Jeffrey Whalan, who is retiring from office under Clause 8.2(b) of the Company’s Constitution, and being eligible, be re-elected as a Director of the Company.”*

Note: please see the Explanatory Memorandum for a detailed biography of Jeffrey Whalan.

## **Special Business**

### **Company Resolution 8: Remuneration of Non-Executive Directors**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution** of the Company:

*“That, for the purposes of Clause 8.5 of the Company’s Constitution and Listing Rule 10.17 and for all other purposes, the maximum aggregate*

*remuneration which may be paid to non-executive directors in any year be increased by \$200,000 from \$200,000 to \$400,000.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Company Resolution 8 by or on behalf of a Director of the Company or an associate of a Director of the Company.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

**Company Resolution 9: Further Share Issue**

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution** of the Company.

*“That, for the purposes of ASX Listing Rule 7.1, the issue of up to 100,000,000 Shares at an issue price and on the terms and conditions set out in the Explanatory Memorandum, is authorised and approved.”*

**Voting Exclusion Statement:**

The Company will disregard any votes cast in favour of Company Resolution 9 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or any of their associates..

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Note: Shareholders who vote on Company Resolution 9 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for this resolution (if passed).

## NOTICE OF GENERAL MEETING

### New Energy Solar Fund (ARSN 609 154 298)

Important: The resolutions set out in this Notice of Meeting should be read with the Explanatory Memorandum. Terms and expressions used in this Notice of Meeting have, unless otherwise defined, the same meanings as set out in the Explanatory Memorandum.

#### Trust Resolution 1: Further Unit Issue

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution** of the Trust.

*“That, for the purposes of ASX Listing Rule 7.1, the issue of up to 100,000,000 Units at an issue price and on the terms and conditions set out in the Explanatory Memorandum, is authorised and approved.”*

#### Voting Exclusion Statement:

The Responsible Entity will disregard any votes cast in favour of Trust Resolution 1 by a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the entity), or any of their associates.

However, the Responsible Entity need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Note: Unitholders who vote on Trust Resolution 1 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for this resolution (if passed).



## 4 Other Information

An Explanatory Memorandum accompanies and forms part of these Notices of Meetings.

All Securityholders should read the Explanatory Memorandum carefully and in its entirety. Securityholders who are in doubt regarding any part of the business of either Meeting should consult their financial or legal adviser for assistance.

To constitute a valid meeting of the Company, a quorum of at least three Shareholders or Shareholders representing at least 10% of the voting Shares must be present (in person or by proxy) at the time when the meeting proceeds to business.

To constitute a valid meeting of the Trust, a quorum of at least five Unitholders must be present (in person or by proxy).

All resolutions are ordinary resolutions. To be passed, they must be approved by at least 50% of the total votes cast by Securityholders entitled to vote on the Resolution (including Securityholders who are voting by proxy).

## 5 Proxies

Any Securityholder entitled to attend and vote at these Meetings is entitled to appoint not more than two proxies to attend and vote in his/her stead.

A proxy need not be a Securityholder.

If the Securityholder appoints two proxies, the Securityholder may specify the proportion or number of votes each proxy is entitled to exercise. If no proportion or number of votes is specified, each proxy may exercise half of the votes. If the specified proportion or number of votes exceeds that which the Securityholder is entitled to, each proxy may exercise half of the Securityholder votes. Any fractions of votes brought about by the apportionment of votes to a proxy will be disregarded.

Proxies must be:

- (a) lodged by posting them or delivering them by hand to the address specified below;
- (b) received at the fax number specified below; or
- (c) registered online

not later than 48 hours before the Meetings i.e. **12:00pm (AEST) on Monday 28 May 2018.**

By mail: New Energy Solar



C/- Link Market Services Limited

Locked Bag A14

Sydney South NSW 1235 Australia

By fax: +61 2 9287 0309

In person: Level 12, 680 George Street, Sydney NSW 2000

Online: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

A proxy form is provided in this Notice.

## 6 Entitlement to Vote

Persons who are registered Securityholders at 12:00pm AEST on Monday 28 May 2018 will be entitled to vote at the Meetings, subject to being excluded in relation to the Meeting of the Trust under section 253E of the Corporations Act which provides that the responsible entity of a registered scheme and its associates are not entitled to vote on a resolution if they have an interest in the resolution or matter other than as a Securityholder. If you are in any doubt as to whether you are entitled to vote, please notify us immediately.

By order of the Board of the Company and the Responsible Entity of the Trust.

Hannah Chan

Secretary of the Company and the Responsible Entity of the Trust

27 April 2018



## **7 Explanatory Memorandum**

This Explanatory Memorandum relates to the Meetings of the Company and the Trust to be held concurrently at Level 15, 100 Pacific Highway, North Sydney NSW at 12:00pm (AEST) on 30 May 2018.

### **Ordinary Business**

#### **Financial Report and Reports of the Directors and Auditor**

This item allows Shareholders the opportunity to receive and consider the Financial Statements of the Company and the Reports of the Directors and Auditor for the financial year ended 31 December 2017. Under Section 317 of the Corporations Act, the Company is required to lay these three reports that together comprise the Company's annual report before its Shareholders at its Annual General Meeting.

There is no requirement either in the Corporations Act or in the Company's Constitution for members to approve the Financial Report, the Directors' Report or the Auditor's Report.

Shareholders will have a reasonable opportunity at the AGM to ask questions and make comments on these reports and on the business and operations of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the Auditor's Report and the conduct of the audit of the Financial Report.

#### **Company Resolution 1: Remuneration Report**

Company Resolution 1 provides Shareholders the opportunity to vote on the Company's remuneration report, which is contained in the Directors Report. Under Section 250R(2) of the Corporations Act, the Company must put the adoption of its remuneration report to a vote at its Annual General Meeting.

The vote is advisory only and does not bind the Directors or the Company.

The Board will consider the outcome of the vote and any comments made by Shareholders on the remuneration report at this Meeting when reviewing the Company's remuneration policies.

If 25% or more of the votes that are cast are voted against the adoption of the remuneration report at two consecutive Annual General Meetings, at the second of those Annual General Meetings, Shareholders will be required to consider, and if thought fit, pass an ordinary resolution (a "spill resolution").

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

The Chairman of the Meetings intends to vote undirected proxies **in favour** of this Resolution.

### **Company Resolutions 2 to 7: Re-election of James Davies, Alan Dixon, John Holland, John Martin, Maxine McKew and Jeffrey Whalan**

Under Clause 8.2 of the Company Constitution the Directors may appoint any person to be a Director as long as the total number of Directors does not exceed the maximum number under the Company Constitution. Any Director so appointed holds office until the end of the next following general meeting and is eligible for re-election at that meeting.

James Davies, Alan Dixon, John Holland, John Martin, Maxine McKew and Jeffrey Whalan were appointed to the Board on 27 October 2017 to fill casual vacancies and now seek re-election under Clause 8.3(a) of the Company Constitution.

James Davies, Alan Dixon, John Holland, John Martin, Maxine McKew and Jeffrey Whalan are eligible for re-election in accordance with Clause 8.4 of the Company Constitution and the ASX Listing Rules.

Company Resolutions 2 to 7 provide for the re-election of James Davies, Alan Dixon, John Holland, John Martin, Maxine McKew and Jeffrey Whalan as Directors of the Company in accordance with the Company Constitution. See below for details of their backgrounds.

#### **James Davies**

James has over 30 years of experience in investment management across real estate, private equity, infrastructure, natural resources and special situations. Most recently he was Head of Funds Management at New Forests Asset Management, over-seeing \$2.5 billion worth of investments in broad acre real estate, forestry assets and environmental markets. Prior to that he held Director roles at Hastings Funds Management Limited and Royal Bank of Scotland's Strategic Investments Group. He has sat on numerous Investment Committees and Boards including as Chairman of Timberlink Australia and Forico.

James holds a Bachelor of Computer Science from the University of New England, a Masters of Business Administration from London Business School and is a Member of the Australian Institute of Company Directors.

### **Alan Dixon**

Alan is the Managing Director and CEO of Evans Dixon, an asset manager and financial advisory firm established in February 2017, through the merger of Evans & Partners and Dixon Advisory. Evans Dixon has over \$20 billion of assets under management or advice.

Primarily based in the USA, Alan also oversees the firm's senior leaders and influences the strategic initiatives of more than 600 professionals working with clients in Sydney, Melbourne, Brisbane, Canberra, Jersey City and New York City. He is also Managing Director and CEO of Dixon Advisory USA, a leader in the US urban single-family home rental business.

Alan joined Dixon Advisory in January 2001. Prior to joining Dixon Advisory, Alan worked in Chartered Accountancy and Investment Banking roles in Australia.

Alan holds a Bachelor of Commerce from the Australian National University and is a member of the Institute of Chartered Accountants in Australia. He is also an SMSF Professionals' Association of Australia (SPAA) Accredited SMSF Specialist Advisor™.

### **John Holland**

John holds a portfolio of complementary non-executive board roles. In particular, he chairs KCG Europe, a brokerage business which is part of the Virtu Financial group, and Open Door Capital Management (a Greater China Asset Management company), as well as acting as Non-Executive Director of sQuidcard Limited (a UK and African Payments business in the Education and Aid Sectors). John also chairs the Board and Advisory Board respectively of ASX Listed Asian Masters Fund (AUF) and Emerging Markets Masters Fund (EMF).

Prior to his current roles, John was Managing Director and Member of UBS Investment Bank Board. Over the course of his 24-year career at UBS and its predecessor banks, John helped to build and then led UBS' leading Asian Equities and banking business based in Hong Kong, before returning to London to assume various senior management roles in the Global Equities business.

Throughout his career, John has had significant experience working with a wide range of Financial Regulators, including a three-year stint as a member of the European Securities Markets Experts Group advising the European Commission on new regulation.

John holds a Master of Arts (Hon) from Oriel College, Oxford University, majoring in Philosophy, Politics and Economics.

### **John Martin**

John was appointed as New Energy Solar's Managing Director and CEO in May 2017. John brings a wealth of experience and capability to the role after more than two decades of experience in corporate

advisory and investment banking with a focus on the infrastructure, energy and utility sectors.

John previously led the Infrastructure and Utilities business at corporate advisory firm Aquasia where he advised on more than \$10 billion of infrastructure and utility M&A and financing transactions. Prior to this John held various investment bank management positions including the Head of National Australia Bank Advisory and the Joint Head of Credit Markets and Head of Structured Finance at RBS/ABN AMRO.

During his time at ABN AMRO, John managed the Infrastructure Capital business which was viewed as a market leader in the development and financing of infrastructure and utility projects in Australia. John started his career as an economist with the Reserve Bank of Australia and then worked in various treasury and risk management positions, before moving to PwC as the partner responsible for financial risk management. At PwC John advised some of Australia's largest corporations on the management and valuation of currency, interest rate and commodity exposures – with a focus on advising energy companies trading in the Australian National Electricity Market.

John has a Bachelor of Economics (Honours) from the University of Sydney. John is a member of the Advisory Board for Cordish Dixon Private Equity Fund III (ASX:CD3), and is a past board member of Infrastructure Partnerships Australia.

### **Maxine McKew**

Maxine is an author and Honorary Enterprise Professor of the Melbourne Graduate School of Education at the University of Melbourne. Her most recent book, published by Melbourne University Press in 2014, is *Class Act*, a study of the key challenges in Australian schooling. This publication followed the success of her memoir, *Tales From the Political Trenches*, an account of her brief but tumultuous time in the Federal Parliament.

Maxine's background traverses both journalism and politics. For many years she was a familiar face to ABC TV viewers and was anchor of prestigious programmes such as the 7.30 Report and Lateline. Her work has been recognised by her peers with both Walkley and Logie awards.

When she left journalism to enter politics, Maxine wrote herself into the Australian history books by defeating Prime Minister John Howard in the Sydney seat of Bennelong. In government she was both parliamentary secretary for early childhood and later, for regional development and local government.

Maxine is a director of Per Capita and the John Cain Foundation. In 2015 she was also appointed to serve on the board of the State Library of Victoria.

### **Jeffrey Whalan**

Jeffrey is Managing Director of the Jeff Whalan Learning Group a specialist human resources company. Jeffrey is also the Non-Executive Chairman of Australian Governance Masters Index Fund Limited (ASX:AQF) and he was a senior executive officer in the Australian Public Service from 1990 to 2008.

Jeffrey was appointed an Officer in the Order of Australia in 2008 for his work as CEO of Centrelink. Among other things, the award recognised his achievements in 'the development of corporate accountability processes'.

Jeffrey is a Fellow of the Australian Institute of Company Directors and a Fellow of the Australian Institute of Management. As CEO of Centrelink, Jeffrey was responsible for the largest agency of the Australian Public Service, with \$70 billion of government outlays and 27,000 staff. Prior to joining Centrelink, he was the managing director of the Health Insurance Commission, (subsequently know as Medicare Australia).

Jeffrey has held Deputy Secretary positions in the Department of Prime Minister and Cabinet, the Department of Defence and the then Department of Family and Community Services. He has also held senior executive positions in the Department of Transport and the Department of Health.

The Directors unanimously recommend that Shareholders vote in favour of these Resolutions.

The Chairman of the Meetings intends to vote undirected proxies in favour of these Resolutions.

## **Special Business**

### **Company Resolution 8: Remuneration of Non-Executive Directors**

Clause 8.5 of the Company Constitution provides that the Directors (other than any Managing Director or Director who is a salaried officer) may be paid such remuneration as determined by the Company in a general meeting and that such remuneration may not be increased without the prior approval of the Company in a general meeting.

The total limit of remuneration payable by the Company to the non-executive Directors is currently \$200,000 per annum. At the time of New Energy Solar's initial public offering (**IPO**), the Board noted that it intended to increase the limit from \$200,000 to \$400,000 per annum or such other amount deemed appropriate to enable payment of commercial arms-length directors' fees and to allow for expansion of the Board if necessary at the 2018 general meeting.

Company Resolution 8 proposes to increase the maximum aggregate remuneration that can be paid to the Company's the non-executive Directors by \$200,000 to \$400,000 per annum.

Non-executive Directors fees which were paid in respect of the financial year ended 31 December 2017 were as follows:

Chairman	\$75,000
Non-Executive Director	\$50,000

After consideration of the roles and responsibilities of the Board and the Audit Committee, the Directors believe it is appropriate that members of the Audit Committee be paid commercial arms-length fees for sitting on that committee (members of the Audit Committee during the year ended 31 December 2017 received no remuneration for their participation on that committee).

The proposed annual fees which should apply commencing 1 June 2018 are as follows, subject to Shareholders approving the increase in the maximum aggregate remuneration that can be paid to the Company's Non-Executive Directors.

Chairman	\$75,000 (no change)
Audit Committee:	
- Chairman	\$15,000 (an increase of \$15,000 per annum)
- Member	\$10,000 (an increase of \$10,000 per annum)
Non-Executive Director	\$50,000 (no change)

The Directors believe these fees are in line with ASX listed entities comparable to New Energy Solar.

Company Resolution 8 proposes to increase the maximum aggregate remuneration that can be paid to the Company's Non-Executive Directors by \$200,000 to \$400,000 to accommodate the proposed increase in Audit Committee fees and to allow additional capacity in the total annual remuneration limit to allow for the expansion of the size of the Board if necessary. There were no Stapled Securities issued to a non-executive Director under listing rules 10.11 or 10.14 with the approval of Securityholders at any time in the last three years as New



Energy Solar was only admitted to the official list of ASX on 4 December 2017.

Should Shareholders approve Company Resolution 8, then the Company will increase the Non-Executive Directors' as set out above from 1 June 2018.

If Shareholders do not approve Company Resolution 8, then there will be no change to the maximum aggregate remuneration that can be paid to the Company's Non-Executive Directors – it will remain at \$200,000 per annum.

As the Directors have a personal interest in the outcome of this Resolution, they do not consider it appropriate to make a recommendation as to how Shareholders should vote on this resolution.

### **Company Resolution 9 and Trust Resolution 1: Flexibility to undertake future Share and Unit Issue**

Company Resolution 9 and Trust Resolution 1 refer to the proposed issue of up to 100,000,000 Shares by the Company and 100,000,000 Units by the Trust, respectively. This issue of Stapled Securities (being up to 30.3% of the issued capital of New Energy Solar as at 27 April 2018) requires Shareholder approval and Unitholder approval under ASX Listing Rule 7.1. This approval is required as the issue of these Stapled Securities would exceed the 15% limit imposed by ASX Listing Rule 7.1, on issues that can be made without Securityholder approval, in any 12 month period.

New Energy Solar completed its initial public offer and listing on ASX on 4 December 2017. As indicated in the prospectus and product disclosure statement for that offer, New Energy Solar will continue to assess opportunities for investment in new renewable energy projects. Investment opportunities satisfying New Energy Solar's investment criteria require significant capital and are often the subject of competitive tenders. To ensure that New Energy Solar has the capacity to take advantage of investment opportunities quickly, the Board and Responsible Entity consider it prudent to have the ability to raise further capital at short notice.

The purpose of Company Resolution 9 and Trust Resolution 1 is to provide the Board and Responsible Entity with the flexibility to raise capital over the three months after passage of these Resolutions without the need to obtain Securityholder approval at the time of raising.

The terms of any offer including offer structure and issue price for any capital raising to be conducted in accordance with these approvals will be determined by the Board and Responsible Entity. In deciding on the offer terms, regard will be given to, among other things, prevailing market conditions, the impact of issue on Securityholders, any time constraints associated with the deployment of funds and the proposed use of funds. An offer may be structured as a retail offer made to

investors under a combined prospectus and product disclosure statement (**Disclosure Document**) or a placement made to investors to whom an offer may be made without a Disclosure Document. Fund raising in accordance with these Resolutions may be undertaken in stages.

As at 27 April 2018, the date of this Explanatory Memorandum, New Energy Solar had 329,954,719 Stapled Securities on issue.

The following additional information is provided in accordance with Listing Rule 7.3:

- The maximum number of Stapled Securities to be issued in accordance with these Resolutions is 100,000,000 Shares and 100,000,000 Units;
- Shares and Units to be issued in accordance with these Resolutions will be issued promptly following completion of the relevant raising and in any event within 3 months of passage of the Resolutions i.e. by 30 August 2018.
- The issue price for the Shares and Units to be issued in accordance with these Resolutions will be determined by the Board and Responsible Entity at the time of issue. The issue price will be no less than 80% of the daily volume weighted average price (**VWAP**) for Stapled Securities calculated over the last 5 days on which Stapled Security sales were recorded immediately prior to (but not including) the date of the announcement of any offer of Stapled Securities.
- Shares and Units will be issued to applicants for Stapled Securities under the Disclosure Document (in the case of a retail offer) or otherwise investors identified by the Company and the Responsible Entity.
- Shares and Units to be issued will rank equally with, and have the same terms, as Shares and Units currently on issue.
- The proceeds of a capital raising undertaken in accordance with these Resolutions will be applied to acquire additional assets in line with the New Energy Solar investment objective, which is to acquire large-scale solar power plants and associated assets which have contracted cash flows from creditworthy offtakers and help investors generate positive social impacts and financial returns.

It should be noted that Securityholders who vote on Company Resolution 9 and Trust Resolution 1 and whose votes are counted will not be eligible to participate in any capital raisings pursuant to the approval obtained for these Resolutions (if passed).

The Directors unanimously recommend that Securityholders vote in favour of these Resolutions.

The Chairman of the Meetings intends to vote undirected proxies **in favour** of these Resolutions.

## 8 Glossary

In this Explanatory Memorandum and the Notices of Meeting:

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means the Australian Securities Exchange.

**ASX Listing Rules** means the listing rules of the ASX.

**Board** means the board of Directors.

**Company** means New Energy Solar Limited (ACN 609 396 983).

**Company Constitution** means the constitution of the Company.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Corporations Regulations** means the Corporations Regulations 2001 (Cth).

**Director** means a director of the Company.

**Equity Security** means an equity security as defined in the ASX Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum to the Notice.

**Meeting** means the annual general meeting convened by this Notice in respect of the Company and the general meeting convened by this Notice in respect of the Trust.

**New Energy Solar** means the Trust and the Company and their controlled entities.

**Notice** means the notices of meetings contained in this document.

**Resolution** means a resolution set out in the Notice.

**Responsible Entity** means Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433).

**Securityholder** means a holder of a Stapled Security.

**Share** means a fully paid ordinary share in the Company.

**Shareholder** means a holder of a Share.

**Stapled Security** means one Unit stapled to one Share.

**Trust** means New Energy Solar Fund (ARSN 609 154 298).

**Trust Constitution** means the constitution of the Trust.

**Unit** means a fully paid ordinary unit in the Trust, being an undivided share in the beneficial interest in Trust.

**Unitholder** means a holder of a Unit.

**VWAP** means the volume weighted average price of a stapled security sold on the ASX trading platform.

**Walsh & Company** means Walsh & Company Investments Limited (ACN 152 367 649) (AFSL 410 433).