

25 June 2021

NEW ENERGY SOLAR FUND

GENERAL MEETING OF NEW ENERGY SOLAR FUND

CHAIRMAN'S ADDRESS

Good morning and welcome to the General Meeting of New Energy Solar Fund (**Trust**). I am the Chairman of the Meeting and I am also the Chairman of E&P Investments Limited, which is the Responsible Entity of the Trust. I welcome today the other Board members of the Responsible Entity for the Trust.

As announced to the ASX on Wednesday, 23 June 2021, we are no longer allowing attendance in person and today's meeting will be held as a virtual only meeting.

Given the recent COVID-19 developments in New South Wales, in addition to guidelines and restrictions issued by the Australian state and federal governments, the Responsible Entity considers it appropriate to hold today's General Meeting online in the best interests of the health and welfare of its Unitholders.

The Virtual Meeting Online Guide provided by Link Market Services and provided to you with the Notice of Meeting has instructions for accessing and participating in the Meeting remotely. A copy of both these documents is also available on the New Energy Solar website under the Key Documents tab.

On behalf of the board of the Responsible Entity, I am pleased to invite you to consider a proposal to wind up the Trust and thereby simplify the corporate structure of the New Energy Solar fund structure, currently comprising New Energy Solar Limited (**Company**) and the Trust, from two listed stapled vehicles to a single listed company.

The Responsible Entity has convened today's Meeting to consider a resolution to direct the Responsible Entity to wind up the Trust. The Responsible Entity is seeking Unitholder support for the Winding Up Resolution, even though it is able, under the Corporations Act, to take steps to commence the process without member approval.

If the Winding Up Resolution is passed, the Responsible Entity will wind up the Trust in accordance with the Trust's constitution. This will have at least the following key consequences:

- no further Units may be issued or redeemed;
- the Units which are currently stapled to the Shares will be unstapled as a result of the commencement of the winding up of the Trust;

- after the winding up of the Trust has commenced, the Trust will be delisted from ASX and ultimately deregistered as a managed investment scheme;
- Unitholders will continue to hold and be able to trade on ASX the Shares in the Company which they hold by virtue of the current stapling after the winding up of the Trust has commenced;
- the Responsible Entity will be required to realise all of the assets of the Trust and to pay, discharge or provide for all liabilities and all expenses of or in connection with the Trust (including those anticipated in connection with the winding up);
- the net proceeds of realisation and all other cash forming part of the Trust's assets will be distributed to Unitholders in the Trust in proportion to the number of Units held by them at the date of the distribution; and
- once the final distribution is made, Units will be terminated from the date of that distribution (unless the Responsible Entity determines otherwise).

The practical effect of the proposal is that the Shares of the Company will remain listed on ASX and Shareholders will continue to be able to trade in their Shares after the unstapling has occurred.

The Directors are of the view that the benefits of maintaining a complex stapled structure no longer outweigh the costs of doing so.

The other key benefits of the proposal to wind up the Trust are described in Section 4 of the Explanatory Memorandum and include the following:

- eliminating the Trust from the stapled structure would also simplify New Energy Solar's corporate structure and streamline its corporate governance by having a single listed corporate entity. The practical effect of this means that one board of directors will be able to make decisions on behalf of all Shareholders of the Company; and
- winding up the Trust would mean the Business no longer needs to have access to or obtain an AFSL. As such, the Business would also no longer need to comply with the statutory obligations imposed on the holder of an AFSL. The AFSL is only required currently because the Trust needs to be registered as a managed investment scheme under the Corporations Act. There is no similar requirement for the Company to register as a managed investment scheme once the Trust is wound up.

Accordingly, the winding up of the Trust offers a number of advantages or benefits to Securityholders of New Energy Solar.

There are, however, one off costs in commencing the winding up of the Trust. These are estimated to be \$150,000, comprising principally transaction costs consisting of fees for legal and tax advice, printing, general meeting and other related costs. These costs will be paid for out of the Business's cash reserves. The proposed one-off costs are expected to be recouped from the ongoing cost savings (both internal and external) realised through the winding up of the Trust over a period of four years.

ASX has the power to suspend trading of the Units and to delist the Trust from the official board. ASX has confirmed that it will exercise this power and trading of the Units will be suspended from close of trading on Wednesday, 30 June 2021, with the Units of the Trust removed from the official list on Friday, 2 July 2021.

As a result, the effect of the winding up on the stapled securities is that stapling of the Units and Shares will automatically cease on Wednesday, 30 June 2021. The Shares of the Company will remain listed on ASX and Shareholders will continue to be able to trade their Shares (separately from their holding of Units) after the unstapling has occurred.

If the winding up of the Trust commences, all Unitholders will continue to hold their Units regardless of whether they voted on the Winding Up Resolution and, if they did vote, regardless of whether they voted for or against the Winding Up Resolution. If Unitholders do not wish to hold Units in an unlisted or unregistered scheme, then they are encouraged to sell their Stapled Securities before 30 June 2021.

At the recent AGM Securityholders approved the Buyback Resolution. The Buyback Resolution contemplates a Buyback of Stapled Securities. If the Winding Up Resolution is approved, then trading in the Units on ASX will be suspended from close of trading on Wednesday, 30 June 2021, meaning that Unitholders would no longer be able to participate in the Buyback after this date. However, since Unitholders hold both Shares and Units as Stapled Securities, Unitholders will still be able to participate in the Buyback through their holding of unstapled Shares. Any Shares sold back to the Company would reduce the relevant Shareholders' shareholding in the Company, but would not have any effect on their holding or proportionate interest in the Trust.

The winding up of the Trust will not change the Business's focus on investing in energy assets and projects which meet the Business's rigorous investment criteria.

After the Trust is wound up, Securityholders will hold their investment in New Energy Solar through a single listed entity, the Company, as opposed to a listed stapled structure. Additionally, after the winding up commences, the Directors of the Responsible Entity will cease to have any involvement in the governance, strategy and general oversight of New Energy Solar, with the Directors of the Company assuming sole responsibility for the listed investment company and the Business.

Authorised for release by E&P Investments Limited as responsible entity of New Energy Solar Fund.