

The Ordinary Shares offered by John Laing Infrastructure Fund Limited (the "Company") have not been and will not be registered under the United States Securities Act of 1933 (as amended, the "Securities Act") or with any securities regulatory authority of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, US Persons (within the meaning of Regulation S under the Securities Act). The Company has not been and will not be registered as an "investment company" under the United States Investment Company Act of 1940 and investors will not be entitled to the benefits of such Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where local law or regulations may result in a risk of civil, regulatory, or criminal exposure or prosecution if information or documentation concerning the issue or the prospectus is sent or made available to a person in that jurisdiction (a "Restricted Jurisdiction") and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the Ordinary Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Australia, Canada, Japan or the Republic of South Africa or any other Restricted Jurisdiction.

The prospectus has been approved by the UK Financial Services Authority as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the UK Financial Services and Markets Act 2000 and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of the prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Access to the prospectus from other jurisdictions may be restricted by law and persons situated outside the United Kingdom should inform themselves about, and observe, any such restrictions. The prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

By accessing the prospectus you are representing to the Company and its advisers that you are not (i) a US Person (within the meaning of Regulation S under the Securities Act) and are not acting on behalf of a US Person, nor purchasing with a view to re-sale in the US or to or for the account of a US Person, and that you are not an employee benefit plan as defined in section 3(3) of the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder (in each case as amended) ("ERISA") (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (ii) a resident of Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction, and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, Ordinary Shares subscribed for by you in the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction or to any US Person or resident of Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction.

PLEASE DO NOT CONTINUE ON TO THE PROSPECTUS UNLESS:

- YOU HAVE READ, UNDERSTOOD AND AGREE TO THE ABOVE;
- YOU ARE NOT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE ACCESSING THE PROSPECTUS MAY BE PROHIBITED BY LAW;
- YOU ARE NOT A US PERSON OR OTHERWISE A RESIDENT OF AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER RESTRICTED JURISDICTION; AND
- YOU ARE NOT INVESTING OR OTHERWISE ACTING FOR THE ACCOUNT OR BENEFIT OF A US PERSON OR A RESIDENT OF AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER RESTRICTED JURISDICTION.

# John Laing Infrastructure Fund Limited

JLif

Prospectus 2011  
September

Global co-ordinator and sponsor

J.P.Morgan CAZENOVE



**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this Prospectus you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000, as amended, ("FSMA") who specialises in advising on the acquisition of shares and other securities.**

A copy of this Prospectus, which comprises a prospectus relating to John Laing Infrastructure Fund Limited (the "**Company**"), prepared in accordance with the Prospectus Rules of the Financial Services Authority ("**FSA**") made pursuant to section 85 of FSMA, has been delivered to the FSA and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Existing Ordinary Shares in the Company before 8.00am on 28 September 2011 (the "**Ex**" date), please forward this document together with the accompanying Open Offer Application Form (if any) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documents should not be sent into any jurisdiction where to do so might constitute a violation of local securities laws, including but not limited to the United States and the Excluded Territories. Please refer to paragraph 6 of the Terms and Conditions of the Open Offer contained at the end of this document if you intend to send this document and/or the Open Offer Application Form outside the United Kingdom. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in this document and, for Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

It is expected that an application will be made to the UK Listing Authority for all of the New Shares to be admitted to the Official List (premium listing), and to the London Stock Exchange for all such New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that such admission will become effective, and that dealings in the New Shares will commence, on 28 October 2011. The New Shares are not dealt in on any other recognised investment exchanges and no applications for the New Shares to be traded on such other exchanges have been made or are currently expected.

The Company and its Directors, whose names appear on page 29 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Prospective investors should read this entire Prospectus and, in particular, the matters set out under the heading "Risk Factors" on pages 8 to 23, when considering an investment in the Company.

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# JOHN LAING INFRASTRUCTURE FUND LIMITED

*(incorporated in Guernsey with registered no. 52256)*

**Open Offer, Placing and Offer for Subscription of up to 148,365,000 New Shares  
of 0.01 pence each at an Issue Price of 105 pence per New Share**

**and**

**Admission to the Official List and trading on  
the London Stock Exchange's main market for listed securities**

**Information relating to the prior issue of 26,730,000 Ordinary Shares**

*Global Co-ordinator, Sponsor and Bookrunner*

**J.P. Morgan Cazenove**

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J.P. Morgan Securities Ltd., which conducts its UK investment banking activities as J.P.Morgan Cazenove ("**JPMC**") and which is authorised and regulated in the United Kingdom by the FSA, is acting exclusively for the Company and is not advising any other person or treating any other person as its customer in relation to the Issue or to the matters referred to in this Prospectus and will not be responsible to anyone other than the Company for providing the protections afforded to clients of JPMC or for affording advice in relation to the Issue. Apart from the responsibilities and liabilities, if any, which may be imposed on JPMC by FSMA or the regulatory regime established thereunder, JPMC does not accept any responsibility whatsoever for the contents of this Prospectus or for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Investment Adviser or the Ordinary Shares. JPMC accordingly disclaims all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of this Prospectus or any such statement.

The Company is a registered closed-ended investment scheme registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 issued by the Guernsey Financial Services Commission (the "**Commission**"). The Commission, in granting registration, has not reviewed this Prospectus but has relied upon specific warranties provided by Heritage International Fund Managers Limited, the Company's designated manager. The Commission takes no responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The New Shares offered by this Prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, (the "**Securities Act**"), or under the applicable state securities laws of the United States, and may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US Person (within the meaning of Regulation S under the Securities Act). In addition, the Company has not been, and will not be, registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**").

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out on pages 135 to 138 of this Prospectus.

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## SUMMARY

**THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THIS PROSPECTUS AND ANY INVESTMENT DECISION RELATING TO THE ISSUE SHOULD BE BASED ON THE CONSIDERATION OF THIS PROSPECTUS AS A WHOLE.**

Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

### Introduction

John Laing Infrastructure Fund Limited (the “**Company**”) is a Guernsey-incorporated investment company which is chaired by Paul Lester. The Company was launched on 29 November 2010 when 270 million Ordinary Shares were admitted to trading on the Main Market. An additional 26,730,000 Ordinary Shares were admitted to trading on 7 April 2011 by way of a tap issue (the “**Tap Shares**”).

Over the period from launch to 26 September 2011 the Company’s share price has risen from 100 pence per Ordinary Share at launch to 106 pence per Ordinary Share at close of business on 26 September 2011. In addition, over the period from launch to 26 September 2011, the Net Asset Value per Ordinary Share on an unaudited basis increased by 6 per cent. from 98.2 pence to 104.1 pence (after deduction of the 0.5 pence and 3.0 pence interim distributions declared during this period) (Source: The Company).

The Company has outperformed the FTSE All Share Index on a total shareholder return basis by 17 per cent. over the period from launch to 26 September 2011, having provided a share price total return for the period from launch to 26 September 2011 of 9.5 per cent. (Source: Thomson Datastream).

### Benefits of the Issue

The Directors believe that the Issue will have the following benefits:

- the Net Issue Proceeds are anticipated to be invested in the New Portfolio shortly after Admission (subject to the satisfaction of conditions to the Acquisition, including the waiver by the project senior lenders of an event of default for the North Swindon schools project and a distribution lock-up for the Enfield, Highland and Newham schools projects), and the Investment Adviser is also in detailed discussions in relation to the acquisition of the Pipeline Portfolio by the Fund;
- as the Net Issue Proceeds are anticipated to be fully invested shortly after Admission the risk of cash drag on returns is reduced and the Company therefore has decided that it need not issue C Shares, nor follow the complex process of converting such C Shares into Ordinary Shares;
- the Open Offer is fully pre-emptive, demonstrating the Directors’ appreciation of the importance of pre-emption rights to Shareholders and allowing Existing Shareholders to increase their holdings in the Company;
- the Company will be able to repay existing debt, thereby allowing debt to be utilised for Further Investments going forward;
- the market capitalisation of the Company will increase, and secondary market liquidity of the Ordinary Shares is expected to be improved; and
- the Company’s fixed running costs will be spread across a wider Shareholder base.

### **Investment objective**

The Company will seek to provide investors with long-term distributions, at levels that are sustainable.

The Company will target an IRR of 7 to 8 per cent.<sup>1</sup> (by reference to the issue price of £1 of the Ordinary Shares issued at the IPO) to be achieved over the longer term via active management to enhance the value of existing investments, and the acquisition of Further Investments.

### **Investment opportunity**

The Directors believe that an investment in the Company offers the following attractive qualities:

- an investment into a low risk infrastructure Combined Portfolio;
- a differentiated and diversified Combined Portfolio with strong yield characteristics;
- access to an Investment Adviser with significant experience and expertise in infrastructure projects;
- alignment of interests between the Investment Adviser and the Company; and
- the potential for ongoing capital growth.

### **Summary of investment policy**

The Company's investment policy is to invest in equity and/or subordinated debt issued in respect of infrastructure PFI/PPP projects. The Fund will predominantly invest in projects that have completed construction and that are in their operational phase and whose revenue streams are public sector or government-backed and are predominantly "availability" based (where the payments from the concession do not generally depend on the level of use of the project asset). The Fund may make investments in the European Union, other European countries, Canada, the United States of America and the Asia Pacific region.

When any new acquisition is made, the Fund will ensure that the investment acquired (or in the event of an acquisition of a portfolio of investments, each investment in the portfolio) does not have an acquisition value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired is not) greater than 25 per cent. of the Total Assets of the Fund immediately post-acquisition.

The Fund intends to make prudent use of leverage (and leverage in the context of the Fund shall exclude senior debt in place at Project Entity level), primarily for working capital purposes and to finance the acquisition of investments. This leverage will be limited to 25 per cent. of the Total Assets of the Fund (excluding intra-group borrowings and the debts of underlying Project Entities, but including any financial guarantees to support subscription obligations).

### **Investment Adviser and Operator**

JLCM, an investment manager authorised and regulated in the UK by the FSA, has been appointed by the Company as Investment Adviser. JLCM has also been appointed as Operator of the Partnership through which the Company conducts its investment activities and acts as discretionary investment manager of the Fund's investments within the strategic guidelines set out in the Partnership Agreement.

David Marshall and Andrew Charlesworth are directors of JLCM, lead its management team and are dedicated to advising the Company and the management of the Fund.

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<sup>1</sup> This is a target only and not a profit forecast. There can be no assurance that this target will be met.

## **Relationship with John Laing**

JLCM is a wholly owned subsidiary of John Laing, a leading sponsor of privately financed investment in infrastructure. The Fund has a right of first offer to acquire certain John Laing infrastructure investments which satisfy the Company's investment policies, in accordance with the First Offer Agreement.

## **The Current Portfolio**

The Current Portfolio of 23 projects consists of the Seed Portfolio of 19 projects which were acquired shortly after the IPO and were all previously owned by John Laing and, with two exceptions, represented all of John Laing's shareholdings in such projects, the April Portfolio which was acquired (with the exception of the Roseberry Park hospital project which is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of its acquisition by the Fund) from the John Laing Group following the issue of the Tap Shares and the Forth Valley project, which was acquired by the Fund in September 2011 and was financed, in part, by third party debt.

## **The New Portfolio**

The New Portfolio consists of Investment Capital in 10 projects to be acquired from the John Laing Group (with the additional 10 per cent. stake in the Edinburgh schools project to be acquired from JLPTL), all of which are operational and aligned to the characteristics of the Current Portfolio.

The Fund has agreed to acquire the New Portfolio from the Vendors and JLPTL (subject to Admission, the satisfaction of certain other conditions including obtaining required consents from project counterparties and any scaling back of the acquisition of the New Portfolio). As at the date of this Prospectus the Enfield, Highland and Newham schools Project Entities are prohibited from making distributions pursuant to the terms of their financing arrangements, known as "lock-up". An event of default is subsisting under the financing arrangements for the North Swindon schools Project Entity. These events result from technical breaches of the financing arrangements by the Project Entities. As such, the Project Entities are currently unable to make distributions in respect of subordinated debt and shares to their shareholders and, in addition, lenders to the North Swindon schools Project Entity are entitled to accelerate its debt and enforce their security over its assets. Unless otherwise agreed between the Vendors and the Fund, completion in respect of each such Project Entity will not occur until the relevant events in respect of the Project Entity have been waived by its senior lenders (in addition to the satisfaction of the other conditions to completion).

The purchase price for the New Portfolio is the price that the Directors consider to be its Fair Market Value. The Directors, acting with the advice of the Investment Adviser, have calculated the Fair Market Value of the New Portfolio as £98.2 million.

The Acquisition Agreement contains mechanisms to adjust the price to reflect certain events such as exchange rate fluctuations.

The Investment Adviser is also in detailed discussions in relation to the acquisition of the Pipeline Portfolio by the Fund.

## **The Issue**

The target size of the Issue is approximately £155.8 million (which reflects potential amendments to the price of the New Portfolio in accordance with the Acquisition Agreement for example to reflect exchange rate fluctuations). If the Gross Issue Proceeds are less than £63 million, the Issue will not proceed. The Directors intend that, subject to the Gross Issue Proceeds being sufficient and the acquisition of each project comprising the New Portfolio becoming otherwise unconditional, the Net Issue Proceeds will be used by the Fund to acquire all of the New Portfolio, subject to any scaling back of the acquisition of the New Portfolio, to repay debt incurred by the Fund in acquiring the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio. If, for whatever reason, any part of the New Portfolio is not acquired by the Fund, any balance of the Net Issue Proceeds that have not been used to acquire the New Portfolio (or any part thereof), or to



repay debt incurred by the Fund in acquiring the Forth Valley project or to acquire the Pipeline Portfolio will be used by the Fund to finance the acquisition of Further Investments or for other working capital purposes.

This Prospectus relates not only to the issue of the New Shares, but also sets out information in relation to the 26,730,000 Tap Shares issued in April 2011.

## **Fees**

JLCM and the General Partner are entitled, in aggregate, to a Base Fee at the annual rate of 1.1 per cent. of that part of the Adjusted Portfolio Value up to and including £500 million, 1.0 per cent. of that part of the Adjusted Portfolio Value over £500 million and up to £1,000 million and 0.9 per cent. of that part of the Adjusted Portfolio Value over £1,000 million. The Base Fee accrues and is payable quarterly in arrears.

JLCM and the General Partner are also entitled, in aggregate, to an asset origination fee of 0.75 per cent. of the purchase price of new Investment Capital acquired by the Fund that is not sourced from any of John Laing, its subsidiaries, or funds or holdings managed by John Laing or any of its subsidiaries.

The Acquisition costs (including VAT where relevant) are estimated to be approximately £0.9 million (subject to any scaling back of the acquisition of the New Portfolio or reduction of the Price).

JLCM and the General Partner are, in aggregate, also entitled to receive fees paid to the Fund in connection with the provision of directors to Project Entities.

## **Distribution Policy**

The Company will target dividend payments of 6.0 per cent. per annum (by reference to the issue price of £1 of the Ordinary Shares issued at the IPO) on its Shares for the period from Admission to 31 December 2011<sup>2</sup> and thereafter will aim to maintain this distribution. The Directors intend that the Company will generally restrict distributions (by way of dividend or otherwise) to the level of Distributable Cash Flows, and dividends to the level of income from the Fund's investments, as recognised in the relevant financial period.

Distributions on the New Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December, and are expected to be made by way of interim dividends.

## **Discount Management**

The Company may buy back Ordinary Shares (by way of market purchases or tender offers) with the intention of managing any discount to the Net Asset Value at which the Ordinary Shares may trade from time to time. Any such buy backs will be at the discretion of the Directors and will be subject to any relevant Shareholder approvals. It should not, however, be expected that any attempts by the Company to manage any discount to the Net Asset Value will result in the price at which the Ordinary Shares trade reflecting the underlying Net Asset Value.

## **Summary of Risk Factors**

Risk factors affecting the Company and the New Shares include, but are not limited to, the following:

- The value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the New Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the amount originally invested in the Company.

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<sup>2</sup> This is a target only and not a profit forecast. There can be no assurance that this target will be met or that the Company will make any distributions at all.



- Under the Acquisition Agreement, completion of the acquisition of Investment Capital in respect of a project in the New Portfolio is conditional on (inter alia) the relevant consents being obtained in relation to such project and no event of default subsisting in the relevant project finance documents. If such conditions are not satisfied in respect of one or more projects comprising the New Portfolio, the Fund is unlikely to acquire Investment Capital in respect of any such project (although it will acquire Investment Capital in other projects that have become unconditional) and the composition of the New Portfolio will be altered accordingly.
- The growth of the Fund depends upon its ability to identify, select and execute investments in accordance with the Company's investment policy which offer the potential for satisfactory returns and the continuing availability of cost effective finance to Project Entities. There can be no assurance that JLCM will be able to identify and execute a sufficient number of opportunities to permit the Fund to expand its portfolio of PFI/PPP development projects beyond the Current Portfolio and the New Portfolio.
- The Fund's ability to invest in, develop and operate PFI/PPP projects could be adversely affected if the construction and service subcontractors with whom the Fund wishes to work do not have sufficient capacity to work with the Fund on its chosen projects. In addition, if a subcontractor's work was not of the requisite quality or a subcontractor became insolvent, this could have a material adverse effect on projects in which the Fund has invested and might not only reduce financial returns but could adversely affect the Fund's reputation.
- PFI/PPP is not the only way of funding government projects. Governments may in future decide to favour alternative funding mechanisms and have reduced, and may continue to reduce, the overall level of funding allocated to major capital projects.

## **RISK FACTORS**

Investment in the Company carries a degree of risk, including but not limited to the risks in relation to the Company, the New Shares and the Tap Shares referred to below. The risks referred to below are the risks which are considered to be material but are not the only risks relating to the Company, the New Shares and the Tap Shares. There may be additional material risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware. Potential investors should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any New Shares. If any of the risks referred to in this Prospectus were to occur, the financial position and prospects of the Company could be materially adversely affected. If that were to occur, the trading price of New Shares and/or their Net Asset Value and/or the level of dividends or distributions (if any) received from the New Shares and/or the Tap Shares could decline significantly and investors could lose all or part of their investment.

The New Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

### **Risks associated with the acquisition of the New Portfolio**

#### **Scaleback of the New Portfolio**

The Fund and John Laing have agreed the terms on which the New Portfolio (with the exception of the additional 10 per cent. stake in the Edinburgh schools project which is to be acquired pursuant to the JLPTL Acquisition Agreement) is to be acquired in the Acquisition Agreement. The Acquisition Agreement contemplates that completion will occur after Admission. Under the Acquisition Agreement, completion of the acquisition of Investment Capital in respect of a relevant project in the New Portfolio is conditional on the relevant consents being obtained in relation to such project, no event of default subsisting in the relevant project finance documents and, in the case of the Investment Capital denominated in currencies other than Sterling, no material movements in exchange rates.

If conditions are not satisfied in respect of one or more projects comprising the New Portfolio, the Fund is unlikely to acquire Investment Capital in respect of any such project (although it will acquire Investment Capital in other projects that have become unconditional, subject to the Gross Issue Proceeds and/or available debt being sufficient) and the composition of the New Portfolio (and consequently the Combined Portfolio) will be altered accordingly. The failure of the Fund to acquire Investment Capital in respect of any part of the New Portfolio could adversely affect the performance of the Company. Similarly, the Fund may be unable to acquire all of the projects in the New Portfolio if the Gross Issue Proceeds are less than £105 million (as described further in Part 4 of this Prospectus).

#### **Vendors' liabilities**

Under the Acquisition Agreement the Vendors have provided various warranties for the benefit of the Fund in relation to the Acquisition. Such warranties are limited in extent and are however subject to disclosure, time limitations, materiality thresholds and a liability cap and to the extent that any loss suffered by the Fund arises outside the warranties or such limitations or exceeds such cap it will be borne by the Fund.

Completion of the Acquisition is expected to occur after Admission. Although the Vendors will be contractually obliged to complete the transfer of their interests in the projects comprising the New Portfolio, there is a risk that they default on their contractual obligations to complete the Acquisition in accordance with the Acquisition Agreement. If such default occurs, the Fund may have to

instigate legal proceedings against one or more of the Vendors to enforce their rights under the Acquisition Agreements or to seek damages, which could have adverse consequences for the Fund.

### **Concentration of investments**

The values of some of the investments in the Combined Portfolio are significantly greater than others. For example, approximately 45 per cent. of the value of the Current Portfolio comprises investments in the Project Entities responsible for three projects. Following the Acquisition, if any circumstances arise which materially affect the returns generated by any of those higher valued Project Entities (or any other significant part of the Combined Portfolio), the effect on the Company's ability to meet its investment objective may be material.

To the extent that investments in any of the Project Entities that together or individually represent a significant part of the New Portfolio are not acquired by the Fund as part of the Acquisition, it may be difficult for the Fund to identify sufficient suitable alternative investments in a reasonable time period.

### **Consents**

The John Laing Group has sought to identify and is in the process of obtaining all those consents from public sector clients, funders and shareholders that are required for completion of the acquisition of the Investment Capital in the New Portfolio to occur. If the requisite Target Consents are not obtained prior to the long stop date of 31 December 2011, unless otherwise agreed between the Vendors and the Fund completion will not occur for those Project Entities and it may be difficult for the Fund to identify sufficient suitable alternative investments in a reasonable time period in order to enable the Company to achieve its investment objective.

## **Risks associated with the Combined Portfolio**

### **New Portfolio projects in default/lock-up**

As at the date of this Prospectus the Enfield, Highland and Newham schools Project Entities are prohibited from making distributions pursuant to the terms of their financing arrangements, known as "lock-up". An event of default is subsisting under the financing arrangements for the North Swindon schools Project Entities. These events result from technical breaches of the financing arrangements by the Project Entities. As such, the Project Entities are currently unable to make distributions in respect of subordinated debt and shares to their shareholders and, in addition, lenders to the North Swindon schools Project Entity are entitled to accelerate its debt and enforce their security over its assets. Enforcement by the senior lenders would be expected to result in a total loss of value for the shareholders. Completion in respect of each such Project Entity is conditional on the relevant events in respect of the Project Entity having been waived by its senior lenders (in addition to the satisfaction of the other conditions to completion). If completion does not occur for all or any of such Project Entities it may be difficult for the Fund to identify sufficient suitable alternative investments in a reasonable time period in order to enable the Company to achieve its investment objective.

### **Tax indemnities**

In the case of the Avon and Somerset courts, Manchester street lighting, Queen Elizabeth hospital, Wakefield street lighting, Walsall street lighting and Highland schools projects a shareholder in the project is required to indemnify other project parties (or provide equivalent protection) against certain adverse tax consequences that the other shareholders in the applicable Project Entity may suffer as a result of the first mentioned shareholder not being a UK tax resident company. As the Partnership will hold the Investment Capital relating to these projects directly, the Partnership may incur liability under such provisions.

The Company has sought advice about the potential impact to the Fund of these provisions and considers that the potential areas of UK corporate tax legislation which might be relevant under the indemnities to be limited and the risk of a liability arising under the indemnity to be very low. In the event that a liability were to arise under the indemnity the potential risks cannot be accurately

quantified, as they would depend on the level of profits or losses in the relevant company or companies going forward and moreover whether HMRC could successfully dispute any consortium relief claims. As the potential liability cannot be accurately quantified, liability could be potentially material to the Company. Regardless of quantum however, the impact would be likely to be financial and any liability could adversely affect the performance of the underlying Project Entity or Project Entities. This could result in reduced distributions made to the Company and therefore reduce the returns which the Company is able to generate.

### **Project Entity employees**

It is possible, although not typical, for a Project Entity to have its own employees. If a Project Entity has its own employees it may be exposed to potential employer/pension liabilities under applicable legislation and regulations, which could have adverse consequences for the Project Entity (and, if the Fund has invested in such a Project Entity, consequently for the Fund). As at the date of this Prospectus the Project Entity responsible for the M6 motorway project has three employees and is the only Project Entity of those responsible for the projects comprising the New Portfolio to currently have any employees.

The Project Entity responsible for the Abbotsford hospital project previously had one employee, whose employment was terminated in 2008. The Project Entity responsible for the Ministry of Defence main building project previously had 12 employees who have now been transferred to a service provider to the project.

### **Roseberry Park acquisition**

The Fund and John Laing have agreed the terms on which Investment Capital in the Roseberry Park hospital project is to be acquired but are still awaiting the satisfaction of certain conditions prior to the completion of its acquisition. If conditions are not satisfied in respect of the Roseberry Park hospital project, the Fund might not acquire Investment Capital in respect of it. The failure of the Fund to acquire Investment Capital in respect of the Roseberry Park hospital project could adversely affect the performance of the Company.

## **Project risks**

### **Capacity of subcontractors**

The Fund is dependent upon construction and service subcontractors for the delivery of PFI/PPP projects. The Fund's ability to invest in, develop and operate PFI/PPP projects could be adversely affected if the construction and service subcontractors with whom the Fund wishes to work do not have sufficient capacity to work with the Fund on its chosen projects. In addition, if a subcontractor's work was not of the requisite quality or a subcontractor became insolvent, this could have a material adverse effect on projects in which the Fund is invested and might not only reduce financial returns but could adversely affect the Fund's reputation.

### **Project Entity level risk**

Project Entities may retain certain obligations in relation to construction, facilities management, operation, lifecycle (maintenance and upkeep of buildings, fixtures and fittings), compliance with bank covenants and financial undertakings and performance of certain other obligations (for example with regards to their management and reporting obligations). A failure by a Project Entity to meet any such obligations could affect the levels of distributions which it is able to make, and consequently adversely affect the performance of the Fund.

### **Building defects**

Project Entities typically subcontract design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects in the asset for a statutory period (which varies between countries) following the construction of the asset, subject to liability caps. In addition to this

financial liability, the construction subcontractor will also often have agreed an obligation to return to site in order to carry out any remedial works required for a pre-agreed period. The Project Entity will not normally have recourse to any third party for any defects which arise after the expiry of these limitation periods.

### **Life cycle costs**

During the life of an investment, components of the project assets or building (such as elevators, roofs and air handling plant in a building) will need (inter alia) to be replaced or undergo a major refurbishment. The timing and costs of such replacements or refurbishments is forecast based upon manufacturers' data and warranties and specialist advisers are usually retained by the Project Entities to assist in such forecasting of life cycle timings and costs. However, shorter than anticipated asset lifespans or costs or inflation higher than forecast may result in life cycle costs being higher than anticipated. Conversely, longer lifespans and lower than forecast cost inflation may result in life cycle costs being less than anticipated. Any cost implication, not otherwise passed down to subcontractors, will generally be borne by the affected Project Entities.

### **Insurance costs and availability**

A Project Entity will usually be responsible under its Project Agreement for maintaining insurance cover for, amongst other things, buildings, other capital assets, contents and third party risks (for example arising from damage to property). Typically, the Project Entity takes the risk or benefit that the cost of maintaining the insurance may be greater or less than expected and that in some circumstances it may not be able to obtain the necessary insurance or share this risk with the Public Sector Client. Where insurance is not obtainable, in the case of PFI/PPP projects, the Project Agreement usually provides that the Public Sector Client may, in certain circumstances, arrange to insure the relevant risks itself. If a risk then subsequently occurs, the Public Sector Client can typically choose whether to let the Project Agreement continue, and pay to the Project Entity an amount equal to the insurance proceeds which would have been payable had the insurance been available (excluding in certain cases amounts which would have been payable in respect of Investment Capital), or terminate the Project Agreement and pay compensation on the basis of termination for force majeure (see below under "Termination of Project Agreements"). Certain risks may be uninsurable in the insurance market or subject to an excess or exclusions of general events (for example the effect of war) and in such cases the risks of such events will rest with the Project Entity.

### **Environmental liabilities**

To the extent there are environmental liabilities arising in the future in relation to any sites owned or used by a Project Entity including, but not limited to, clean-up and remediation liabilities, such Project Entity may, subject to its contractual arrangements, be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the sites or by the value of the Fund's total investment in the Project Entity.

### **Carbon Reduction Commitment Energy Efficiency Scheme**

If a Project Entity is responsible for energy supply in relation to the facilities it provides then, subject to certain thresholds, it may be required to comply with the Carbon Reduction Commitment Energy Efficiency Scheme which came into force on 1 April 2010. The Fund also may fall within the scheme as a result of rules requiring the aggregation by a holding company of energy use by subsidiaries. Compliance with the scheme will entail administration costs and may result in increased costs through the purchase of allowances. Protection in respect of these costs is unlikely to be available under project "change of law" provisions and the obligation may not be passed down to subcontractors, although such pass downs are typically made to the relevant subcontractor (or to the Public Sector Client on street lighting projects). Following guidance from the Environment Agency with regards to the application of the scheme to PFI projects it is expected that the risk with regards to the projects comprising the Combined Portfolio, or future projects acquired by the Fund, is remote.

## **Risks associated with subcontractors and other counterparties**

### **Concentration of subcontractors**

In some instances in respect of the Combined Portfolio, a single subcontractor is responsible for providing services to various Project Entities in which the Fund invests. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the Fund's investments. A similar situation may apply with respect to default, impairment or insolvency relating to financial counterparties, such as banks, insurance companies and monoline insurers. The Fund may acquire Further Investments, including established portfolios of investments in Project Entities. Those Project Entities may already have appointed subcontractors for the duration of their concessions. Although the Fund will aim to avoid an excessive reliance on any single subcontractor, and will have regard to this concern when making Further Investments, there may be some degree of risk in this respect in relation to the Combined Portfolio or across the Fund's future expanded total portfolio.

### **Termination of subcontractors**

If there is a subcontractor service failure which is sufficiently serious to cause a Project Entity to terminate a subcontract, or insolvency in respect of a subcontractor, or the Public Sector Client requires the Project Entity to terminate a subcontract, there may be a loss of revenue during the time taken to find a replacement subcontractor. In addition, the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. Despite sureties such as parent company guarantees and third party bonds, these may not be recoverable from the defaulting subcontractor.

### **Exceeded liability limits**

Where Project Entities have entered into subcontracts, the subcontractors' liabilities to a Project Entity for the risks they have assumed will typically be subject to financial caps and it is possible that these caps may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Entity unless covered by the Project Entity's insurance.

### **General counterparty risk**

In today's economic climate, credit risk is considered by the Company to be of high importance. This relates to all parties within the Fund's value chain, from subcontractor to senior lender and even to Public Sector Clients. The Fund will take reasonable steps to conduct adequate due diligence in respect of such counterparties, however such counterparties may fail to perform their obligations in the manner anticipated by the Fund. This may result in unexpected costs or a reduction in expected revenues for the Fund.

### **Defects in contractual documentation**

The contractual arrangements for PFI/PPP projects are structured so as to minimise the risks inherent in projects which are retained by the Project Entities. However, despite technical, legal and financial review, the contractual documentation may be ineffective in distributing or mitigating risks to the degree expected, resulting in unexpected costs or reductions in revenues which could impact adversely on investment returns. Due to commonalities in the drafting of such contractual documentation, such issues could affect a number of Project Entities in which the Fund may invest.

A number of Project Entities within the Combined Portfolio involve the provision of services. The contractual or other arrangements for the provision of these services may not be as effective as intended and/or may result in unexpected costs or a reduction in expected revenues for the Project Entity. Where responsibility for the provision of services is subcontracted, recourse against the subcontractor will be subject to liability caps and may be subject to default or insolvency on the part of the contractor.

## **Risks associated with Further Investments**

### **Further acquisitions**

The growth of the Fund depends upon the ability of JLCM to identify, select and execute investments which offer the potential for satisfactory returns and the continuing availability of cost effective finance to Project Entities. The availability of such investment opportunities will depend, in part, upon conditions in the international infrastructure PFI/PPP markets. Whilst the Fund has a right of first offer to acquire certain John Laing infrastructure investments of which John Laing wishes to dispose which satisfy the Company's investment policy, in accordance with the First Offer Agreement, there can be no assurance that JLCM will be able to identify and execute a sufficient number of opportunities to permit the Fund to expand its portfolio of PFI/PPP development projects. Further details in relation to the First Offer Agreement are set out in Part 9 of this Prospectus.

### **Competition for assets**

The Fund will compete against other PFI/PPP investors to acquire PFI/PPP investments available in the market. Competition for appropriate investment opportunities may increase, thus reducing the number of opportunities available to, and adversely affecting the terms upon which investments can be made by, the Fund, and thereby limiting the growth potential of the Fund.

### **Development risk**

The Fund may, in accordance with the Company's published investment policies, invest up to 15 per cent. of Total Assets in projects that are under construction. Projects which are under construction may be exposed to certain risks, such as cost overruns and construction delays.

During the construction period of a project, there are risks that either the works are not completed within the agreed timeframe or construction costs overrun. In a typical project these risks are passed down to the subcontractors. To the extent however that such risks are not borne by subcontractors, or that subcontractors fail to meet their commitments, delays or cost overruns may adversely affect the return on the investment to the Project Entity.

### **Ability to finance Further Investments**

To the extent that it does not have cash reserves pending investment, the Fund will need to finance Further Investments either by borrowing or by issuing further Shares. Although the Fund expects to be able to borrow on reasonable terms and that there will be a market for further Shares, there can be no guarantee that this will always be the case.

## **General risks (other than project risks) associated with infrastructure investments**

### **Control**

Infrastructure investments may be in Project Entities that the Fund does not always control. The contractual documentation may include concession, finance and shareholder agreements and may contain certain minority restrictions and protections that may impact on the ability of the Fund and the Operator to have control over the underlying investments.

### **Termination of Project Agreements**

PFI/PPP contractual agreements typically give the relevant Public Sector Client and the Project Entity rights of termination. The compensation which the Project Entity is entitled to receive on termination will depend on the reason for termination. In some cases, notably default by the Project Entity, the compensation will not include amounts designed specifically to repay the equity investment and is likely only to cover a portion of the debt in the relevant Project Entity. In other cases (such as termination for force majeure events) only the nominal value of the equity is compensated and, in such circumstances, the Fund would be unlikely to recover either the expected returns on its investment or the amount invested.



### **Sufficiency of due diligence**

Whilst JLCM will undertake an in-depth due diligence exercise in connection with the purchase of the Fund's investments, as detailed in Part 5 of this Prospectus, this may not reveal all facts that may be relevant in connection with an investment and could materially overvalue an acquisition. Since the Investment Adviser, in its capacity as Operator of the Partnership, acts as discretionary investment manager of the Fund's investments, the Directors will not necessarily review any such due diligence in detail although the activities of the Investment Adviser are subject to overall supervision of and monitoring by the Directors.

### **Financial modelling**

Infrastructure projects rely on large and detailed financial models. There is a risk that errors may be made in the assumptions or methodology used in a financial model. In such circumstances the returns generated by the Project Entity may be different to those expected.

### **Demand risk**

Two of the Project Entities within the Combined Portfolio (the M40 and the M6 motorway projects) are predominantly reliant on revenues measured in relation to the number of users and thus have some exposure to demand risk (although financial returns are relatively insensitive to traffic movement). There is a risk that demand and revenues fall below the current projections and this may result in a reduction in expected revenues for these Project Entities. Other Project Entities (including those operating "availability-based" projects where the bulk of payments are based on making the facilities available for use and do not depend substantially on the demand for or use of the project) may depend in part on additional revenue from ancillary activities, for example letting of school accommodation for out of hours use. The amount of additional revenue received from any such activities may be variable and less than projected.

The Fund may make additional investments in Project Entities which have "demand-based" concessions where the payments received by the Project Entities depend on the level of use made of the project assets, although the Fund's investment in projects with predominantly "demand-based" revenue streams is limited to 15 per cent of the Total Assets of the Fund (calculated at the time of investment). There is a risk that the level of use of the project assets and therefore the returns from such Project Entities will be different to those expected.

### **Non-Public Sector Client revenues**

In some Project Agreements, the projected income of the Project Entities assumes a level of third party or non-Public Sector Client revenues from use of the project's facilities. There can be no assurance that actual third party revenues will equal or exceed those expected and projected.

### **Inflation/Deflation**

The revenues and expenditure of Project Entities developed under PFI/PPP are frequently partly or wholly linked to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at a long-term rate (which may vary depending on country and prevailing inflation forecasts). The effect on investment returns if inflation overshoots or undershoots the original projections for this long-term rate is dependent on the nature of the underlying project earnings and any unitary charge indexation provisions agreed with the Public Sector Client on any project. The Company's ability to meet targets and its investment objective may be adversely or positively affected by inflation and/or deflation. An investment in the Company cannot be expected to provide protection from the effects of inflation or deflation.

### **Costs forecasting and benchmarking**

Investment decisions are based upon assumptions as to timing and cost of major asset maintenance and other ongoing Project Entity costs over the term of a PFI/PPP contract (typically

up to 30 years). To the extent that the actual costs incurred differ from the forecast costs and cannot be passed on to subcontractors, the expected investment returns may be adversely affected.

A Project Agreement for accommodation-based PFI/PPP projects with availability-based payment streams will often contain benchmarking and/or market-testing regimes in respect of the cost of providing certain services which operate periodically, typically every five years. These mechanisms may expose the Project Entity to the potential losses or gains arising from changes in some of its costs relative to the charges that it is then entitled to receive from the relevant Public Sector Client as a result of the benchmarking/market testing regimes.

### **Change in accounting standards, tax law and practice**

The anticipated taxation impact of the proposed structure of a Project Entity is based on prevailing taxation law and accounting practice and standards. Any change in a Project Entity's tax status or in tax legislation or practice (including in relation to taxation rates and allowances) or in accounting standards could adversely affect the investment return of the Project Entity. If returns from Investment Capital reach a high level, there is also a possibility that governments may seek to recoup returns that they deem to be excessive either on individual projects or more generally.

### **Change in general law and governmental policy**

A Project Entity may incur increased costs or losses as a result of changes in law or regulation. Such costs or losses could adversely affect the performance of the Company. Changes in law may affect any explicit or implicit government support provided to projects.

PFI/PPP is not the only way of funding government projects. Governments may in future decide to favour alternative funding mechanisms. In addition, governments have reduced, and may continue to reduce, the overall level of funding allocated to major capital projects. Both of these factors may reduce the number of investment opportunities available to the Fund.

Governments may in future decide to change the basis upon which Project Entities and government counterparties share any gains arising either on refinancing or on the sale of project equity, in which case the returns ultimately available to the Fund from future PFI/PPP project investments may be reduced. Project Entities generally assume the risk of non-discriminatory changes in law.

### **Regulatory risk**

The economic viability of a Project Entity may depend on regulatory conditions in a particular jurisdiction. Changes in these conditions may affect the financial performance of the Project Entity, which in turn may affect the returns the Fund receives from such investments. Where a Project Entity holds a concession or lease from the government, the concession or lease may restrict the Project Entity's ability to operate the business in a way that maximises cash flows and profitability. The lease or concession may also contain clauses more favourable to the government counterparty than a typical commercial contract.

### **Subscription obligations**

The contribution of equity subscription monies to a Project Entity is usually deferred to the end of the construction period. In certain circumstances (for example on the occurrence of an event of default under the senior loan agreement for a project where the Project Entity is in the construction phase of its concession) the senior lenders may be entitled to call for the subscription monies payable by shareholders in a Project Entity in respect of future subscription obligations to be paid in advance of the contractually scheduled due date. The Company has adopted the investment restriction that no more than 15 per cent. of the Fund's Total Assets will comprise Investment Capital in projects that are under construction (calculated at the time of investment).

### **Covenants for senior debt**

The covenants provided by a Project Entity in connection with its senior debt are normally extensive and detailed. If certain covenants are breached, payments on Investment Capital are liable to be suspended and any amounts paid in breach of such restrictions will be repayable. Additionally, if an event of default occurs the senior lenders may become entitled to “step-in” and take responsibility for, or appoint a third party to take responsibility for, the Project Entity’s rights and obligations under the Project Agreement or the investment entity’s operations (as applicable), although the senior lenders will have no recourse against the Company in such circumstances. In addition, in such circumstances the senior lenders will typically be entitled to enforce their security over Investment Capital in the Project Entity or other investment entity or over its assets and to sell the Project Entity or other investment entity or its assets to a third party. The consideration for any such sale is unlikely to result in any payment in respect of the Fund’s investment in the Project Entity or other investment entity. This risk factor applies to each Project Entity or other investment entity with senior debt, whether the Fund has a controlling interest in such Project Entity or other investment entity or not. However, the consequences of such breach of covenant in relation to any one Project Entity or other investment entity are limited to that particular Project Entity or other investment entity and do not affect the rest of the Investment Portfolio save in respect of potential suspension of payments of Investment Capital as described above, and the Fund mitigates any such risk by having a spread of investments across the Investment Portfolio.

### **Insurance Mediation Directive**

There is a risk that Project Entities involved in UK PFI/PPP projects could be deemed to carry out activities described as insurance mediation. If this were the case, a Project Entity could find itself open to criminal prosecution if it arranged insurance on behalf of other parties in a project without obtaining authorisation from the FSA. The FSA has issued guidance which suggests that, with regards to typical UK PFI/PPP projects, authorisation is not required, although it notes in its guidance that the interpretation of relevant legislation is “ultimately a matter for the courts to determine”.

### **Untested nature of long-term operational environment**

Given the long-term nature of infrastructure concession contracts, and the fact that PFI/PPP infrastructure is a relatively new investment class, there is as yet no experience of the long-term operational problems that may arise in the future and which may affect infrastructure projects and Project Entities and therefore the Fund’s investment returns.

### **Corrupt gifts**

Typically the Public Sector Client will have the right to terminate the Project Agreement where the Project Entity or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or other fraudulent act in connection with the Project Agreement. Most Investment Capital will not be compensated in these circumstances.

### **Market value of investments**

Returns from the Fund’s investments will be affected by the price at which they are acquired. The value of these investments will be (amongst other risk factors) a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates and the competition for such assets. Where the Company publishes its Net Asset Value such value will be the Company’s estimation of the Company’s Net Asset Value from time to time, but that value may not have been independently appraised and should not be assumed to represent the value at which the Investment Portfolio could be sold in the market or that the assets of the Company and/or Fund are saleable readily or otherwise.

**Liquidity of investments**

The majority of investments made by the Fund comprise interests in Project Entities which are not publicly traded or freely marketable and are often subject to restrictions on transfer and may, therefore, be difficult to value and/or realise at the value attributed to such investments, or at all.

**Risk of limited diversification**

Other than some holdings in cash or cash equivalents, the Fund will invest almost exclusively in infrastructure-related investments and will therefore bear the risk of investing primarily in only one asset class.

**Residual value**

In some PFI/PPP projects, the land and/or buildings remain in the ownership of the Project Entity at the end of the concession period. Whilst not applicable to any of the projects in the Combined Portfolio, should the Fund acquire projects where residual values are retained by the Project Entity at the end of the concession period, there can be no assurance that actual residual values will equal or exceed those expected or projected at the end of the concession period.

**Interest rate risks**

Changes in interest rates may adversely affect the Fund's investments. Changes in the general level of interest rates can affect the Fund's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of its interest bearing liabilities, the value of its interest-earning assets and its ability to realise gains from the sale of assets should this be desirable. Changes in interest rates may also affect the valuation of the Fund's assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Fund.

The Fund may finance its activities with either fixed and/or floating rate debt. With respect to any floating rate debt, the Fund's performance may be affected adversely if it fails to or chooses not to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can however be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Certain Project Entities in the Combined Portfolio have issued bonds which are insured by monoline insurers to finance their activities, which may be impacted by any downgrade in the rating of the monoline insurer. The Fund's future investments may be in Project Entities also financed by bonds which are insured by monoline insurers. Any downgrade in the rating of a monoline insurer may have a negative valuation impact and potential performance impact on those Project Entities where such monoline insurer is involved, as well as potentially causing a margin increase on the related senior debt. Any negative valuation impact or performance impact on a Project Entity may adversely affect the dividends and other distributions paid by such Project Entity to the Fund and consequently the performance of the Fund.

**Impact of current financial and economic environment**

The current financial and economic climate impacts upon the PFI/PPP market. Should these circumstances prevail for a prolonged period within the UK or other markets, deal flow might be held up and capacity in debt markets might continue to be constrained in combination with the difficulty in accessing new funds. Activity within the secondary market for PFI/PPP infrastructure assets has reduced with the capital constraints prevalent in the economy. There is a risk that this situation may persist.

## **Foreign investments**

The Fund may make investments in countries outside the UK, Finland and Canada (being the countries in which the projects comprising the Combined Portfolio are located). Laws and regulations of foreign countries may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. In addition, foreign governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in GBP and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a court outside the UK.

The Company, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Fund.

As a separate point, foreign governments may introduce new tax laws (for example transaction or industry specific taxes) which may change the tax profile of the relevant entity.

## **Major disaster**

The performance of the Fund may be affected by reason of events such as war, civil war, riot or armed conflict, radioactive, chemical or biological contamination, pressure waves, environmental occurrences and acts of terrorism which are outside its control. The occurrence of such events may have a variety of adverse consequences for the Fund, including risks and costs related to the damage or destruction of property owned or used by Project Entities in which the Fund has invested, inability to use one or more such properties for their intended uses for an extended period, decline in income or property (and therefore investment) value, and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or may be insurable only at rates that the Fund deems uneconomic.

## **General risks associated with investing in the company**

### **Past performance**

The past performance of the Fund, the Combined Portfolio and other investments managed and monitored by JLCM, the John Laing Group or their respective associates is not a reliable indication of the future performance of the investments held by the Fund.

### **No guarantee of return**

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of New Shares will occur or that the investment objective of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

In particular, prospective investors should be aware that the periodic distributions made to Shareholders will comprise amounts periodically received by the Fund in repayment of, or being distributions on, its Investment Capital in Project Entities and other investment entities, including distributions of operating receipts of investment entities. Although it is envisaged that receipts from Project Entities over the life of their concessions will generally be sufficient to fund such periodic

distributions and repay the value of the Fund's original investments in the Project Entities or other investment entities over the long-term, this cannot be guaranteed.

The Company's targeted returns for the New Shares are based on assumptions which the Directors consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the Company's return may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its distribution targets (which for the avoidance of doubt are targets only and not profit forecasts).

The value of the New Shares and income derived from them (if any) can go down as well as up. Notwithstanding the existence of the share buyback and tender offer powers as described in Part 6 of this Prospectus, there is no guarantee that the market price of the New Shares will fully reflect their underlying Net Asset Value. In the event of a winding-up of the Company, Shareholders will rank behind any creditors of the Company and, therefore, any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

### **Dilution of ownership**

If a Qualifying Shareholder does not subscribe under the Open Offer for such number of New Shares as is equal to his or her proportionate ownership of Existing Ordinary Shares, his or her proportionate ownership and voting interests in the Company will be reduced and the percentage that his or her Ordinary Shares will represent of the total share capital of the Company will be reduced accordingly. Those Shareholders in the United States and the Excluded Territories, subject to certain exceptions, will not be able to participate in the Open Offer. Shareholders outside the United Kingdom may not be able to acquire New Shares pursuant to the Issue or for future issues of Ordinary Shares. Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in the Issue. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders who have a registered address in, or who are resident in or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to acquire New Shares.

### **Distributions**

The amount of distributions and future distribution growth will depend on the Fund's underlying investment portfolio. Any change or incorrect assumption in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Fund invests) may reduce the level of distributions received by Shareholders. In particular, prospective investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey, as set out in Part 7 of this Prospectus. In addition any change in the accounting policies, practices or guidelines relevant to the Fund and its investments may reduce or delay the distributions received by investors. The Company's ability to pay dividends will be subject to the provisions of the Law.

To the extent that there are impairments to the value of the Fund's investments that are recognised in the Company's income statement under IFRS, this may affect the profitability of the Company (or lead to losses) and affect the ability of the Company to pay dividends.

### **Fund management**

The success of the Fund will depend upon the expertise of the Company and the Directors in formulating the investment strategy of the Fund and of JLCM in identifying, selecting, managing and developing appropriate investments. Whilst the Fund has a right of first offer to acquire certain John Laing infrastructure investments which satisfy the Company's investment policy, in accordance with the First Offer Agreement, and despite the future John Laing pipeline of investments, there is no guarantee that suitable Further Investments will be available following Admission or that any investment will be successful. There is also no certainty that key investment professionals currently

working for JLCM will continue to work for JLCM or that JLCM will continue as the Investment Adviser and/or Operator throughout the life of the Company.

### **Non-involvement in management and operational decisions**

Investors will have no opportunity to control or participate in the day-to-day operations, including investment and disposal decisions, of the Fund.

### **Liquidity**

Although the New Shares are to be listed on the Official List and admitted to trading on the Main Market and will be freely transferable, the ability of Shareholders to sell their New Shares in the market, and the price which they may receive, will depend on market conditions. The New Shares may trade at a discount to their prevailing Net Asset Value and it may be difficult for a Shareholder to dispose of all or part of his or her holding of New Shares at any particular time. There can be no guarantee that attempts by the Company to mitigate such a discount will be successful or that the use of discount control mechanisms will be possible or advisable.

The Company has the ability to make tender offers for Ordinary Shares and to make market purchases of Ordinary Shares from Shareholders. Any such tender offers or market purchases will be made entirely at the discretion of the Directors and will be subject to prior Shareholder approval and the provisions of the Listing Rules. Any market purchases of Ordinary Shares will be made entirely at the discretion of the Directors and will be subject to annual Shareholder approval. As such, Shareholders will not have any ability to require the Company to make any tender offers for, or market purchases of, all or any part of their holdings of Ordinary Shares. Consequently, Shareholders should not expect to be able to realise their Ordinary Shares at a price reflecting their underlying Net Asset Value.

### **Conflicts of interest**

JLCM, the Administrator, the Domiciliation Agent, the Sponsor, the Bookrunner, the Registrar, the Receiving Agent, any of their directors, officers, employees, service providers, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with members of the Fund and their investments. In particular, these Interested Parties may provide services similar to those provided to the Fund to other entities and will not be liable to account for any profit earned from any such services. JLCM and its directors, officers, employees, service providers and agents and the Directors will at all times have due regard to their duties owed to members of the Fund and where a conflict arises they will endeavour to ensure that it is resolved fairly.

### **Exculpation and indemnification**

The structure through which the Fund makes investments includes an English limited partnership. Certain provisions contained in the Partnership Agreement are intended to limit the liability of the General Partner and the Operator. The Fund is also responsible for indemnifying the General Partner and the Operator (and their officers, directors, employees and agents) for any losses or damage incurred by them, except for losses incurred as a result of their negligence, fraud or wilful default.

### **Currency risk**

If an investor's currency of reference is not GBP, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

A proportion of the Fund's investments will be denominated in currencies other than GBP. The Company will maintain its accounts and intends to pay distributions in GBP. Accordingly, fluctuations in exchange rates between GBP and the relevant local currencies and the costs of



conversion and exchange control regulations will directly affect the value of the Fund's investments and the ultimate rate of return realised by investors. Whilst the Fund may enter into hedging arrangements to mitigate this risk to some extent, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

### **Hedging risk**

Should the Fund elect to enter into hedging arrangements to protect against inflation risk, currency risk and/or interest rate risk (and it will be under no obligation to do so), the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Fund's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Fund may also be exposed to the risk that the counterparties with which the Fund trades may cease making markets and quoting prices in such instruments, which may render the Fund unable to enter into an offsetting transaction with respect to an open position.

Although the Fund will select the counterparties with which it enters into hedging arrangements with due skill and care, there will be residual risk that the counterparty may default on its obligations.

### **Leverage**

The Fund has the ability to use leverage in the financing of its investments. The use of leverage may increase the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market. It is possible that the Fund may not be able to support its borrowing or refinance any borrowing which becomes payable during the life of the Fund (including its current borrowing, the final tranche of which becomes repayable in March 2014), in which case the performance of the Fund may be adversely affected. Any borrowings of the Fund may be secured on the assets of the Fund and a failure to fulfil obligations under any related financing documents may permit lenders to demand early repayment of the loan and to realise their security. Details of the Facility are set out in Part 9 of this Prospectus.

### **Valuations**

All investments owned by the Fund will be valued in accordance with the Fund's valuation policy and the resulting valuations will be used, among other things, for determining the basis on which any Ordinary Shares are bought back by the Company and additional capital raised. Valuations of the assets of the Fund as a whole may also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. It follows that some inequality may arise between departing, continuing and new investors. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Fund, and valuations do not necessarily represent the price at which an investment can be sold.

All valuations produced by JLCM are made, in part, on valuation information provided by the Project Entities and other investment entities in which the Fund has invested. Although JLCM evaluates all such information and data, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by JLCM acting as asset manager in relation to the Project Entities, are typically provided by the Project Entities only on a quarterly basis and generally are issued one to four months after their respective valuation dates. Consequently, each quarterly Net Asset Value report is based on valuation information that may be out of date and requires updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these quarterly valuations and that the reported Net Asset Values of the Company are not required to be audited.

Further details in relation to the valuation policy of the Fund are set out in Part 6 of this Prospectus.

### **Alternative Investment Fund Managers Directive**

The European Commission published the Alternative Investment Fund Managers Directive, designed to regulate private equity and hedge funds, on 1 July 2011. The Directive, which came into force on 21 July 2011, may have significant consequences for the Company (and all similar investment companies) which might materially increase compliance and regulatory costs. Whilst the Directive is now in force, the deadline for its transposition into national laws is currently July 2013. There is continuing debate on the so called third country provisions, which may materially affect the Company as it is incorporated in Guernsey, which is not part of the EU. The Board and JLCM will continue to monitor the progress and likely implications of the Directive.

### **Taxation**

Investors should consider carefully the information given in Part 7 of this Prospectus and should take professional advice about the consequences for them of investing in the Company.

The Fund structure through which the Company makes investments, whilst designed to maximise post-tax returns to investors, is based on the current tax law and practice of the UK, Luxembourg, Guernsey, Finland and Canada. Such law or practice is subject to change, and any such change may reduce the net return to investors, and the Fund may incur costs in taking steps to mitigate this effect. In particular, prospective investors should refer to the information on the possible changes to the corporate tax regime in Guernsey as set out in Part 7 of this Prospectus.

To the extent that the Fund's investments are outside the UK, it is possible that investors will be subject to some amount of foreign income, capital gains and/or withholding taxes with respect to such investments.

### **Offshore Funds**

Part 8 of the Taxation (International and Other Provisions) Act 2010 contains provision for the UK taxation of investors in offshore funds. Whilst the Company does not expect to be treated as an offshore fund it does not make any commitment to investors that it will not be treated as one. Investors should note the statements made in this Prospectus in respect of discount management and should not expect to realise their investment at a value calculated by reference to Net Asset Value.

### **Worldwide Debt Cap**

The Finance Act 2009 introduced complex new rules restricting the deductibility of UK interest costs with effect from 1 January 2010. The interest restriction would potentially apply if the net finance expense of relevant companies within the Fund's UK portfolio exceeded the Fund's gross external finance expense. If this were to affect the Fund's UK portfolio, it would have a negative effect on the cash flow expected from the UK Project Entities in which the Fund holds a stake of 75 per cent. or greater as it would give rise to permanent additional tax.

### **Withholding tax**

There can be no assurance that entities in which the Fund invests will not be required to withhold tax on the payment of interest or dividends. Such withholding tax may not be recoverable and so any such withholding would have an adverse effect on the Company's value.

### **Guernsey 0/10 Regime**

The Company has been granted exempt status for Guernsey tax purposes. In response to the review carried out by the European Union Code of Conduct Group, the States of Guernsey abolished exempt status for the majority of companies with effect from January 2008 and has introduced a zero rate

of tax for companies carrying on all but a few specified types of activity. However, because investment funds including closed-ended investment companies, such as the Company, were not one of the regimes in Guernsey that were classified by the European Union Code of Conduct Group as being harmful, investment funds including closed-ended investment companies continue to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. Therefore, it is expected that exempt status will continue to be available to the Company.

### **Upcoming changes to Guernsey tax legislation**

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey is currently undertaking a review of its tax regime with the expectation of implementing any required revisions to the regime in the period between 2012 and 2015. At this point in time, the key features of any revised regime have yet to be determined. It is currently not anticipated that there will be any change to the current exemption for investment funds.

### **Transfer pricing**

To the extent that interest paid by Project Entities and Holding Entities on debt provided by parties interested in the equity of the Project Entity (for example the subordinated debt element of the Investment Capital) exceeds arm's length rates, the relevant tax authorities may seek to restrict the allowable deduction for such interest payments to arm's length rates. This could result in more tax being paid by a Project Entity or Holding Entity and ultimately may reduce the return to investors.

**If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of New Shares or Tap Shares they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

## **IMPORTANT INFORMATION**

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser, the Bookrunner or any other person.

Neither the delivery of this Prospectus nor any subscription or purchase of New Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to, the date of this Prospectus.

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the New Shares constitutes part of a diversified investment portfolio, who fully understand and are willing to assume the risks involved in investing in the Company and who have sufficient resources to bear any loss (which may be equal to the whole amount invested) which might result from such investment. Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. Investors may wish to consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

### **Regulatory Information**

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. Neither the Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard to it.

The Company and its Directors accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Company have taken all reasonable care to ensure that the facts stated in this Prospectus are true and accurate in all material respects, and that there are no other facts the omission of which would make misleading any statement in this Prospectus, whether of facts or of opinion. All the Directors accept responsibility accordingly.

This Prospectus relates not only to the issue of the New Shares but also sets out information relating to the Tap Shares. The gross proceeds of the issue of the Tap Shares were £27.4 million and the net proceeds were £26.9 million. The net proceeds of the issue of the Tap Shares were used to fund acquisitions.

It should be remembered that the price of the New Shares and the Tap Shares, and the income from them, can go down as well as up.

The New Shares offered by this Prospectus and the Tap Shares may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US Person (within the meaning of the Securities Act).

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 135 to 138 of this Prospectus.

### **Investment Considerations**

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matter. Prospective investors should inform themselves as to:

- (a) the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Shares;
- (b) any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- (c) the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of New Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. An investment in the Company should be regarded as a long-term investment.

There can be no assurance that the Company's investment objective will be achieved. This Prospectus should be read in its entirety before making any investment in the New Shares. All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of, the provisions of the Memorandum of Incorporation and Articles of Incorporation of the Company, which investors should review.

### **Forward-Looking Statements**

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include, but are not limited to, those described in the part of this Prospectus entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements apply only as at the date of this Prospectus. Subject to any obligations under the Listing Rules, the Disclosure Rules and the Prospectus Rules the Company undertakes no obligation publicly to update or review any forward looking statement whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this Prospectus which could cause actual results to differ before making an investment decision.

### **Presentation of Information**

#### *Market, economic and industry data*

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

### *Currency presentation*

Unless otherwise indicated, all references in this Prospectus to “GBP”, “Sterling”, “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the UK, all references to “€” or “Euro” are to the lawful currency of the Eurozone countries, all references to “C\$” or “Canadian Dollars” are to the lawful currency of Canada and all references to “AUD” are to the lawful currency of Australia.

### **Latest Practicable Date**

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is at close of business on 26 September 2011.

### **Definitions**

A list of defined terms used in this Prospectus is set out at pages 139 to 148 of this Prospectus.

### **Governing Law**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales or Guernsey (as appropriate) and are subject to changes therein.

## EXPECTED TIMETABLE AND ISSUE STATISTICS

### Expected Timetable

All references to times in this Prospectus are to London times, unless otherwise stated.

Record Date for entitlements under the Open Offer	26 September 2011
Despatch of this Prospectus to Existing Shareholders and, to Qualifying Non-CREST Shareholders only, the Open Offer Application Forms	29 September 2011
Expected ex-entitlement date for the Open Offer	28 September 2011
Placing and Offer for Subscription open	28 September 2011
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock account of Qualifying CREST Shareholders in CREST	As soon as practicable after 8.00am on 30 September 2011
Latest time and date for receipt of Application Forms under the Offer for Subscription	1.00pm on 17 October 2011
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST (i.e. if the Open Offer Entitlements are in CREST and the Existing Shareholder wishes to convert them into certificated forms)	4.30pm on 17 October 2011
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00pm on 19 October 2011
Latest time and date for splitting Open Offer Application Forms (to satisfy bona fide market claims only)	3.00pm on 20 October 2011
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer	11.00am on 24 October 2011
Latest time and date for receipt of Placing commitments	Midday on 24 October 2011
Announcement of the results of the Issue	25 October 2011
Admission to the Official List and commencement of dealings on the London Stock Exchange	28 October 2011
CREST accounts credited	28 October 2011
Despatch of definitive share certificates (where applicable)	Week commencing 31 October 2011

The dates and times specified above and mentioned throughout this Prospectus are subject to change. In particular the Directors may, with the prior approval of the Sponsor, postpone the closing time and date for the Open Offer, Placing and Offer for Subscription by up to two weeks. In the event that such date is changed, the Company will notify investors who have applied for New Shares of changes to the timetable by the publication of an announcement through a Regulatory Information Service.



**Issue Statistics<sup>3</sup>**

Issue Price per New Share	105p
Estimated Net Issue Proceeds	£152.4 million
Number of New Shares being issued	148,365,000
Target dividend yield	5.7 per cent. <sup>4</sup>
ISIN of the New Shares	GG00B4ZWPH08
SEDOL of the New Shares	B4ZWPH0

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<sup>3</sup> Calculated on the basis that the Issue is subscribed at £155,783,250.

<sup>4</sup> Calculated by reference to the Issue Price. This is an annualised target only and not a profit forecast. There can be no assurance that this target will be made or that the Company will make any distributions at all.

## DIRECTORS, AGENTS AND ADVISERS

<b>Directors (all non executive)</b>	<b>Paul Lester (Chairman)</b> <b>Alexander David MacLellan</b> <b>Talmai Morgan</b> <b>Christopher Spencer</b> <b>Guido Van Berkel</b> P.O. Box 225, Heritage Hall Le Marchant Street St Peter Port Guernsey GY1 4HY Channel Islands
<b>Investment Adviser and Operator</b>	<b>John Laing Capital Management Limited</b> Allington House 150 Victoria Street London SW1E 5LB United Kingdom
<b>Administrator to Company, Company Secretary and Registered Office</b>	<b>Heritage International Fund Managers Limited</b> P.O. Box 225, Heritage Hall Le Marchant Street St Peter Port Guernsey GY1 4HY Channel Islands
<b>Registrar</b>	<b>Capita Registrars (Guernsey) Limited</b> Mont Crevelt House Bulwer Avenue St Sampson Guernsey GY2 4JN Channel Islands
<b>Receiving Agent</b>	<b>Capita Registrars Limited</b> Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
<b>UK Transfer Agent</b>	<b>Capita Registrars Limited</b> The Registry 34 Beckenham Road Beckenham Kent BR3 4TU United Kingdom
<b>Global Co-ordinator, Sponsor and Bookrunner</b>	<b>J.P. Morgan Securities Ltd.</b> 125 London Wall London EC2Y 5AJ United Kingdom
<b>Reporting Accountants to the Issue</b>	<b>Deloitte LLP Guernsey</b> Regency Court Gategny Esplanade St Peter Port Guernsey GY1 3HW Channel Islands

<b>Auditors</b>	<b>Richard A Garrard FCA</b> <b>(for and on behalf of Deloitte LLP, Chartered Accountants and Recognised Auditors)</b> Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3HW Channel Islands
<b>Solicitors to the Company as to English Law</b>	<b>Hogan Lovells International LLP</b> Atlantic House Holborn Viaduct London EC1A 2FG United Kingdom
<b>Advocates to the Company as to Guernsey Law</b>	<b>Mourant Ozannes</b> 1 Le Marchant Street St Peter Port Guernsey GY1 4HP Channel Islands
<b>Tax Advisers to the Company</b>	<b>PricewaterhouseCoopers LLP</b> 1 Embankment Place London WC2N 6RH United Kingdom
<b>Solicitors to the Sponsor and Bookrunner</b>	<b>Norton Rose LLP</b> London Riverside 3 More London London SE1 2AQ United Kingdom
<b>Independent Valuers</b>	<b>PricewaterhouseCoopers LLP</b> 1 Embankment Place London WC2N 6RH United Kingdom
<b>Principal Bankers</b>	<b>Royal Bank of Scotland International</b> Royal Bank Place P.O. Box 62 1 Glategny Esplanade St Peter Port Guernsey GY1 4BQ Channel Islands

## PART 1: INFORMATION ON THE COMPANY

### Introduction

John Laing Infrastructure Fund Limited (the “**Company**”) is a limited liability, Guernsey-incorporated investment company. The Company is a registered closed-ended investment scheme, registered pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, and the Registered Collective Investment Scheme Rules 2008 (the “**Rules**”). The Company is chaired by Paul Lester, CBE.

The Company was launched on 29 November 2010 when 270 million Ordinary Shares were admitted to trading on the Main Market. An additional 26,730,000 Ordinary Shares were admitted to trading on the Main Market on 7 April 2011 by way of a tap issue (the “**Tap Shares**”). Application will be made to the FSA for the New Shares to be admitted to the Official List with a premium listing and application will also be made to the London Stock Exchange for the New Shares to be traded on the Main Market.

Over the period from launch to 26 September 2011 the Company’s share price has risen from 100 pence per Ordinary Share at launch to 106 pence per Ordinary Share at close of business on 26 September 2011. In addition, over the period from launch to 26 September 2011, the Net Asset Value per Ordinary Share on an unaudited basis increased by 6 per cent. from 98.2 pence to 104.1 pence (after deduction of the 0.5 pence and 3.0 pence interim distributions declared during this period) (Source: The Company).

The Company has outperformed the FTSE All Share Index on a total shareholder return basis by 17 per cent. over the period from launch to 26 September 2011, having provided a share price total return for the period from launch to 26 September 2011 of 9.5 per cent. (Source: Thomson Datastream).

An investment in the Company will enable investors to gain an exposure to a diversified portfolio of operational infrastructure PFI/PPP assets. The Current Portfolio consists of Investment Capital in 23 projects (of which 23 projects the Roseberry Park hospital project is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of the acquisition of Investment Capital in it by the Fund). The Company intends to acquire the New Portfolio, a portfolio of 10 operational infrastructure PFI/PPP assets, with some of the proceeds of the Issue. The Fund is also in detailed discussions in relation to the acquisition of the Pipeline Portfolio. Further details in relation to the use of proceeds of the Issue, including any scaling back of the acquisition of the New Portfolio, are described in Part 4 of this Prospectus.

The Company currently has outstanding borrowings of £8.4 million which were used to acquire the Forth Valley project, included as one of the 23 projects above.

The Company makes its investments via a group structure involving two Luxembourg-domiciled investment companies (the “**Luxcos**”), an English limited partnership (the “**Partnership**”) and additional holding companies for certain assets.

### Benefits of the issue

The Directors believe that the Issue will have the following benefits:

- the Net Issue Proceeds are anticipated to be invested in the New Portfolio shortly after Admission (subject to the satisfaction of conditions to the Acquisition, including the waiver by the project senior lenders of an event of default for the North Swindon schools project and a distribution lock-up for the Enfield, Highland and Newham schools projects), and the Investment Adviser is also in detailed discussions in relation to the acquisition of the Pipeline Portfolio by the Fund;
- as the Net Issue Proceeds are anticipated to be fully invested shortly after Admission the risk of cash drag on returns is reduced and the Company therefore has decided that it need not

issue C Shares, nor follow the complex process of converting such C Shares into Ordinary Shares;

- the Open Offer is fully pre-emptive, demonstrating the Directors' appreciation of the importance of pre-emption rights to Shareholders and allowing Existing Shareholders to increase their holdings in the Company;
- the Company will be able to repay existing debt, thereby allowing debt to be utilised for Further Investments going forward;
- the market capitalisation of the Company will increase, and secondary market liquidity of the Ordinary Shares is expected to be improved; and
- the Company's fixed running costs will be spread across a wider Shareholder base.

### **Investment objective**

The Company is seeking to provide investors with long-term distributions, at levels that are sustainable.

The Company is targeting an annualised yield of 6 per cent. per annum<sup>5</sup> (by reference to the issue price of £1 of the Ordinary Shares issued at the IPO) in the period from Admission up to 31 December 2011 and thereafter the Company will aim to maintain this distribution.

The Company is targeting an IRR of 7 to 8 per cent.<sup>5</sup> (by reference to the issue price of £1 of the Ordinary Shares issued at the IPO) for its Shares to be achieved over the longer term via active management to enhance the value of existing investments, and by acquisition of Further Investments from the John Laing Group and other sources.

### **Investment opportunity**

The Directors believe that an investment in the Company offers the following attractive qualities.

- *An investment into a low risk infrastructure Combined Portfolio*

Shortly after Admission, it is anticipated that the Company will be fully invested into the New Portfolio, in addition to its investment in the Current Portfolio, together creating a Combined Portfolio of operational infrastructure PFI/PPP projects that have contracted government backed revenues.

- *A differentiated and diversified Combined Portfolio with strong yield characteristics*

The Company believes that the Combined Portfolio has been carefully selected by John Laing Capital Management Limited ("JLCM"), a wholly owned subsidiary of John Laing and the Investment Adviser to the Company and Operator of the Partnership, to suit its targeted return profile. The Current Portfolio has a relatively predictable return and positive inflation correlation which it is hoped will support the yield characteristics of the Company. Furthermore, the Combined Portfolio is geographically diverse with international projects in countries which are regarded as fiscally strong.

- *Access to an Investment Adviser with significant experience and expertise in infrastructure projects*

John Laing entered into its first PPP infrastructure project in Spain in 1969 and was a shareholder in the Europistas consortium until 2001. As of December 2010, John Laing held investments in and/or managed 75 PFI/PPP projects. John Laing's investment portfolio in 2010 of 56 projects represented a portfolio value of £544.3 million (in 2009, 69 projects represented a value of £652.9 million). The decline in value reflects the fact that 22 investments were sold in 2010 for an aggregate consideration of £285.3 million. In 2010 financial close was achieved on ten new project investments, securing investment commitments of £78 million (in 2009 financial close was achieved on six investments with commitments of £64 million). John Laing currently operates in the UK,

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<sup>5</sup> These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions at all.

mainland Europe, Asia, Australia and North America and employs approximately 1,100 staff. The team at JLCM is dedicated to advising the Company and operating the Partnership and has substantial infrastructure PFI/PPP experience. John Laing invests both in equity and subordinated debt as well as providing asset management and facilities management services.

- *Alignment of interests between the Investment Adviser and the Company*

John Laing Investments Limited, a member of the John Laing Group, subscribed for 23.1 per cent. of the Ordinary Shares issued at the IPO. There is a dedicated team at JLCM responsible for advising the Company, whose remuneration is linked to the performance of the Company.

- *The potential for ongoing capital growth*

The Directors believe there are value enhancement opportunities for the Combined Portfolio assets via contract variations, life cycle improvements and other asset management initiatives. The Investment Adviser has access to the John Laing Operations team who have considerable experience in value enhancements (further details in relation to the Operations team are set out in Part 5 of this Prospectus). The Fund also has a contractual right of first offer for five years following the IPO to acquire Investment Capital in operational projects in the UK, European and Canadian accommodation and roads and UK waste sectors of which John Laing wishes to dispose. The Company expects that within the next three years 13 UK and international projects, with an anticipated aggregate investment value (as valued by John Laing) of approximately £355 million, in which John Laing has already invested and that meet the Fund's investment criteria will become available (although there is no guarantee that John Laing will wish to dispose of its investment in any of these projects or that even if it does that the Fund will wish to acquire some or all of them).

## **Investment policy**

### **General**

The Company's investment policy is to invest in equity and/or subordinated debt issued in respect of infrastructure PFI/PPP projects. The Fund will predominantly invest in projects that have completed construction and that are in their operational phase. Investment Capital in projects that are under construction will be limited to 15 per cent. of the Total Assets of the Fund (calculated at the time of investment).

The Fund will predominantly invest in projects whose revenue streams:

- are public sector or government-backed; and
- are predominantly "availability" based (where the payments from the Project Entities do not generally depend on the level of use of the project asset), other projects being "demand" based (where the payments received by the Project Entities depend on the level of use made of the project assets). A project is availability based or demand based for these purposes if the Investment Adviser deems that 75 per cent. or more of payments from the relevant Project Entity does or does not, as appropriate, generally depend on the level of use of the project asset.

Whilst it is envisaged that further acquisitions will be of operational PFI/PPP projects with availability based revenues, it may be possible that a limited number of projects in construction or with "demand" based revenue mechanisms may be acquired.

Investment Capital in projects whose revenue streams are predominantly demand based will be limited to 15 per cent. of the Total Assets of the Fund, calculated at the time of investment. For the purposes of this investment restriction the shadow toll mechanisms for the investments in the M40 and M6 motorway projects are not regarded as carrying demand risk due to their relative insensitivity to traffic movement.

## **Geographic focus**

The Directors believe that attractive opportunities for the Fund to enhance returns for Shareholders are likely to arise in areas of the world where PFI/PPP is a practiced route for delivering infrastructure investments. The Fund may therefore make investments in the European Union, other European countries, Canada, the United States of America and the Asia Pacific region. The Fund will seek to mitigate country risk by concentrating on investment opportunities in jurisdictions where JLCM advises that contract structures and their enforceability are reliable, where (to the extent applicable) JLCM advises that public sector obligations carry a satisfactory credit rating and where financial markets are relatively mature. The Fund will seek to ensure that over 50 per cent. of the Fund's Total Assets, measured by value, will be in respect of projects that are based in the UK (although this will not require the Fund to dispose of Investment Capital in respect of non-UK projects if this limit is breached as a result of changes in value of the Investment Portfolio).

## **Single investment limit and diversity of clients and suppliers**

When any new acquisition is made, the Fund will ensure that the investment (or, in the event of an acquisition of a portfolio of investments, each investment in the portfolio) acquired does not have an acquisition value (or, if it is an additional stake in an existing investment, the combined value of both the existing stake and the additional stake acquired is not) greater than 25 per cent. of the Total Assets of the Fund immediately post-acquisition. In selecting new investments to acquire, the Fund will seek to ensure that the portfolio of projects in which the Fund invests has a range of Public Sector Clients and supply chain contractors, in order to avoid over-reliance on either a single client or a single contractor.

## **Gearing**

The Fund intends to make prudent use of leverage (and leverage in the context of the Fund shall exclude senior debt in place at Project Entity level) primarily for working capital purposes and to finance the acquisition of investments. Under the Company's Articles, and in accordance with the Company's investment policy, the Fund's outstanding borrowings, excluding intra-group borrowings and the debts of underlying Project Entities, but including any financial guarantees to support subscription obligations, will be limited to 25 per cent. of the Total Assets of the Fund. The Fund may borrow in currencies other than pounds sterling as part of its currency hedging strategy.

## **Origination of investments**

Each of the investments comprising the Combined Portfolio has similar characteristics to those set out above and Further Investments will only be acquired if they generally satisfy these criteria. It is expected that Further Investments will include investments that have been originated and developed by members of the John Laing Group and may be acquired from them.

The Company has established procedures to deal with any potential conflicts of interest that may arise from individuals at John Laing acting on both the "buy-side" (for the Fund) and the "sell-side" (for any member of the John Laing Group) in relation to any acquisition of assets from the John Laing Group. These procedures include:

- The creation of a separate "buy-side" committee (representing the interests of the Fund as purchaser) and a separate "sell-side" committee (representing the interests of the relevant John Laing Group company as seller), with each member of the "buy-side" committee having the benefit of a release from his or her duties as a John Laing Group employee to the extent that these duties conflict with their duties to act in the interests of the Fund as a member of the "buy-side" committee.
- A requirement for the "buy-side" committee to conduct due diligence on the Investment Capital proposed to be purchased which is separate from and independent of any due diligence conducted for the John Laing Group, and for a report on the Fair Market Value of the Investment Capital to be obtained from an independent expert.



- The establishment of information barriers between members of the “buy-side” and “sell-side” committees to ensure confidentiality and integrity of commercially sensitive information, and for individuals with economic interests in the Investment Capital to abstain from participating in committee discussions and votes on the relevant assets.

The Fund will seek to acquire Further Investments going forward both from the John Laing Group and from the wider market. In selecting the assets to acquire, JLCM will be obliged to ensure that these projects have similar characteristics to the projects in the Combined Portfolio and meet the investment criteria of the Fund.

Any proposed acquisition of assets by the Fund from John Laing Group companies that fall within the overall investment parameters set by the Company, including in relation to funding, will be subject to approval by the Directors, who are independent of John Laing. In view of the procedures above and the fact that it is a key part of the Company’s investment policy to acquire assets that have been originated by and from the John Laing Group, the Company will not seek the approval of Shareholders to acquisitions of assets from the John Laing Group in the ordinary course of the Company’s investment policy.

The Rules require that any arrangements between a relevant person (as defined in the Rules) and the Company are at least as favourable to the Company as would be any comparable arrangement effected on normal commercial terms negotiated at arms’ length between the relevant person and an independent party.

The Fund has the contractual right of first offer (in accordance with the First Offer Agreement) for relevant Investment Capital in UK, European and Canadian accommodation and roads and UK waste projects of which John Laing Group companies wish to dispose and that are consistent with the Company’s investment policies. It is envisaged that the John Laing Group companies will periodically make available for sale further portfolios of Investment Capital in infrastructure PFI/PPP projects that have completed construction (although there is no guarantee that this will be the case). Subject to due diligence and agreement on price, the Fund will seek to acquire those projects that fit the investment objective of the Company.

The Fund will also seek out and review acquisition opportunities from outside the John Laing Group that arise and will, where appropriate, carry out the necessary due diligence. If, in the opinion of JLCM (as Operator of the Partnership) the risk characteristics, valuation and price of the Investment Capital in the project or projects for sale is acceptable and is consistent with the Company’s investment policy, then (subject to the Fund having sufficient sources of working capital) an offer will be made (without seeking the prior approval of Directors or Shareholders) and, if successful, the Investment Capital in the relevant project or projects will be acquired by the Fund.

### **Potential disposal of investments**

Whilst the Directors may elect to retain Investment Capital in the Combined Portfolio projects which the Fund acquires and any other Further Investments made by the Fund over the long-term, JLCM will regularly monitor the valuations of such projects and any secondary market opportunities to dispose of Investment Capital and report to the Directors accordingly. The Directors only intend to dispose of Investments where (upon the advice of JLCM) they consider that appropriate value can be realised for the Fund or where they otherwise believe that it is appropriate to do so. Proceeds from the disposal of investments may be reinvested or distributed at the discretion of the Directors.

### **Currency and hedging policy**

A portion of the Fund’s underlying investments may be denominated in currencies other than GBP. For example, a portion of the Current Portfolio is denominated in Canadian Dollars and Euros. However, any dividends or distributions in respect of the New Shares will be made in GBP and the market prices and Net Asset Value of the New Shares will be reported in GBP.

Currency hedging will only be carried out to seek to provide protection to the level of GBP dividends and other distributions that the Company aims to pay on the New Shares and in order to reduce the

risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of foreign currency borrowings to finance foreign currency assets, or forward foreign exchange contracts for up to three years to hedge the income from assets that are exposed to exchange rate risk against GBP.

Interest rate hedging may also be carried out to seek to provide protection against increasing costs of servicing any debt drawn down by the Fund to finance investments. This may involve the use of interest rate derivatives and similar derivative instruments.

Currency and interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and these transactions will not be undertaken for speculative purposes.

### **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) in accordance with the Listing Rules.

The investment restrictions detailed above apply at the time of the acquisition of Investment Capital. The Fund will not be required to dispose of Investment Capital and to rebalance its Investment Portfolio as a result of a change in the respective valuations of Investment Capital. Minor changes to the investment policy must be approved by the Board of the Company, taking into account advice from the Investment Adviser where appropriate.

### **Investment Adviser and Operator**

Under the Investment Advisory Agreement, JLCM, an investment manager authorised and regulated in the UK by the FSA, has been appointed by the Company as Investment Adviser. JLCM has also been appointed as Operator of the Partnership through which the Company conducts its investment activities and in its capacity as Operator of the Partnership acts as discretionary investment manager of the Fund's investments within the strategic guidelines set out in the Partnership Agreement.

David Marshall and Andrew Charlesworth are directors of JLCM, lead its management team and are dedicated to advising the Company and the management of the Fund. Further details in relation to JCLM and the management team are set out in Part 5 of this Prospectus.

Summaries of the terms of the Investment Advisory Agreement and the Partnership Agreement are provided in Part 9 of this Prospectus.

### **Relationship with John Laing**

John Laing is a leading sponsor of privately financed investment in infrastructure. Its business is based primarily on long-term concessions to design, build, operate and finance infrastructure projects. Further details in relation to John Laing are set out in Part 5 of this Prospectus.

The Fund acquired the Seed Portfolio from the John Laing Group and JLPTL, as well as acquiring the April Portfolio (with the exception of the Roseberry Park hospital project which is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of its acquisition by the Fund) from the John Laing Group. The Fund intends to acquire the New Portfolio from the John Laing Group and JLPTL (although it has acquired the Forth Valley project from CBA, which is not a member of the John Laing Group).

23 of the projects comprising the Current Portfolio have either been originated and developed, or have been acquired in the secondary market, by John Laing. For originated projects John Laing has been involved throughout the original competitive bidding process for each project. For those projects acquired in the secondary market John Laing was responsible for due diligence prior to completion of the relevant acquisitions and for the integration of such projects into the John Laing portfolio.

John Laing provides day to day management services directly to 18 of the Current Portfolio projects under management services agreements. The remaining 5 projects are managed by associated companies of co-shareholders. For all Current Portfolio projects purchased from the John Laing Group JLCM, as Operator, has retained the current John Laing project directors, who have continued to take an active role in managing and reviewing the projects. JLCM, a wholly owned subsidiary of John Laing, will retain access to the management teams and personnel who have been responsible for the management of the New Portfolio projects which the Fund acquires.

### **The Current Portfolio**

The Current Portfolio consists of the Seed Portfolio of 19 projects which were acquired shortly after the IPO and were all previously owned by John Laing and, with two exceptions, represented all of John Laing's shareholdings in such projects. The principal exception was the Abbotsford hospital project where a stake of 80 per cent. was acquired in order to limit the concentration risk caused by the size of the project. John Laing retained the remaining 20 per cent. stake in the project. John Laing also retained a stake in the Queen Elizabeth hospital project.

Following the issue of the Tap Shares the Fund acquired the April Portfolio (with the exception of the Roseberry Park hospital project which is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of the acquisition of Investment Capital in it by the Fund) from the John Laing Group. The Fund increased its stake in one of the Seed Portfolio projects, the Queen Elizabeth hospital project, in April 2011, as well as acquiring Investment Capital in three new projects; the Bentilee HUB project in April 2011, the Cleveland Police Stations project in May 2011 and the Roseberry Park hospital project (the acquisition of Investment Capital in which is awaiting completion). On completion of the acquisition of Investment Capital in the Roseberry Park hospital project, the Fund will be entitled to receive the benefit of earnings which it would have received from the project had completion of acquisition occurred in April 2011.

The Forth Valley project was acquired by the Fund in September 2011 from CBA and was financed, in part, by third party debt for a price of £22.8 million.

Further details in relation to the Current Portfolio are set out in Part 3 of this Prospectus.

### **The New Portfolio**

The New Portfolio consists of Investment Capital in 10 projects to be acquired from the John Laing Group (with the additional 10 per cent. stake in the Edinburgh schools project to be acquired from JLPTL), all of which are operational and aligned to the characteristics of the Current Portfolio.

The Fund has agreed to acquire the New Portfolio from the Vendors and JLPTL (subject to Admission, the satisfaction of certain other conditions including obtaining required consents from project counterparties and any scaling back of the acquisition of the New Portfolio, as described in Part 4 of this Prospectus).

As at the date of this Prospectus the Enfield, Highland and Newham schools Project Entities are prohibited from making distributions pursuant to the terms of their financing arrangements, known as "lock-up". An event of default is subsisting under the financing arrangements for the North Swindon schools Project Entities. These events result from technical breaches of the financing arrangements by the Project Entities. As such, the Project Entities are currently unable to make distributions in respect of subordinated debt and shares to their shareholders and, in addition, lenders to the North Swindon schools Project Entity are entitled to accelerate its debt and enforce their security over its assets. The Vendors have indicated to JLCM that they expect these matters to be waived soon. In any event, completion in respect of each such Project Entity is conditional on the relevant events in respect of the Project Entity having been waived by its senior lenders (in addition to the satisfaction of the other conditions to completion).

The purchase price for the New Portfolio is the price that the Directors consider to be its Fair Market Value. The Directors, acting with the advice of the Investment Adviser, have calculated the Fair Market Value of the New Portfolio as £98.2 million.

The Acquisition Agreement contains mechanisms to adjust the price to reflect certain events such as exchange rate fluctuations.

The Fund and John Laing have agreed the terms on which the New Portfolio (or any part thereof) will be acquired and these are recorded in the Acquisition Agreement, with the exception of the additional 10 per cent. stake in the Edinburgh schools project which is to be acquired pursuant to the JLPTL Acquisition Agreement. The Acquisition of the Investment Capital in each project comprising the New Portfolio is subject to and conditional on (inter alia) Admission, obtaining required consents from project counterparties and any scaling back of the acquisition of the New Portfolio as described in Part 4 of this Prospectus.

Further details of the New Portfolio, including the methodology of calculation of the Price and a summary of the Acquisition Agreement, are contained in Part 4 and Part 9 of this Prospectus respectively.

The Investment Adviser is also in detailed discussions in relation to the acquisition of the Pipeline Portfolio from a third party vendor by the Fund.

### **The Issue**

The target size of the Issue is approximately £155.8 million (which reflects potential amendments to the price of the New Portfolio in accordance with the Acquisition Agreement for example to reflect exchange rate fluctuations). If the Gross Issue Proceeds are less than £63 million, the Issue will not proceed. The Directors intend that, subject to the Gross Issue Proceeds being sufficient and the acquisition of each project comprising the New Portfolio becoming otherwise unconditional, the Net Issue Proceeds will be used by the Fund to acquire all of the New Portfolio, subject to any scaling back of the acquisition of the New Portfolio as described in Part 4 of this Prospectus, to repay debt incurred by the Fund in acquiring the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio.

If, for whatever reason, any part of the New Portfolio is not acquired by the Fund, any balance of the Net Issue Proceeds that have not been used to acquire the New Portfolio (or any part thereof), or to repay debt incurred by the Fund in acquiring the Forth Valley project or to acquire the Pipeline Portfolio will be used by the Fund to finance the acquisition of Further Investments or for other working capital purposes.

### **The New Shares**

The Company is targeting a capital raising of approximately £155.8 million by way of an Issue of New Shares at an Issue Price of 105 pence per New Share, representing a discount of 0.9 per cent. to the Closing Price of 106 pence per Existing Ordinary Share as at the close of business on 26 September 2011 (being the latest practicable date prior to the publication of this Prospectus) and a premium of 0.9 per cent. to the Net Asset Value per Existing Ordinary Share (as at 26 September 2011).

The Issue comprises an Open Offer, a Placing and an Offer for Subscription of up to 148,365,000 New Shares, in each case at the Issue Price of 105 pence per New Share. The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

#### **One New Share for every two Existing Ordinary Shares held on the Record Date**

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will comprise New Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements and that the Directors, after consultation with the Bookrunner and the Investment Adviser, determine should be allocated to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Placing and/or the Offer for Subscription.

John Laing Investments Limited, which holds approximately 62.5 million Existing Ordinary Shares at the date of this Prospectus, has irrevocably undertaken not to subscribe for its Open Offer Entitlement of 31,244,594 New Shares (except if the Issue is not fully subscribed, in which case it may only subscribe for New Shares with the prior consent of the Directors, in consultation with the Bookrunner and the Investment Adviser). This is consistent with John Laing's strategy of recycling capital into primary bidding activities and accordingly the consideration for the acquisition of the New Portfolio will be paid in cash. As such, at least 31,244,594 Excess Shares in aggregate will be available under the Excess Application Facility, the Placing and the Offer for Subscription.

If subscriptions under the Excess Application Facility, the Placing and the Offer for Subscription exceed the maximum number of Excess Shares available, the Directors will scale back subscriptions at their discretion, after consultation with the Bookrunner and the Investment Adviser. The Excess Application Facility is not subject to scaling back in favour of the Placing or the Offer for Subscription, the Placing is not subject to scaling back in favour of the Excess Application Facility or the Offer for Subscription and the Offer for Subscription is not subject to scaling back in favour of the Excess Application Facility or the Placing.

Application will be made for the New Shares to be admitted to the premium segment of the Official List and to trading on the Main Market. The New Shares to be issued pursuant to the Issue will rank *pari passu* in all respects with the Existing Ordinary Shares.

A Qualifying Shareholder which does not take up all (or any part) of its Open Offer Entitlement shall be deemed to have renounced its right to be allotted New Shares pursuant to its Open Offer Entitlement (or the relevant part thereof) in favour of such persons as the Directors may determine.

The Issue is conditional, amongst other things, upon Admission of the New Shares to be issued pursuant to the Issue occurring by no later than 8.00a.m. on 28 October 2011 (or such later time and/or date as the Company and the Bookrunner may agree and the Company notify to Shareholders) and the Placing Agreement not being terminated and becoming unconditional in accordance with its terms.

## Fund structure

The Fund invests in the Current Portfolio and will invest in the New Portfolio, the Pipeline Portfolio (if agreement is reached with the vendor) and in any Further Investments indirectly via a series of holding entities, as follows:

- The Company invests in equity and profit participation instruments of JLIF Luxco 1 Sàrl ("Luxco 1"), a société à responsabilité limitée ("**Sàrl**") established in Luxembourg, which in turn invests in equity and debt of a similar entity, JLIF Luxco 2 Sàrl ("**Luxco 2**"). Both Luxco 1 and Luxco 2 (together the "**Luxcos**") are wholly owned subsidiaries of the Company (direct and indirect respectively, with Luxco 2 being wholly owned by Luxco 1).
- Luxco 2 is the sole limited partner in the Partnership, an English limited partnership which has a special purpose vehicle as its general partner (the "**General Partner**"). The General Partner is a wholly owned indirect subsidiary of John Laing. The General Partner, on behalf of the Partnership, has appointed JLCM as Operator of the Partnership. Luxco 2 primarily invests the contributions it receives from Luxco 1 in capital contributions and partner loans to the Partnership, which acquires and holds infrastructure investments directly or indirectly through intermediate wholly owned companies and/or other entities.

The Fund's infrastructure investments will be registered in the name of the General Partner, the Partnership, subsidiaries of the Partnership or their respective nominees.

A representative diagram of the Fund structure is set out in Part 5 of this Prospectus.

The Fund reserves the right to invest in and hold assets via different holding entities, or directly, if so required.

## Distribution policy

### General

The Company will target dividend payments of 6 per cent. per annum<sup>6</sup> (by reference to the issue price of £1 of the Ordinary Shares issued at the IPO) for the period from Admission to 31 December 2011 and thereafter will aim to maintain this distribution. New Shares will rank equally with Existing Ordinary Shares for dividends or other distributions made, paid or declared by reference to a record date after the date of their issue. The Fund's cash flows will comprise payments in respect of the Fund's Investment Capital, namely dividend payments and other distributions from equity in Project Entities, repayments of principal amounts of equity, interest payments and repayment of principal amounts outstanding on subordinated debt from Project Entities. Such cash flows will constitute the Fund's Distributable Cash Flows. The Directors intend that the Company will generally restrict distributions (by way of dividend or otherwise) to the level of Distributable Cash Flows, and dividends to the level of income from the Fund's investments, as recognised in the relevant financial period.

Notwithstanding the distribution policy above, the Company retains the discretion to reinvest the capital proceeds of any investments which it transfers or sells during the life of the Company.

### Timing of Distributions

To date, distributions on the Ordinary Shares have been paid twice a year, in respect of the period from launch to 31 December 2010 and the six months to 30 June 2011, by way of interim dividends. The Company may also make distributions by way of capital distributions (or otherwise in accordance with the Law and the Articles of Incorporation) as well as, or in lieu of, by way of dividend if and to the extent that the Directors consider this to be appropriate.

In relation to the payment of dividends, the Companies (Guernsey) Law, 2008 imposes a solvency based test in respect of dividend and distribution payments. The use of the solvency test requires the Directors to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the Board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is due to be made the Directors believe that the solvency test cannot be passed, then no payment may be made.

The following distributions were paid (or are anticipated to be paid) as interim dividends in respect of the period from the IPO to 30 June 2011:

<i>Period Ending</i>	<i>Ex-dividend date</i>	<i>Payment date</i>	<i>Dividend amount (pence)</i>
31 December 2010	2 March 2011	7 April 2011	0.5
30 June 2011	7 September 2011	21 October 2011	3.0

### Scrip Dividends

The Company has the ability, by ordinary resolution, to offer Shareholders the right to elect to receive further Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend (a scrip dividend). This authority was granted at the first annual general meeting of the Company.

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 Shares in the Company rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings without incurring dealing costs or paying stamp duty reserve tax and the Directors have been advised that under current UK law and HMRC practice, certain UK resident Shareholders

<sup>6</sup> These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions at all.

may be able to treat Shares issued in lieu of a cash dividend as capital for tax purposes. The decision whether to offer such scrip dividend alternative in respect of any dividend will be made by the Directors at the time the relevant dividend is declared and must be authorised by an ordinary resolution of the Company.

The Company offered certain qualifying Shareholders the right to receive a scrip dividend in respect of the six month period to 30 June 2011 by way of a circular dated 19 September 2011. Such qualifying Shareholders with Shares registered in their names at the close of business on 9 September 2011 may elect to receive all or part of their entitlement to the dividend in the form of new Ordinary Shares, instead of in cash, at a price of 105.85 pence per Ordinary Share. If all such qualifying Shareholders were to elect to receive Ordinary Shares instead of cash in respect of their entire holdings, approximately 8,409,919 new Ordinary Shares would be issued, representing 2.83 per cent. of the issued Ordinary Share capital of the Company as at the date of the circular. The Ordinary Shares are expected to be admitted to the Official List and to trading on the Main Market on 21 October 2011.

### **Life of the Company**

The Company has been established with an indefinite life. In addition to the availability of the share purchase and tender facilities mentioned in Part 6 of this Prospectus, Shareholders may seek to realise their holdings through disposals in the market.



## **PART 2: BACKGROUND TO THE INFRASTRUCTURE MARKET**

### **Introduction to Infrastructure**

Infrastructure can broadly be defined as the physical assets and systems that support a country or community. These assets enable services such as transportation, utilities, and communications, and provide social needs such as housing, health, transport and education services.

Development and modernisation of infrastructure is core to economic growth of any country and normally requires significant initial investment. Historically, infrastructure has been procured and funded by the public sector, with the taxpayer taking both the responsibility and risk of asset delivery, cost and operation.

To obtain better value for money for taxpayers, to share the burden of financing and in some cases to overcome constraints imposed by the public sector budgetary process, governments have turned to the private sector to assist in the procurement of infrastructure. Private sector involvement in the provision of infrastructure has steadily increased with the use of concessions to procure new assets. Under these types of procurement model, of which PFI (Private Finance Initiative) and PPP (Public Private Partnership) are variations, a private sector entity is normally contracted to design, construct, finance and then operate a piece of infrastructure for an agreed period of time.

A number of factors are driving the growth of private sector involvement in infrastructure in a number of countries, including:

- historic underinvestment, in some countries, in existing assets and new infrastructure needs;
- significant infrastructure requirements resulting from population growth and economic development;
- environmental considerations (for example renewed investment in rail as opposed to road transport);
- evidence in some studies that the private sector is achieving significant cost efficiencies in the delivery and operation of infrastructure compared to the public sector; and
- budgetary pressure and a need to manage public debt levels.

### **Structure of a typical PFI/PPP Project**

Under a typical PFI/PPP structure, a consortium of private sector entities (usually comprising financial investors, a construction company and a facilities management operator) form a Project Entity which enters into a contract with a Public Sector Client to design, build, finance and maintain a public or social infrastructure asset in accordance with agreed service standards, and is remunerated for this under a mechanism agreed by both parties. Although the Project Entity will be responsible for the construction of the infrastructure asset in the case of PFI/PPP, it will not usually have full ownership rights over the asset, which will usually revert to public sector ownership on termination of the relevant contract.

The Project Entity will fund the initial project costs, including the cost of the construction of the infrastructure asset through a mixture of:

- long-term senior debt contributed by banks or through the issue of bonds; and
- equity and subordinated debt (including by way of partnership or shareholder loans) contributed by the financial investors and other consortium members participating in the Project Entity.

Senior debt is sometimes drawn first, and equity and subordinated debt subscription amounts are usually drawn towards the end of the construction phase. In most instances, bank letters of credit are required to be provided upfront in respect of such deferred equity and subordinated debt subscription amounts.

Once the social infrastructure asset has been built, and provided the agreed service levels are met, the Project Entity will receive payments from the public sector body for the remainder of the concession. The payments are often inflation-linked or fixed in real terms with reference to specific inflation indexes (for example RPI or CPI). They are generally either “availability based” or “demand based”, depending on the nature of the project.

“Availability based” PFI/PPP projects (on which the Company will seek to concentrate) entitle the Project Entity to receive regular payments from the Public Sector Client to the extent that the project asset is “available” for use in accordance with contractually agreed service levels and performance standards. In some cases (particularly with projects not undertaken on a PFI/PPP basis) these payments may be indirect, for instance where private sector entities are under the obligation to make payments but where their obligation to pay is supported explicitly or implicitly by public policy or by legal obligation. “Demand-based” projects entitle the Project Entity to receive payments related to the usage of the project asset, either directly from the end user or from the public sector procuring authority.

Once payments received by the Project Entity have been used to service senior debt repayments, operating costs and other expenses and funding of reserves, they will be used to remunerate the equity and subordinated debt owners in the form of interest payments on subordinated debt, repayment of subordinated debt principal and dividend payments. At the outset of a PFI/PPP project, the Project Entity will generally enter into contracts with subcontractors with the aim of passing on to the latter the various risks associated with providing the construction and operational services. In this way, the risks of cost overruns and delays and deductions from concession revenues for poor performance are usually largely passed on, subject to caps and other limits on liability, to the Project Entity’s construction contractors and facilities managers. It should be noted that other investments that the Company may make in infrastructure assets may have alternative approaches to risk allocation or retention.

The perceived benefits of the model include:

- Risk allocation to parties best able to manage or mitigate individual risks;
- In contrast to traditional procurement where the private sector may be less concerned with higher maintenance costs once the asset is delivered (as it does not subsequently manage the asset), under a PFI/PPP, the private sector competes to deliver services over the long-term at the most economically advantageous price taking into account life cycle costs;
- PFIs/PPPs are seen as a way of bringing private sector know-how and management expertise to the provision of public services and, hence, to improving value for money. Some studies have reported savings of 15-20 per cent. compared to the costs of an equivalent publicly procured project [Source: “Developing Public Private Partnerships in New Europe”, PricewaterhouseCoopers, 2004];
- PFIs/PPPs allow public-sector entities to spread payments for social infrastructure assets over a number of years and may allow the associated debt to be kept off the public sector’s balance sheet;
- Payments to the private sector under a PFI/PPP structure do not typically commence in full until the asset has been built and is operational; and
- As an agreed level of service is being provided, the private sector is incentivised to complete construction with minimal delay and provide high quality services.

### **Market trends and future growth target markets**

The success of private sector involvement in the infrastructure sector has led several governments to implement standardised procurement models such as PFI and PPP, as well as other models of introducing private sector capital into the provision of public infrastructure. Although several countries often used these models initially to procure transportation infrastructure, many (for example the UK, Canada, Australia, Portugal, France and Spain) have responded to the success of their initial projects by extending the scope into the provision of other public or social infrastructure assets.

## United Kingdom

The PFI model in the UK, based on a strong market of suppliers and advisers and a robust contractual framework, is now well established. The standardisation of contracts has helped improve value for money and PFI now provides a model for delivery of successful public capital projects on time and to budget (Source: "PFI: The State of the Market", Partnerships UK, October 2007). Over 700 PFI projects delivering investment of over £49 billion have been signed since 1992 in the UK. PFI has now delivered over 500 operational projects, including 185 new or refurbished health facilities, 230 new or refurbished schools and 43 transport projects. There are also numerous other types of PPPs, ranging from small joint ventures to major government procurements (Source: NAO Report October 2009 "Private Finance Projects"). In the UK, whilst there are probably fewer new PFI/PPP projects being procured compared to two or three years ago, there is still a healthy pipeline of opportunities in the healthcare, social housing and waste sectors. There are 61 further PFI projects in procurement and many other projects where PFI is being considered (Source: Public Accounts Committee Forty-Fourth Report July 2011- "Lessons from PFI and other projects").

Among the conclusions reached by the UK National Audit Office in a recent report on PFI/PPP Projects in the UK were:

- "Most private finance projects are built close to the agreed time, price and specification: in our sample, 69 per cent. of PFI construction projects between 2003 and 2008 were delivered on time and 65 per cent. were delivered at the contracted price. Of those delivered late, 42 per cent. were delivered within six months of the agreed time, and under half experienced price increases."
- "Public bodies using private finance are normally satisfied with the services provided by contractors. High levels of satisfaction are normally reflected in our reports, case studies and surveys. Whilst we recognise that contract managers may be biased in their response, they are likely to also be the most informed individuals for a project." (Source: NAO Report October 2009 "Private Finance Projects")

Despite its historic strength in terms of deal flow the UK PFI/PPP market currently faces a number of challenges and uncertainties, the outcome of which will have a significant influence on the level of potential activity in the next five years. These relate principally to three areas: (i) the impact of a change of government (ii) the continuing impact of the "credit crunch" on the availability and cost of funds, flow of projects and strength of the supply chain and partners and (iii) the global economic recession and its impact on the performance of the wider UK economy and on government finances.

In 2011, the UK's coalition government has been under pressure to address the significant debt burden of the UK, leading to cuts in all areas of public spending including cancellation of a number of waste, housing, schools and emergency services PFI projects in the early stages of procurement. Whilst the government is reassessing its use of the private sector in delivering services and infrastructure under these models and the value for money that PFI/PPP provides, it will continue to need to use some form of partnerships because of the need to deliver infrastructure in a number of areas, driven by failing infrastructure (for example street lighting and highway maintenance) or EU legislation (waste). Whilst the UK is now a mature market and many existing programmes are well advanced, the need to improve UK infrastructure remains and, despite differing views about PFI, its cost and its flexibility, it has been seen in some quarters as a success in delivering new infrastructure on time and to budget. The government has reaffirmed its commitment to the sector as it will continue to encourage increased funding for infrastructure projects from the private sector (Source: UK Budget 2010).

In September 2011 the UK government stated that it was prioritising infrastructure investment and announced a £500 million Local Infrastructure Fund. Deputy Prime Minister Nick Clegg, speaking at the London School of Economics on 14 September 2011, announced that the government was to prioritise the development of 40 projects, including Crossrail and improvements to the National Grid, in a move that placed infrastructure at the heart of the UK's plans for recovery. The £500 million Growing Places Fund is intended to help develop local infrastructure across the country and was described by Treasury Chief Secretary Danny Alexander as a vehicle to "help with local infrastructure and unlock private sector development". The funds will provide up-front capital to

initiate the development of projects. It is hoped that the financing will be a catalyst for projects that may have stalled in the planning stages due to funding issues.

Investments in mature infrastructure projects are now being traded between investors (including specialist investment funds such as the Company) either as single investments or aggregated into portfolios. These developments have helped to create a more liquid market in PFI/PPP infrastructure investments.

### **Continental Europe**

In continental Europe, PFI/PPP type infrastructure investments have developed differently from country to country but are expected to continue to show a growth profile in the future. The European PPP market recorded double digit growth for the third consecutive year from 2005 to 2006, expanding by 37 per cent. At the same time the aggregate value of projects in tender rose to €73 billion and a pre-tender project pipeline of over €100 billion.

PPP now forms a part of the procurement plans of many European states and John Laing is established as a PPP sponsor and investor in continental Europe with projects secured in six countries (Norway, Finland, Poland, the Netherlands, Germany, and Hungary). In addition to this, significant secondary portfolios of projects exist throughout Europe, particularly in Germany, the Netherlands, France and Spain.

The Netherlands is making good progress in becoming an established market for PPP. This is not only demonstrated by the number of closed deals (currently 18; seven social infrastructure, seven transport and four environment and renewables), with 13 being tendered and three at the preferred proponent stage, but also by the accumulation of a substantial pipeline. There are currently seven projects at the pre-launch stage; five in the transport sector and two in the environment sector.

In Germany there are now 73 PPP Projects that have achieved financial close with a further 29 at the preferred proponent stage. In 2005 the A8 (Munich section) was the first of Germany's A-Modell road PPPs, one of four pilot projects. In June 2008 the German ministry of transport announced the second wave of the A-Modell programme, comprising eight projects in three phases. The six projects comprising the first and second phases are valued at €1.3 billion. It is expected that two or three projects will be brought to the market each year. In addition to the A-Modell programme it is expected that other motorway projects will come to the market over the next couple of years: there are currently 16 projects at the pre-launch stage.

### **Canada and the USA**

There have been various PPP transactions across a number of provinces in Canada, notably Ontario and British Columbia (currently 87 Canadian PPP projects have achieved financial close). Procurement agencies and standard form documentation are in place and are intended to facilitate efficient tenders. In addition, the Canadian economy appears to be weathering the global financial crisis relatively unscathed, and with none of the Canadian bank institutions requiring government financial assistance funding solutions for PPP schemes have generally remained accessible.

Canada still has a large infrastructure gap according to analysts and there is little indication that the level of PPP opportunity currently on offer is likely to tail off, with most sectors currently active (currently 37 projects at the pre-launch stage across all sectors). The Canadian government has reconfirmed its commitment to introducing a new 10 year infrastructure investment plan.

The US represents a potentially vast infrastructure market with figures of \$2 trillion quoted as the level of infrastructure required over the next 40 to 50 years. Observers note that jurisdictions across the US are increasingly looking to the PPP model due to shortfalls in state and municipal budgets for public works and the declining performance of transportation networks. Currently, 25 states have enacted PPP enabling legislation in the transportation sector alone. In those states that have not enacted PPP enabling legislation, some have broad municipal authority to procure PPPs on their own. There are currently 121 projects at the pre-launch stage and it is believed that over 20 major PPP projects with an aggregate project cost of more than US\$30 billion are currently in

procurement. A future pipeline of over 60 transport PPP projects has been identified with a value of over US\$60 billion.

Although the risk profile for US projects differs in a number of respects from other markets, with a key issue being “appropriations” risk, contractors and investors alike are gaining experience and confidence in the procurement processes and the project structures utilised. As part of this activity, John Laing has successfully entered the US market through its 45 per cent. investment in the Denver Eagle P3 Project rail scheme, which reached financial close in August 2010.

Funding support for PPP schemes is available through the Transportation Infrastructure Finance and Innovation Act (TIFIA) and Private Activity Bonds (PABs), together with the US\$50 billion National Infra Bank initiative.

## **Asia Pacific**

Estimates of the infrastructure investment required in developing Asia vary according to different sources but it is widely recognised that the requirement is substantial. Asian governments have pledged more than \$600 billion to invest and develop the infrastructure sector.

Australia evidences a strong track record and pipeline of suitable PPP transactions. This provides opportunities for acquisitions of both current operational assets and for pipeline projects which may, in time, become suitable assets for acquisition.

Australia has the most mature PPP market globally after the UK, with 62 PPP projects successfully closed, and it is therefore expected that it will provide a strong source of assets for acquisition. There are currently 29 projects at the pre-launch stage, 25 in tender and 10 at the preferred proponent stage. Dedicated infrastructure delivery institutions such as Infrastructure Australia and the National Public Private Partnership Forum and State PPP units are now established demonstrating strong public sector commitment. The National PPP Guidelines came into effect, replacing the existing policies and guidelines of each individual state. The national policy is designed to achieve a consistent nationwide approach to PPP delivery and risk allocation, so as to reduce costs for the private sector and to shorten project delivery time.

In the 2008-09 budget the Australian government announced the establishment of the Building Australia Fund. Allocations from the Building Australia Fund will be guided by Infrastructure Australia’s national audit and infrastructure priority list.

A key part of the 2009-10 budget was the AUD 22 billion fund for “Nation Building Infrastructure” including:

- AUD 8.4 billion for roads, rail and ports;
- AUD 4.5 billion for the Clean Energy Initiative;
- AUD 2.6 billion for education; and
- AUD 3.2 billion for hospitals and health infrastructure.

## **PART 3: THE CURRENT PORTFOLIO**

### **Introduction**

The Current Portfolio consists of Investment Capital in 23 projects (of which 23 projects the Roseberry Park hospital project is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of the acquisition of Investment Capital in it by the Fund) in the health, schools, justice and emergency services, roads, regeneration, defence and street lighting sectors located in the UK, Canada and Finland.

The Fund acquired the Seed Portfolio of 19 projects from the Initial Vendors and JLPTL shortly after the IPO. The Initial Vendors are all members of the John Laing Group. Following the issue of the Tap Shares the Fund acquired the April Portfolio (with the exception of the Investment Capital in the Roseberry Park hospital project which is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of its acquisition by the Fund). The Fund increased its stake in one of the Seed Portfolio projects, the Queen Elizabeth hospital project, in April 2011, as well as acquiring Investment Capital in three new projects; the Bentilee HUB project in April 2011, the Cleveland Police Stations project in May 2011 and the Roseberry Park hospital project (acquisition of the Investment Capital in which is awaiting completion). On completion of the acquisition of Investment Capital in the Roseberry Park hospital project, the Fund will notify investors through the publication of an announcement through a Regulatory Information Service and will be entitled to receive the benefit of earnings which it would have received from the project had completion of the acquisition occurred in April 2011. The Forth Valley project was acquired by the Fund in September 2011 from CBA and was financed, in part, by third party debt for a price of £22.8 million.

The Investment Capital comprising the Current Portfolio consists of shares issued by the Project Entity (or its immediate parent) in respect of each project, together with subordinated debt borrowed by the Project Entity (or its immediate parent) in order to finance the construction or other capital works of the relevant project. The Investment Capital in the Current Portfolio in respect of each project comprises a proportion of the total issued share capital of, and a proportion of the total outstanding subordinated debt borrowed by, the relevant Project Entity, as shown in the table below entitled "Summary of Current Portfolio".

The cash flows from the Investment Capital in the Current Portfolio will comprise dividends and other distributions paid by Project Entities in respect of equity, repayments of equity and repayments of principal and interest on subordinated debt.

### **Diversified Current Portfolio**

The Current Portfolio comprises assets that were selected by JLCM to meet the investment objective of the Company, and which are aligned to the characteristics of the Fund. The assets offer a diversified balance of UK and international PFI/PPP projects, all of which are operational, across a number of sectors.

The Current Portfolio comprises 23 projects (of which 23 projects the Roseberry Park hospital project is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of the acquisition of Investment Capital in it by the Fund), of which three represent approximately 45 per cent. of the value as at the last declared valuation date of 30 June 2011; the Ministry of Defence main building project in Whitehall, London the Abbotsford hospital project in British Columbia, Canada and the investment in the M40 motorway in England.

Further details in relation to the diversification of the Current Portfolio are set out in Part 4 of this Prospectus.

### **Summary of Current Portfolio**

A summary of the key terms of the projects comprising the Current Portfolio is set out in the following table. The projects comprising the Current Portfolio are all fully operational, availability based projects (although the M40 motorway project is predominantly reliant on revenues measured in relation to the number of users and thus, whilst relatively insensitive to traffic movement, has some exposure to demand risk).

<i>Sector</i>	<i>Company Name</i>	<i>Project Name</i>	<i>% owned by Fund</i>	<i>Short description of concession arrangement</i>	<i>Period of concession</i>		<i>No. years</i>
					<i>Start date</i>	<i>End date</i>	
<b>Health</b>							
	Healthcare Support (Newham) Limited	Newham	50%	Design, build, finance and operate extensions at Newham General Hospital.	27/01/2004	30/01/2039	35
	Meridian Hospital Company plc Greenwich	Queen Elizabeth Hospital,	27.5%	Design, build, finance and operate new hospital in the Greenwich area of London.	08/07/1998	31/10/2030	32
	Prime Care Solutions (Kingston) Limited	Kingston Hospital	60%	Design, build, finance and operate extension to Kingston Hospital.	23/11/2004	22/07/2036	32
	AHA Access Health Abbotsford Ltd.	Abbotsford Regional Hospital and Cancer Centre	80%	Design, build, finance and operate new hospital in Abbotsford, British Columbia, Canada.	07/12/2004	06/05/2038	33
	AHV Access Health Vancouver Ltd.	Vancouver General Hospital	100%	Design, build, finance and operate new outpatient facility in Vancouver, British Columbia, Canada.	02/09/2004	18/08/2036	30
	Three Valleys Healthcare Limited	Roseberry*** Park Hospital	100%	Design, build, finance and operate new hospital in Middlesbrough	01/12/2007	01/03/2040	30
	Forth Health Limited	Forth Valley Health	50%	Design, build, finance and operate new hospital in Larbert.	15/05/2007	31/03/2042	35
<b>Schools</b>							
	3ED Glasgow Limited	Glasgow Schools	20%	Design, build, finance and operate 29 secondary schools and one primary school in Glasgow.	26/07/2000	30/06/2030	30



<i>Sector</i>	<i>Company Name</i>	<i>Project Name</i>	<i>% owned by Fund</i>	<i>Short description of concession arrangement</i>	<i>Period of concession</i>		<i>No. years</i>
					<i>Start date</i>	<i>End date</i>	
	InspirED Education (South Lanarkshire) plc	South Lanarkshire Schools	15%	Design, build, finance and operate 15 new secondary schools and two refurbishments in the South Lanarkshire area.	28/06/2006	30/09/2039	33
<b>Justice and Emergency Services</b>							
	Cleveland FM Services Limited	Cleveland Police Stations and HQ	42.5%	Design, build, finance and operate two new police stations and two district headquarters in Cleveland	01/05/2005	01/01/2032	27
	Service Support (Avon & Somerset) Limited	Avon and Somerset Courts	40%	Design, build, finance and operate two new courts in Worle and Bristol, offices, a podium and a bus station.	23/08/2004	26/10/2034	30
	Services Support (Gravesend) Limited (Gravesend)	Metropolitan Police Training Centre	27.08%	Design, build, finance and operate firearms training facility in Gravesend.	20/04/2001	10/02/2028	27
	Services Support (Manchester) Limited	Greater Manchester Police Stations	27.08%	Design, build, finance and operate 16 new police stations in Manchester.	04/12/2002	31/03/2030	25
<b>Defence</b>							
	Modus Services Limited	Ministry of Defence Main Building	26%	Design, build, finance and operate Ministry of Defence offices in Whitehall.	04/05/2000	03/05/2030	30
<b>Regeneration</b>							
	Regenter LCEP Limited	Canning Town Social Housing PFI – Newham Housing	100%	Refurbish, finance and operate council housing in Newham.	03/06/2005	31/05/2035	30
	Regenter B3 Limited	Brockley Social Housing PFI	100%	Refurbish, finance and operate council housing in Brockley.	04/06/2007	30/04/2027	20



Sector	Company Name	Project Name	% owned by Fund	Short description of concession arrangement	Period of concession		No. years
					Start date	End date	
	Regenter Bentilee District Centre Limited	Bentilee Hub	100%	Design, build, finance and operate a local Joint Services centre to a large housing estate in inner-city Stoke.	01/02/2005	01/01/2032	27
<b>Transport</b>							
	Sirhowy Enterprise Way Limited	Sirhowy Way	100%	Design, build, finance and operate improvements to the A4048/A472 Strategic Highway Network between the north of Blackwood and the east of Ponllanfraith, South Wales.	21/01/2004	20/01/2034	30
	Tiehytio Ykkostie Oy	E18 Road – Ykkostie	41%	Design, build, finance and operate the E18 Muurla–Lohja Motorway Project in Finland.	27/10/2005	15/11/2029	24
	UK Highways M40 Limited	M40 Motorway	50%	Design, build, finance and operate the M40 Motorway.	08/10/1996	07/12/2026	30
<b>Street Lighting</b>							
	Amey Highways Lighting (Manchester) Limited	Manchester Street Lighting	50%	Installation and maintenance of street lighting.	31/03/2004	30/06/2029	25
	Amey Highways Lighting (Wakefield) Limited	Wakefield Street Lighting	50%	Installation and maintenance of street lighting.	23/12/2003	02/02/2029	25
	Walsall Public Lighting Limited	Walsall Street Lighting	100%	Installation and maintenance of street lighting.	30/04/2002	30/04/2028	26

\* Source: The Company

\*\* The table above shows the percentages of the Investment Capital in each of the projects that comprises the Current Portfolio as a percentage of total Investment Capital issued in respect of each of the projects.

\*\*\* Awaiting completion of the acquisition of Investment Capital in the project by the Fund.

## Analysis of key subcontractors

The Directors believe that the subcontractors that provide facilities management or operational and maintenance services to the projects comprising the Current Portfolio are well qualified to provide these services and have a strong track record. The Fund's ability to develop and operate PFI/PPP projects could be adversely affected if a subcontractor's work was not of the requisite quality or a subcontractor became insolvent. Within the Current Portfolio the use of subcontractors is diversified across a number of subcontractors, as shown below:

<i>Project</i>	<i>Facilities Management/Operations and Maintenance Contractor(s)</i>
1. Abbotsford Hospital, Canada	Johnson Controls LP, Sodexo MS Canada Ltd
2. Avon and Somerset Courts	Amey BPO Services Ltd
3. Bentilee Hub	Seddons, Pinnacle Housing Limited
4. Brockley Social Housing PFI (Lewisham)	Rydon Maintenance Ltd, Pinnacle Housing Ltd
5. Canning Town Social Housing PFI (Newham Housing)	Rydon Maintenance Ltd, Pinnacle Housing Ltd
6. Cleveland Police Stations and HQ	Reliance Secure Task Management
7. E18 Road, Finland (Ykkostie)	Skanska Tekra Oy / Lemcon Oy (Joint Venture)
8. Forth Valley Hospital	Serco
9. Glasgow Schools (3ED)	Amey Business Services Ltd
10. Gravesend Metropolitan Police Training Centre	JLIS
11. Greater Manchester Police Stations (GMPA)	JLIS
12. Kingston Hospital	Parsons Brinckerhoff Ltd, ISS Mediclean Ltd
13. M40 Motorway	Carillion Highway Maintenance Ltd
14. Manchester Street Lighting	Amey Highways Limited
15. Ministry of Defence Main Building (Modus)	Skanska Rashleigh Weatherfoil
16. Newham Hospital	ISS Mediclean Ltd
17. Queen Elizabeth Hospital (Meridian)	Skanska Facilities Services (also known as Skanska Rashleigh Weatherfoil), ISS Mediclean Ltd (Hospital Services Agreement)
18. Roseberry Park Hospital (awaiting completion)	JLIS
19. Sirhowy Way	NCS Caerphilly (Network Contracting Services) (a division of Caerphilly County Borough Council)
20. South Lanarkshire Schools	SPIE Matthew Hall Limited (previously Amec)
21. Vancouver General Hospital, Canada	Brookfield LePage Johnson Controls (Facilities Management Services)
22. Wakefield Street Lighting	Amey LG Ltd
23. Walsall Street Lighting	Amey Highways Limited

### **Current Portfolio projects**

A description of the Project Entities that comprise the Current Portfolio is set out below.

#### **Abbotsford Regional Hospital and Cancer Centre (British Columbia, Canada)**

Access Health Abbotsford Ltd ("AHA"), the project company, has contracted with Abbotsford Regional Hospital and Cancer Care Inc to design, build, finance, maintain and operate a 300 bed facility in the primary acute care hospital to serve the Abbotsford area under a 33 year concession which runs until 2038.

Financial close was achieved in December 2004 and construction completed in May 2008. The development cost was C\$355 million. 99 per cent. of the revenue is availability based with the remaining 1 per cent. being demand based (0.7 per cent. for the Patient Entertainment System and 0.3 per cent. on third party leases).

AHA sublets Soft FM services to Sodexo MS Canada Ltd and Hard FM services to Johnson Controls LP. Johnson Controls LP bears the major maintenance risk. The project company is managed by John Laing staff.

#### **Avon and Somerset Courts**

Services Support (Avon & Somerset) Ltd ("SSASL"), the project company, has contracted with the Ministry of Justice to design, build, finance, maintain and operate 11 magistrates' courts in Bristol, 5 magistrates' courts in Worle, Somerset and a regional administration facility at Worle for the Probation Service under a 30 year concession which runs until 2034.

Financial close was achieved in August 2004 and construction completed in phases, Worle being completed in April 2006 and the Bristol courts in September 2007. The development cost was £43 million.

SSASL sublets both Hard FM services and Soft FM services to Amey BPO Services Ltd, which also bears the major maintenance risk. The project company is managed by John Laing staff.

#### **Bentilee Hub Community Centre**

Regenter Bentilee District Centre Limited, the project company, has contracted with Stoke on Trent City Council to design build, finance and operate the Bentilee Hub under a 27 year concession which runs until 2032. Construction, by Seddons, was completed and the centre became fully operational in February 2007. The new £8 million joint service centre offers local residents access to local authority, primary care and community services under one roof. A doctor's surgery, dentist, housing office, library, computer suite and youth centre are located alongside a number of retail units which include a pharmacy and community café.

Seddons provide the Hard FM Services and have responsibility for lifecycle risk. Pinnacle Housing Limited provides the Soft FM Services. The project company is managed by Regenter Management Services Ltd.

#### **Brockley Social Housing PFI**

Regenter B3 Ltd ("RB3"), the project company, has contracted with London Borough of Lewisham for the renovation, maintenance and management of 1,336 rented properties and 502 leasehold properties in Brockley under a 20 year concession which runs until 2027.

Financial close was achieved in June 2007 and refurbishment work was completed in July 2010. The refurbishment cost was £74 million and was carried out by Higgins Construction plc.

RB3 sublets housing management to Pinnacle Housing Ltd and responsive and cyclical maintenance to Rydon Maintenance Ltd, which shares major maintenance risk with the project company. The project company is managed by John Laing staff.

### **Canning Town Social Housing PFI (Newham Housing)**

Regenter LCEP Ltd ("LCEP"), the project company, has contracted with London Borough of Newham for the renovation, maintenance and management of over 1,200 local authority homes in Canning Town under a 30 year concession which runs until 2035.

Financial close was achieved in June 2005 and refurbishment completed in January 2008. The refurbishment cost was £20.2 million.

LCEP sublets housing management to Pinnacle Housing Ltd and responsive and cyclical maintenance to Rydon Maintenance Ltd, which also shares major maintenance risk with the project company. The project company is managed by John Laing staff.

### **Cleveland Police Stations and Headquarters**

Cleveland FM Services Limited, the project company, has contracted with Cleveland Police Authority to design build, finance and operate two district headquarters and two town centre police stations under a 27 year concession which runs until 2032.

Middlesbrough police district headquarters is the gateway project for the regeneration of the St Hilda's area of the town and includes a 24 hour police station, a centralised property store and a 50 cell custody unit, including a state of the art Prevention of Terrorism suite.

The Redcar and Cleveland district headquarters is on a regenerated site in Langbaugh which houses an open-all-hours community access police station. Two town police stations are located at Redcar and South Bank.

Laing O'Rourke was the design and build contractor for the £26.8 million construction project. Reliance Secure Task Management supplies the Hard FM Services and Soft FM Services and bears the lifecycle risk.

### **E18 Road (Finland)**

Tiehytio Ykkostie Oy ("TKO"), the project company, has contracted with FINNRA (the Finnish Roads Authority) to design, build, finance and operate a 51km stretch of the E18 road under a 24 year concession which runs until 2029.

Financial close was achieved in October 2005. Under the contract 100 per cent. of the service payment was achieved as of September 2009 with construction completed in phases between September 2009 and February 2010. The development cost was €327 million.

TKO sublets the engineering, construction and maintenance to a joint venture between Skanska Tekra Oy and Lemcon Oy. The joint venture bears the major maintenance risk.

### **Forth Valley**

Forth Health Limited ("FHL"), the project company, has contracted with NHS Forth Valley Health Board for the design, build, finance and ongoing maintenance of a new acute hospital in the Forth Valley Scotland. The new hospital centralises acute healthcare and mental health services on one site and the two hospitals, in Stirling and Falkirk, which it replaces will become Community Hospitals as part of the Board's new integrated model of care.

The project achieved financial close in May 2007 and will run until March 2042 under a 35 year concession.

The Design & Build contractor was Laing O'Rourke and all three phases of the £293 million hospital have been completed on time. The first phase, completed in August 2010. The second phase, also completed in 2010, provides a mental health unit. The final phase, comprising health services for women and children, accident and emergency and acute services, achieved construction completion in April 2011, following an official opening by Her Majesty the Queen on 6 July 2011.

Ongoing facilities management services are provided by Serco. FHL is managed by John Laing staff.

### **Glasgow Schools**

3ED Glasgow Ltd ("3ED"), the project company, has contracted with Glasgow City Council to design, build/refurbish, finance and operate their entire secondary school estate of 29 schools under a 30 year concession which runs until 2030.

Financial close was achieved in July 2000 and construction completed in October 2003. The development cost was £225 million. The project was refinanced in February 2008.

3ED sublets life cycle work to a joint venture between Amey Construction Limited and Miller Construction. Amey Business Services Ltd provides Hard FM services and Soft FM services. Mitel provide managed IT services (expiry 2012). The project company is managed by John Laing staff.

### **Greater Manchester Police Stations**

Services Support (Manchester) Ltd ("SSML"), the project company, has contracted with the Greater Manchester Police Authority to design, build, finance and operate 16 police stations and a traffic headquarters under a 25 year concession which runs until 2030.

Financial close was achieved in December 2002 and was refinanced in December 2005, when a major variation was incorporated. Construction was completed in September 2006. The development cost was £82 million.

SSML sublets Hard FM services and Soft FM services to JLIS. SSML retains the major maintenance risk. The project company is managed by John Laing staff.

### **Kingston Hospital**

Prime Care Solutions (Kingston) Ltd ("PCS"), the project company, has contracted with Kingston Hospital NHS Trust to design, build, finance and operate a new clinical building on the hospital site under a 32 year concession which runs until 2036.

Financial close was achieved in November 2004 and construction completed in June 2007. The development cost was £24.8 million.

PCS sublets Soft FM services (which cover the whole site) to ISS Mediclean Ltd, and Hard FM services (for the new building only) to Parsons Brinckerhoff Ltd. PCS retains the major maintenance risk. The project company is managed by John Laing staff.

### **M40 Motorway (UK)**

UK Highways (M40) Ltd ("UKH"), the project company, has contracted with the Department for Transport (Highways Agency) to design, build, finance and operate 123km of the M40 motorway (from Junction 1a to Junction 15) under a 30 year concession which runs until 2026.

Financial close was achieved in October 1996 and construction was completed in January 1999. The total capitalised costs were £85 million. The project was refinanced in October 2001. Whilst revenue is demand based, with payments being made on the basis of a shadow tolling system linked to the volume of traffic using the motorway (by vehicle, size and distance travelled), the project operates as if it were availability based due to its relative insensitivity to traffic flows compared to a typical toll PFI road.

UKH sublets maintenance and operations to Carillion Highways Maintenance Ltd. UKH retains major maintenance risk. The management team includes John Laing staff.

### **Manchester Street Lighting**

Amey Highways Lighting (Manchester) Ltd ("AHLM"), the project company, has contracted with Manchester City Council to finance, manage and maintain its stock of lighting columns and lit signs

throughout its 1,444km road network, including the replacement of 41,698 columns within the first 5 years, under a 25 year concession which runs until 2029.

Financial close was achieved in March 2004 and refurbishment works to replace over 70 per cent. of the city's lighting columns were completed in March 2009. The development cost was £38.5 million.

AHLM sublets operations and maintenance to Amey Highways Ltd. The project company is managed by John Laing staff and Amey Ventures Investments Ltd.

### **Metropolitan Police Training Centre (Gravesend)**

Services Support (Gravesend) Ltd ("SSGL"), the project company, has contracted with the Metropolitan Police Authority to design, build, finance and operate the centre for firearms and public order training under a 27 year concession which runs until 2028.

Financial close was achieved in April 2001 and construction was completed in January 2003. The development cost was £39.4 million. A small percentage of total revenue (0.49 per cent.) is subject to demand, for which the facilities management subcontractor bears the risk.

SSGL sublets Hard FM services and Soft FM services, including hotel services, to JLIS. SSGL retains the major maintenance risk. The project company is managed by John Laing staff.

### **Ministry of Defence Main Building**

Modus Services Ltd ("MSL"), the project company, has contracted with the Ministry of Defence to refurbish, finance and maintain its Whitehall headquarters and the Old War Office building under a 30 year concession which runs until 2030.

Financial close was achieved in May 2000 and refurbishment works were completed in July 2004. The refurbishment cost was £416 million.

MSL sublets Hard FM services to Skanska Rashleigh Wetherfoil and Soft FM services to Amey Business Services Ltd. MSL retains the major maintenance risk.

### **Newham Hospital**

Healthcare Support (Newham) Ltd ("HSNL"), the project company, has contracted with Newham Healthcare NHS Trust to design, build finance and operate new premises and clinical facilities at Newham General Hospital under a 35 year concession which runs until 2039.

Financial close was achieved in January 2004 and post construction commissioning was completed in August 2006. The development cost was £35 million.

HSNL sublets Hard FM services and Soft FM services to ISS Mediclean Ltd. HSNL retains the major maintenance risk. The project company is managed by John Laing staff.

### **Queen Elizabeth Hospital (Greenwich)**

Meridian Hospital Company plc ("MHC"), the project company, has contracted with South London Healthcare NHS Trust to design, build, finance and operate a part new-build, part refurbished hospital building in Woolwich under a 32 year concession which runs until 2030.

Financial close was achieved in July 1998 and construction completion was certified in November 2000. The construction cost was £96 million.

MHC sublets Soft FM services to ISS Mediclean Ltd and Hard FM services to Skanska Facilities Services Ltd. MHC retains the major maintenance risk.

### **Roseberry Park Hospital (awaiting completion of acquisition of Investment Capital by the Fund)**

Three Valleys Healthcare Limited ("TVH"), the project company, has contracted with Tees, Esk and Wear Valleys NHS Foundation Trust to design, build, finance and operate a mental health facility in Middlesbrough under a 32 year concession which runs until 2040.

Financial close was achieved in December 2007 and construction was completed by Laing O'Rourke in April 2011.

JLIS provides Hard FM Services and Soft FM Services. The project company is managed by John Laing staff.

### **Sirhowy Way (Wales)**

Sirhowy Enterprise Way Ltd ("SEW"), the project company, has contracted with Caerphilly County Borough Council ("CCBC") to design, build, finance and operate 4.3km of the A4048/A472 road between Blackwood and Pontllanfraith under a 30 year concession which runs until 2034.

Financial close was achieved in January 2004 and construction completed in December 2005. The development cost was £44 million. 77 per cent. of the revenue is availability based with the remaining 23 per cent. being linked to traffic flows.

SEW sublets operations and maintenance works to Network Contracting Services (a CCBC company). SEW retains the major maintenance risk. The project company is managed by John Laing staff.

### **South Lanarkshire Schools**

InspirED Education (South Lanarkshire) plc ("InspirED"), the project company, has contracted with South Lanarkshire Council to design, build, finance and maintain 17 new and two refurbished schools under a 33 year concession which runs until 2039.

Financial close was achieved in June 2006 and construction of school buildings was completed in December 2009. External works and pitches will not be complete until December 2011. The contractor is SPIE Matthew Hall Limited. The development cost is £320 million.

InspirED sublets Hard FM services only to SPIE Matthew Hall Limited. InspirED retains major maintenance risk. Soft FM services are not provided.

### **Vancouver General Hospital (British Columbia, Canada)**

AHV Access Health Vancouver Ltd ("AHV"), the project company, has contracted with Vancouver Coastal Health Authority to design, build, finance and maintain the Gordon & Leslie Diamond Healthcare Centre, part of Vancouver General Hospital, under a 30 year concession which runs until 2036.

Financial close was achieved in September 2004 and construction completed in August 2006. The development cost was C\$ 92.3 million. 82 per cent. of the revenue is availability based with the remaining 18 per cent. being from rental lease payments, predominantly from medical practitioners on long-term leases and with some limited revenue from retail leases. If the demand in certain areas fails to materialise moreover certain of the rental payments will be underwritten by Vancouver Coastal Health Authority.

AHV sublets Hard FM services and Soft FM services, to Brookfield LePage Johnson Controls. The project company is managed by John Laing staff.

**Wakefield Street Lighting**

Amey Highways Lighting (Wakefield) Ltd ("AHLW"), the project company, has contracted with Wakefield Metropolitan District Council to maintain 35,000 street lights in the Wakefield District under a 25 year concession which runs until 2029.

Financial close was achieved in December 2003 and construction works were completed in December 2008. The cost of the replacement column programme was £26 million.

AHLW sublets all operating and maintenance, to Amey LG Ltd. The project company is managed by John Laing staff.

**Walsall Street Lighting**

Walsall Public Lighting Ltd ("WPL"), the project company, has contracted with Walsall Metropolitan Borough Council to maintain its 24,000 street lights in the Walsall area under a 26 year concession which runs until 2028.

Financial close was achieved in March 2002 and construction completed in September 2004. The cost of the replacement column programme was £16 million.

WPL sublets all operating and maintenance, to Amey Highways Ltd. The project company is managed by John Laing staff.



## PART 4: THE NEW PORTFOLIO

### Introduction

The New Portfolio consists of Investment Capital in 10 projects to be acquired from the John Laing Group (with the additional 10 per cent. stake in the Edinburgh schools project to be acquired from JLPTL), all of which are operational and aligned to the characteristics of the Current Portfolio.

The Fund has agreed to acquire the New Portfolio from the Vendors and JLPTL. The Vendors are all members of the John Laing Group.

The Investment Capital comprising the New Portfolio consists of shares issued by the Project Entity (or its parent) in respect of each project, together with, in some cases, subordinated debt borrowed by the Project Entity (and/or its parent) in order to finance the construction or other capital works of the relevant project. The Investment Capital in the New Portfolio in respect of each project comprises a proportion of the total issued share capital of, and where relevant a proportion of the total outstanding subordinated debt borrowed by, the relevant Project Entity, as shown in the table below entitled "Summary of the New Portfolio".

Completion of the acquisition in respect of Investment Capital in each of the Project Entities comprising the New Portfolio to be acquired from the John Laing Group and JLPTL is expected to take place shortly after Admission subject to the following conditions:

- (a) Admission;
- (b) all consents and documentation required for the acquisition of that Project Entity being in place;
- (c) no event of default subsisting under the senior finance documents for such Project Entity; and
- (d) in respect of the additional stake in the Abbotsford hospital project the relevant exchange rate having moved by no more than five per cent.

Completion in respect of a particular Project Entity may be deferred pending satisfaction of these conditions. The Acquisition Agreement and the JLPTL Acquisition Agreement will terminate in respect of any Project Entity for which the conditions have not been satisfied by 31 December 2011, although the parties have agreed to negotiate in good faith to seek amendments to the Acquisition Agreement that would allow completion to occur after such date.

As at the date of this Prospectus the Enfield, Highland and Newham schools Project Entities are in lock-up. As such, the Project Entities are currently unable to make distributions in respect of subordinated debt or shares to their shareholders. The Vendors have indicated to JLCM that the agent and the banks have been concerned about information provision (the content and format of the Asset Reserve Renewal Account (ARRA) Report) and that the Project Entities have been working with the agent and the lenders to address these concerns and expect these matters to be waived soon. In any event, completion in respect of each such Project Entity is conditional on the relevant events in respect of the Project Entity having been waived by its senior lenders (in addition to the satisfaction of the other conditions to completion).

In addition, as at the date of this Prospectus an event of default is subsisting under the financing arrangements for the North Swindon schools Project Entity. As such, lenders to the Project Entity may also accelerate the debt of the Project Entity and enforce their security over its assets, and distributions in respect of subordinated debt and shares cannot currently be made. The Vendors have indicated to JLCM that they expect these matters to be waived soon. In any event, completion in respect of the Project Entity is conditional on the relevant events in respect of it having been waived by its senior lenders (in addition to the satisfaction of the other conditions to completion).

The price payable for the Investment Capital for a project will be adjusted to take into account any Repricing Event that occurs as described in more detail in the description of the Acquisition Agreement as set out in Part 9 of this Prospectus.

In addition to the 10 per cent. stake in the Edinburgh schools project which the Fund may acquire pursuant to the Acquisition Agreement, the Fund may also acquire an additional 10 per cent. stake in the Edinburgh schools project from JLPTL pursuant to the JLPTL Acquisition Agreement, on terms similar to those set out in the Acquisition Agreement. JLPTL is not a member of the John Laing Group.

The cash flows from the Investment Capital in the New Portfolio will comprise dividends and other distributions paid by Project Entities in respect of equity, repayments of equity and repayments of principal and interest on subordinated debt. The illustrative aggregated future cashflows that are anticipated to be received by an investment in the entire New Portfolio are illustrated in the table below entitled "Illustrative New Portfolio Annual Cash Flows" (on the assumption that all of the Investment Capital comprising the New Portfolio is acquired).

### Target Consents

The Target Consents are required for the transfer of Investment Capital in Project Entities from certain of the Public Sector Clients, funders and co-shareholders in the projects. Under the Acquisition Agreement, the John Laing Group and the Fund are jointly responsible for procuring those Target Consents that are required for the acquisition of the Investment Capital in the New Portfolio to proceed.

All Target Consents in relation to the UK assets in the Seed Portfolio were received within five weeks of the execution of the acquisition agreement in relation to the Seed Portfolio.

### Use of Proceeds and Scaleback of Acquisition

Subject to the paragraphs above, if the Gross Issue Proceeds are between £105 million and approximately £155.8 million the Fund intends to acquire the entire New Portfolio. Any balance of the Net Issue Proceeds that have not been used to acquire the New Portfolio will be used to repay debt incurred by the Fund in acquiring the Investment Capital in the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio. The Fund can elect however not to acquire the Investment Capital in the LUL Connect project if, for example, the Gross Issue Proceeds fall short of £105 million.

If Gross Issue Proceeds are between £63 million and £105 million the Fund intends to acquire the New Portfolio with the exception of the LUL Connect project. Any balance of the Net Issue Proceeds that have not been used to acquire the New Portfolio (less the LUL Connect project) will be used to repay debt incurred by the Fund in acquiring the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio.

If the Gross Issue Proceeds are less than £63 million the Issue will not proceed.

### Current Portfolio

The Current Portfolio comprises 23 investments (of which 23 projects the Roseberry Park hospital project is, at the date of this Prospectus, awaiting satisfaction of certain conditions prior to the completion of the acquisition of Investment Capital in it by the Fund) in UK and international PFI/PPP projects, all of which are operational, across a number of sectors. The analysis by individual project valuation (assuming the Investment Capital in the Roseberry Park hospital project is acquired) is shown in the table below:

<i>Project</i>	<i>Share of Current Portfolio [%]</i>
MOD Main Building, England	16.2%
Abbotsford Hospital, Canada	15.7%
M40 Motorway, England	13.0%
Brockley Housing, England	6.4%
Remaining 19 projects	48.7%

Source: The Company

## The New Portfolio

The New Portfolio comprises 10 projects that have been selected by the Investment Adviser to meet the investment objective of the Company, and which are aligned to the characteristics of the Current Portfolio. The projects comprising the New Portfolio are a diversified balance across a number of sectors all of which are operational.

The analysis of the New Portfolio by individual project valuation is shown below:

<i>Project</i>	<i>Expected allocated consideration (£) million</i>	<i>Share of New Portfolio (%)</i>
Abbotsford Regional Hospital and Cancer Centre, Canada	12.0	12
Edinburgh Schools PFI project, Scotland	3.9	4
Enfield Schools PFI Project, England	3.5	4
Highland Schools PFI Project, England	2.7	3
LUL Connect (CityLink) PFI Project, England	40.7	41
M6 DBFO, Scotland	7.9	8
Newcastle Hospitals PFI Project, England	10.0	10
Newham Schools PFI Project, England	2.6	3
North East Fire and Rescue (NEFRA) PFI Project, England	4.7	5
North Swindon Schools PFI Project, England	10.3	10

Source: The Company

The New Portfolio comprises a majority of UK projects, together with the remaining John Laing share of 20 per cent. of the Abbotsford hospital project in Canada, a country which is regarded as fiscally strong.

## Increased Portfolio Diversification

The purchase of the New Portfolio will increase the diversification of the Investment Portfolio, as demonstrated by the table below (assuming the Investment Capital in the Roseberry Park hospital project is acquired):

<i>Sector</i>	<i>Share of Current Portfolio (%)</i>	<i>Share of New Portfolio (%)</i>
Health	37	22
Roads and Street Lighting	25	8
Defence	16	0
Social Housing	10	0
Schools	5	23
Justice and Emergency Services	6	5
Utilities	0	41

Source: The Company

The Current Portfolio comprises a majority of UK projects, balanced with a selection of international projects from countries which are regarded as fiscally strong. The international diversification of the Current Portfolio and the New Portfolio is shown below:

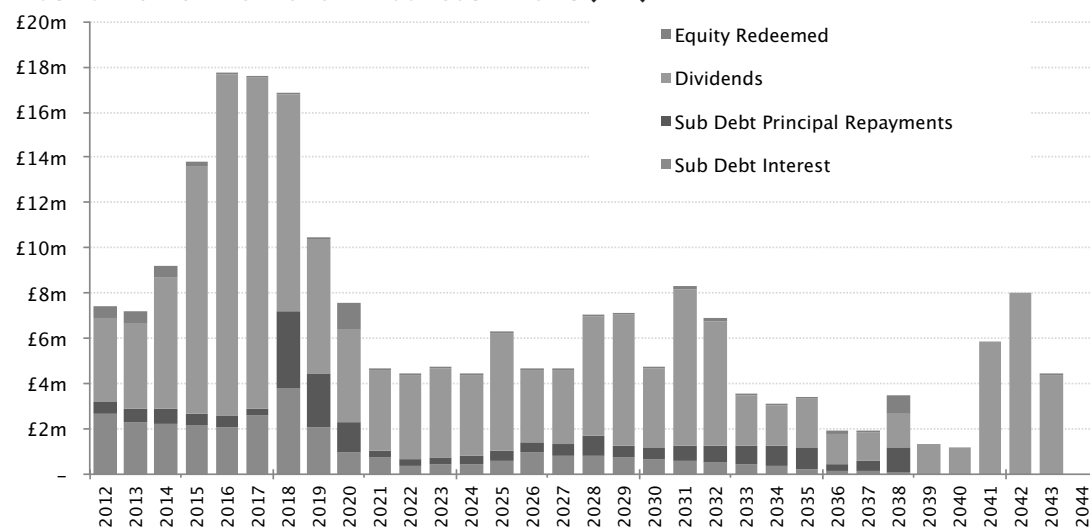
Country	Share of Current Portfolio (%)	Share of New Portfolio (%)
UK	73	88
Canada (British Columbia)	21	12
Finland	6	0

Source: The Company

## Illustrative Cash Flows

The New Portfolio comprises 10 projects all of which are operational and which the Company expects to provide robust steady cash flows. Illustrative New Portfolio cash flows are shown below<sup>7</sup>:

### Illustrative New Portfolio Annual Cash Flows (£m)

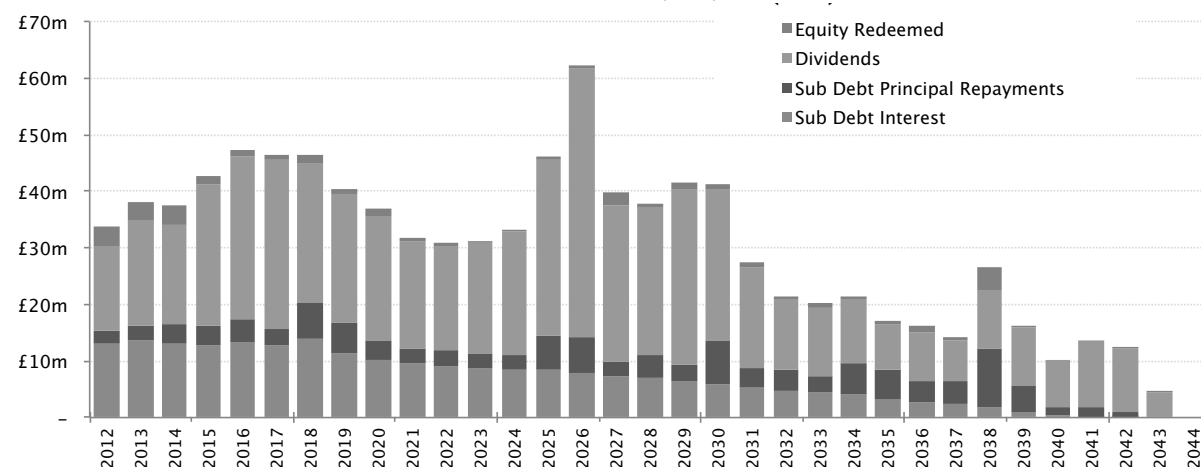


Source: The Company

The profile of the cash flows to shareholders of many PFI projects, particularly older ones, show a large portion of distributions as back-ended in the last year or two of the concession, which is after senior debt has been repaid. The spike shown in this chart in years 2015-18 is primarily due to greater distributions at the end of the LUL Connect project, which has the earliest concession end date in the New Portfolio (November 2019).

Illustrative Combined Portfolio cash flows are shown below<sup>7</sup>:

### Illustrative Combined Portfolio Annual Cash Flows (£m)



Source: The Company

<sup>7</sup> The illustration represents a target only and is not a profit forecast. There can be no assurance that this target will be met.

## Summary of New Portfolio

A summary of the key terms of the projects comprising the New Portfolio is set out in the following table. The projects comprising the New Portfolio are all fully operational, availability based projects (although the M6 motorway project is predominantly reliant on revenues measured in relation to the number of users and thus, whilst relatively insensitive to traffic movement, has some exposure to demand risk).

<i>Sector</i>	<i>Company name</i>	<i>Project name</i>	<i>% to be purchased by Fund</i>	<i>Short description of concession arrangement</i>	<i>Concession start date</i>	<i>Concession end date</i>	<i>No. years</i>
<b>Health</b>							
	AHA Access Health Abbotsford Ltd.	Abbotsford Regional Hospital and Cancer Centre in Abbotsford,	20%	Design, build, finance and operate new hospital British Columbia, Canada.	07/12/2004	06/05/2038	30
	Healthcare Support (Newcastle) Ltd (HSNL)	Newcastle Hospitals PFI Project, England	15%	Design, build, finance and operate of acute healthcare services for The Newcastle upon Tyne NHS Trust	04/05/2005	03/05/2043	38
<b>Schools</b>							
	The Edinburgh Schools Partnership Ltd (ESP Ltd)	Edinburgh Schools PFI project, Scotland	20%	Design, build, finance and operate 18 schools in Edinburgh.	01/11/2001	31/08/2033	32
	Education Support (Enfield 2) Ltd (ESE2L)	Enfield Schools PFI Project, England	80%	Design, build, finance and operate 3 schools in the London Borough of Enfield	24/09/2003	31/08/2029	25
	Education Support (Enfield) Ltd (ESEL)	Highland Schools PFI Project, England	100%	Design, build, finance and operate Highlands secondary school in the London Borough of Enfield	01/09/2000	31/08/2025	25
	Education Support (Newham) Ltd (ESNL)	Newham Schools PFI Project, England	80%	Design, build, finance and operate Cumberland Specialist Sports College in the London Borough of Newham.	24/09/2003	31/08/2029	26
	Education Support (Swindon) Limited (ESSL)	North Swindon Schools PFI Project, England	100%	Design, build, finance and operate 7 schools for Swindon Borough Council	01/04/2005	30/06/2032	25

<i>Sector</i>	<i>Company name</i>	<i>Project name</i>	<i>% to be purchased by Fund</i>	<i>Short description of concession arrangement</i>	<i>Concession start date</i>	<i>Concession end date</i>	<i>No. years</i>
<b>Roads and Rail Infrastructure</b>							
	Citylink Telecommunications Limited (Citylink)	LUL Connect (CityLink) PFI Project, England	19.5%	To upgrade, implement and operate London Underground Limited radio and telecommunications systems.	21/11/1999	20/11/2019	20
	Autolink Concessionaires (M6) Plc (Autolink)	M6 DBFO, Scotland	11%	Design, build, finance and operate a motorway link between the existing A74(M) and the M74 and an extension to the existing M6 motorway	29/04/1997	29/04/2027	30
<b>Emergency Services</b>							
	Collaborative Services Support NE Limited ("CSS")	North East Fire and Rescue (NEFRA) PFI Project, England	80.1%	Design, build, finance and operate 5 Fire Stations in the North East for the Tyne and Wear, Durham and Darlington and Northumberland Fire and Rescue Authorities.	24/05/2010	17/05/ 2035	25

Source: The Company

### Analysis of Key Subcontractors

The Directors believe that the subcontractors that provide facilities management or operational and maintenance services to the projects comprising the New Portfolio are well qualified to provide these services and have a strong track record. Within the New Portfolio the use of subcontractors is diversified across a number of companies as shown below;

<i>Project</i>	<i>Facilities Management/Operations and Maintenance Contractor(s)</i>
1 Abbotsford Hospital, Canada	Johnson Controls LP, Sodexo MS Canada Ltd
2 Edinburgh Schools PFI project, Scotland	Amey Community Limited
3 Enfield Schools PFI Project, England	JLIS
4 Highland Schools PFI Project, England	JLIS
5 LUL Connect (CityLink) PFI Project, England	Thales Transport and Security Limited
6 M6 DBFO, Scotland	Amey Construction, Sir Robert McAlpine, and VINCI
7 Newcastle Hospitals PFI Project, England	Interserve FM Limited
8 Newham Schools PFI Project, England	JLIS
9 North East Fire and Rescue (NEFRA) PFI Project, England	JLIS
10 North Swindon Schools PFI Project, England	JLIS

## The Directors' Valuation and the Valuation Opinion Letter

The purchase price for the New Portfolio will be a price that the Directors consider to be its Fair Market Value. The Company has commissioned an Independent Valuer to provide an opinion on a Fair Market Value for the New Portfolio (excluding the JLPTL stake in the Edinburgh schools project) and produce a valuation report (such report being the "**Valuation Opinion Letter**"). The Directors, acting on the advice of the Investment Adviser and by reference to the Valuation Opinion Letter, have calculated the Fair Market Value of the New Portfolio (including the JLPTL stake in the Edinburgh schools project) to be £98.2 million as at 28 September 2011 (the "**Directors' Valuation**"). The Valuation Opinion Letter is reproduced in the appendix to this Part 4 of the Prospectus.

The Directors are of the opinion that the methodology used in the Directors' Valuation is consistent with current market practice for the valuation by sellers and purchasers of portfolios of similar assets.

The Directors' Valuation has been determined using discounted cash flow methodology whereby the cashflows forecast to be received by the Fund, generated by each of the underlying assets, and adjusted as appropriate to reflect the outcome of an independent due diligence exercise, have been discounted using a range of discount rates of between 8.05 per cent. and 9.00 per cent., which on a weighted average basis is approximately 8.31 per cent. The Directors' Valuation has been determined using currency exchange rates as at 22 September 2011 of C\$1.5781 to £1. Each of the Project Entities has detailed financial forecasts which cover the duration of the project's life and forecast the returns to its investors.

The discount rates referred to above have been identified with reference to: (i) the market for PFI/PPP projects of a similar nature; (ii) the various risks associated with each project, and taking into account, inter alia, (a) the phase the project has reached; (b) the risks attaching to the revenue cashflows and opportunities for additional revenue; (c) the risks and opportunities for savings within the project operating costs, lifecycle costs and tax costs; (d) the contractual terms and the extent of pass down of risks; (e) the funding structure and (f) the profile and size of the overall investment cash flows of the portfolio.

The Valuation Opinion Letter has been commissioned as an independent report because the Directors' Valuation draws on information and advice provided by the Investment Adviser which, alongside the Vendors, is a member of the John Laing Group. There is therefore a possibility that the Directors' Valuation may differ materially from a valuation that might have been provided by another third party or group of third parties; or the purchase price that might have been agreed as the result of negotiations between a buyer and seller with a different investment adviser/manager.

The Directors have kept the Fair Market Value of the New Portfolio under review taking into account any factors that the Directors consider should give rise to an adjustment to the aggregate consideration payable for the New Portfolio (the "**Price**") and changes in the market for infrastructure equity investments. The Price was finally determined immediately before the Acquisition Agreement was signed and may be adjusted at completion of each project to reflect matters that would form the basis of a warranty claim of which the Fund becomes aware after signing and before completion and (in respect of the Abbotsford hospital project which is denominated in a currency other than Sterling) to reflect changes in the relevant exchange rate between signing and completion.

## **The Acquisition of the New Portfolio**

### **Acquisition Agreements**

Details of the Acquisition Agreement and the JLPTL Acquisition Agreement are set out in Part 9 of this Prospectus.

### **Conflicts of interest in relation to the Acquisition**

The Company has established procedures to deal with any potential conflicts of interest that may arise from individuals at John Laing acting on both the “buy-side” (for the Fund) and the “sell-side” (for any member of the John Laing Group) in relation to the Acquisition. These procedures include the creation of separate “buy-side” and “sell-side” committees, further details in relation to which are set out in Part 1 of this Prospectus.

### **New Portfolio Projects**

A description of the Project Entities that comprise the New Portfolio is set out below.

#### **Abbotsford Regional Hospital and Cancer Centre (British Columbia, Canada)**

The Fund will acquire John Laing’s remaining 20 per cent. share in the Abbotsford project, which will lead to it having a 100 per cent. stake in the project company. Further details in relation to the Abbotsford project are set out in Part 3 of this Prospectus.

#### **Edinburgh Schools**

The Edinburgh Schools Partnership Ltd (“ESP”), the project company, has contracted with the City of Edinburgh Council to design, build, refurbishment, finance and operation of 18 schools (including 10 primary, five secondary and two special schools) and one community centre under a 32 year concession which runs until 2033.

Financial close was achieved in November 2001. The construction was completed in two phases; stage one between November 2001 and September 2003 and stage two between April 2004 and June 2005. The total construction cost was £113 million.

ESP subcontracts lifecycle risk, Hard FM Services and Soft FM Services to Amey Community Limited, which has responsibility for lifecycle risk. The project company is managed by John Laing staff.

In addition to the 10 per cent. shareholding in ESP being acquired from the John Laing Group pursuant to the Acquisition Agreement, the Fund will acquire an additional 10 per cent. shareholding from JLPTL pursuant to the JLPTL Acquisition Agreement.

#### **Enfield Schools**

Education Support (Enfield 2) Ltd (“ESE2L”), the project company, has contracted with the London Borough of Enfield to design, build, finance and operate three schools under a 25 year term which runs until August 2029.

The design and build of the three schools, with a total capital value of £29.9 million, was completed in stages between 28 August 2004 and 15 August 2005 by Wates Construction Ltd. The schools, Starks Field, Tottenham and Lea Valley, are fully operational.

ESE2L subcontracts the Hard FM Services and Soft FM Services to JLIS. ESE2L retains the responsibility for major maintenance; JLIS bears the risk for small items and asset replacement.

The project company is managed by John Laing staff.

As at the date of this Prospectus ESE2L is in lock-up. As such, it is currently unable to make distributions in respect of subordinated debt or shares to its shareholders. The lock-up was



triggered by the agent and the banks concern about information provision (the content and format of the Asset Reserve Renewal Account (ARRA) Report). ESE2L has been working with the agent and the lenders to address these concerns and expects these matters to be waived soon.

### **Highland School, Enfield**

Education Support (Enfield) Ltd (“ESEL”), the project company, has contracted with the London Borough of Enfield to design, build, finance and operate Highlands secondary school under a 25 year term which runs until August 2025.

The secondary school was designed to accommodate 1,300 pupils and has a capital value of £16.56 million. The school was completed in August 2000 and became operational in September 2000.

ESEL subcontracts the Hard FM Services to JLIS. ESEL retains the responsibility for major maintenance; JLIS bears the risk for small items and asset replacement.

The project company is managed by John Laing staff.

As at the date of this Prospectus ESEL is in lock-up. As such, it is currently unable to make distributions in respect of subordinated debt or shares to its shareholders. The lock-up was triggered by the agent and the banks concern about information provision (the content and format of the Asset Reserve Renewal Account (ARRA) Report). ESEL has been working with the agent and the lenders to address these concerns and expects these matters to be waived soon.

### **LUL Connect (CityLink)**

CityLink Telecommunications Limited (“CityLink”), the project company, has a 20 year concession which runs until November 2019 to upgrade London Underground Limited’s (“LUL”) existing radio and telecommunications systems and implement and operate a new system.

Fluor Enterprises were subcontracted to provide the engineering, procurement, design and construction for installation of the new transmission network and radio systems. Thales Transport and Security Limited was subcontracted to operate the existing and new systems for the life of the project under an operations and maintenance contract.

CityLink is managed by staff on secondment to the company from Thales.

### **M6 DBFO Scotland**

Autolink Concessionaires (M6) Plc (“Autolink”), the project company, has contracted with the Secretary of State for Scotland for the 30 year M6 DBFO contract which expires in April 2027: the contract was assigned to the Scottish Ministers.

The project is to design, build, finance and operate (“DBFO”) a motorway link between the existing A74(M) and the M74 and an extension to the existing M6 motorway, linking it to the existing A74(M). The project for approximately 92km of the route from Gretna on the Scottish border to Millbank, 30 miles south of Glasgow, includes the completion of the A74(M) section in Scotland. The project (now known as the M6 extension) was the first privately financed roads DBFO contract to be let in Scotland. Construction was completed in 1999. Autolink are responsible for the management and maintenance of the M6 extension over the 30 year concession period.

Revenue is generated from a shadow tolling mechanism banded for heavy goods vehicles and other vehicles, measured at 13 locations along the route.

The routine operations and maintenance contract is subcontracted by Autolink to Amey Construction, Sir Robert McAlpine and VINCI.

Autolink holds the lifecycle risk and must maintain the road and ensure that, upon completion of the concession, the road meets its handback requirements. Some members of staff are seconded to Autolink from certain shareholders (Laing).

### **Newcastle Hospital**

Healthcare Support (Newcastle) Ltd ("HSNL"), the project company, has contracted with The Newcastle-upon-Tyne Hospitals NHS Trust for the transfer of all of Newcastle's acute healthcare services from the Newcastle General Hospital to modern, state-of-the-art facilities at the Royal Victoria Infirmary and the Freeman Hospital.

The project merges acute hospital services within Newcastle from three sites to two, relocating services from Newcastle General Hospital to the Royal Victoria Infirmary and Freeman Hospital. The project comprises the construction of new buildings as well as ongoing maintenance of the new facilities for the 38 year duration (including construction) of the concession, which expires in May 2043. Laing O'Rourke (Northern) Ltd was subcontracted to provide the design and build works and the total construction cost was £305 million.

Operational services are limited to Hard FM Services for the newly built facilities and are sub-contracted to Interserve FM Ltd. Soft FM Services are provided by the Trust. HSNL is responsible for the major maintenance of the buildings. Refreshment of equipment is passed down to Interserve using a fixed payment profile.

The project company is managed by John Laing staff.

### **Newham Schools**

Education Support (Newham) Ltd ("ESNL"), the project company, has contracted with the London Borough of Newham to finance, design, construct, refurbish, extend and maintain a secondary school (Cumberland Specialist Sports College) on the Woodside site in the London Borough of Enfield.

The secondary school was designed to accommodate 1,500 pupils and has a capital value of £24 million. The school has been operational since September 2005. The concession contract has a term of 26 years ending in August 2029.

ESNL subcontracts provision of Hard FM Services and Soft FM Services for the project to JLIS. ESNL retains the responsibility for lifecycle/major maintenance; JLIS bears the risk for small items and asset replacement.

The project company is managed by John Laing staff.

As at the date of this Prospectus ESNL is in lock-up. As such, it is currently unable to make distributions in respect of subordinated debt or shares to its shareholders. The lock-up was triggered by the agent and the banks concern about information provision (the content and format of the Asset Reserve Renewal Account (ARRA) Report). ESNL has been working with the agent and the lenders to address these concerns and expects these matters to be waived soon.

### **North East Fire and Rescue**

Collaborative Services Support NE Ltd ("CSS"), the project company, has contracted with North East Fire and Rescue Authorities ("NEFRA"). The scheme involves the design, build, finance and operation of five Community Fire Stations in the North East of England for the Tyne and Wear, Durham and Darlington and Northumberland Fire and Rescue Authorities.

The fire stations are located at Bishop Auckland, Spennymoor, Tynemouth, Pegswood and West Hartford. The project comprises the construction of new buildings as well as ongoing maintenance of the new facilities for the 25 year duration of the concession, which ends in May 2035. Shepherd Construction Ltd was subcontracted to provide the design and build services.

CSS subcontracts Hard FM Services and Soft FM Services to JLIS. The responsibility for major maintenance of the buildings lies with JLIS.

The project company is managed by John Laing staff.

### **North Swindon Schools**

Education Support (Swindon) Limited ("ESSL"), the project company, has contracted with Swindon Borough Council for the design, build, finance and operation of seven schools. The concession is for 25 years, ending in June 2032.

Four of the schools are situated on a single "Learning Campus" site. There are a further three schools located in the Borough of Swindon.

The project provides Swindon Borough Council with additional school places in the rapidly developing Priory Vale area of Swindon. It also replaced the dilapidated secondary and primary schools of Hreod and Moredon. In addition, the two special needs schools of Brimble Hill and Uplands were replaced with state of the art, purpose built facilities. The total capital cost of the project was £69.5 million and service commencement of the last school was achieved on 1 July 2007.

ESSL subcontracts Hard FM Services and Soft FM Services to JLIS. Responsibility for major maintenance sits with ESSL excluding loose furniture, fixtures & equipment which is the responsibility of JLIS.

The project company is managed by John Laing staff.

As at the date of this Prospectus an event of default is subsisting under the financing arrangements for ESSL. As such, lenders to ESSL may accelerate its debt and enforce their security over its assets, and distributions in respect of subordinated debt and shares cannot currently be made.

## APPENDIX TO PART 4: PWC VALUATION OPINION LETTER

John Laing Infrastructure Fund Limited  
P.O. Box 225, Heritage Hall  
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St Peter Port  
Guernsey, GY1 4HY  
Channel Islands

John Laing Capital Management Limited  
Allington House  
150 Victoria Street  
London, SW1E 5LB  
United Kingdom

J.P. Morgan Securities Limited  
125 London Wall  
London EC2Y 5AJ  
United Kingdom

28 September 2011

Dear Sirs

### Valuation opinion letter

We are writing to provide to John Laing Infrastructure Fund Limited (the **company**), John Laing Capital Management Limited (**JLCM**) in its capacity as investment advisor to the company and J.P. Morgan Securities Limited (the **sponsor**) our opinion as to a fair market value for the company (a **valuation**) of the equity interests (comprising equity and subordinated debt) in 10 PFI/PPP project special purpose vehicles (**SPVs**) (each a **project entity**, together the **portfolio**) as set out within the project tables included on pages 62 and 63 of the prospectus issued by the company dated 28 September 2011 (the **prospectus**) but excluding the John Laing Pension Trust Limited stake in the Edinburgh Schools project.

### Purpose

The valuation has been provided to the company, the sponsor and JLCM in connection with the proposed acquisition of the portfolio, by an English limited partnership (the **partnership**) in respect of which an indirectly wholly owned subsidiary of the company will be the sole limited partner or by companies wholly owned by the partnership (the **acquisition**) via an issuance of Ordinary Shares by the company on the London Stock Exchange.

In providing a valuation, we are not making any recommendations to any person regarding the prospectus in whole or in part and are not expressing an opinion on the fairness of the terms of the acquisition or the terms of any investment in the company.

### Responsibility

Save for any responsibility we may have to those persons to whom this report is expressly addressed and save for any responsibility arising under item 5.5.3R(2)(f) of the Prospectus Rules to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such

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other person as a result of, arising out of, or in connection with this report, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the prospectus.

### **Valuation basis and valuation assumptions**

This report sets out our opinion on a fair market value for the portfolio for the company in connection with the acquisition, which is expected to take place on or about 28 October 2011, assuming a willing buyer and seller, dealing at arm's length and with equal information.

The valuation is necessarily based on economic, market and other conditions as in effect on, and the tax and accounting and other information available to us, as of 28 September 2011. It should be understood that subsequent developments may affect our views and that we do not have any obligation to update, revise or reaffirm the views expressed in this report. Specifically it is understood that the valuation may change as a consequence of changes to: market conditions, exchange rates, the prospects of the PFI/PPP sector in general or in particular, or the SPVs in which the equity interests are held.

In providing this report, we have relied upon the directors' of the company (the **directors**) and JLCM's (in its capacity as adviser to the company), commercial assessment of a number of issues, including the markets in which the SPVs operate and the assumptions underlying the projected financial information which were provided by the company and for which the directors are wholly responsible. We have also placed reliance on the results of independent due diligence advice from the company's legal, insurance and technical advisers.

The valuation has been determined using discounted cash flow methodology, whereby the estimated future equity cash flows accruing to each equity interest and attributable to the portfolio have been discounted to 30 September 2011 using discount rates reflecting the risks associated with each equity interest and the time value of money. The valuation is based on the estimated future equity cash flows projected to be received, or paid, on or after 1 October 2011. In determining the discount rate applicable to each equity interest in the portfolio, we took into account various factors, including, but not limited to, the stage reached by each project, the period of operation, the historical track record and the terms of the project agreements.

Except where the other advisors' due diligence findings reported to the company have indicated otherwise, we have made the following key assumptions in determining the valuation:

- the model for each project entity within the portfolio contained in the electronic data room established by John Laing Investments Limited (Laing) and at the request of JLIF (GP) Limited made available to us for the purpose of our services accurately reflects the terms of all agreements relating to the project entity;
- the accounting policies applied in the model for each project entity are in accordance with the relevant Generally Accepted Accounting Principles;
- the tax treatment applied in the model for each project entity is in accordance with the applicable tax legislation and does not materially understate the future liability of the project entity to pay tax;
- each project entity has legal title to all assets which are set out in that project's model and the project entity is entitled to receive the income assumed to be received by the project entity in the respective model;
- there are no material disputes with parties contracting directly or indirectly with each project entity nor any going concern issues, nor performance issues in regard to the contracting parties, nor any other contingent liabilities, which as at the date of the delivery of our valuation opinion letter are expected to give rise to a material adverse effect on the future cashflows of the project entity as set out in the relevant project model provided to us;
- an exchange rate as at 22 September 2011 of Canadian \$1.5781:£1 has been used to convert shareholder cash flows of the overseas PFI/PPP project. We draw attention to the fact that there is a non sterling element of the portfolio and that we have not discounted our valuation to reflect exchange risks;

- the shareholder cashflows from the project in Canada have been reduced by the appropriate withholding tax; and
- any cash flows within the model used for the valuation which are due to the company from each project entity will not be adversely impacted by legal or financial restrictions within each underlying project entity.

The valuation is provided solely on the portfolio in aggregate and whilst we have considered discount rates applicable to each equity interest we are not providing an opinion on individual values.

### **Valuation opinion**

While there is clearly a range of possible values for the portfolio and no single figure can be described as a “correct” valuation for such underlying assets, PricewaterhouseCoopers LLP advises the company, the sponsor and JLCM that, based on market conditions on 28 September 2011 and on the assumptions stated above, in our opinion a fair market value for the portfolio, is £96.3 million.

### **Declaration**

For the purposes of Prospectus Rule 5.5.3R(2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the prospectus in compliance with item 1.2 of Annex I of the PD Regulation.

Yours faithfully,

*PricewaterhouseCoopers LLP*

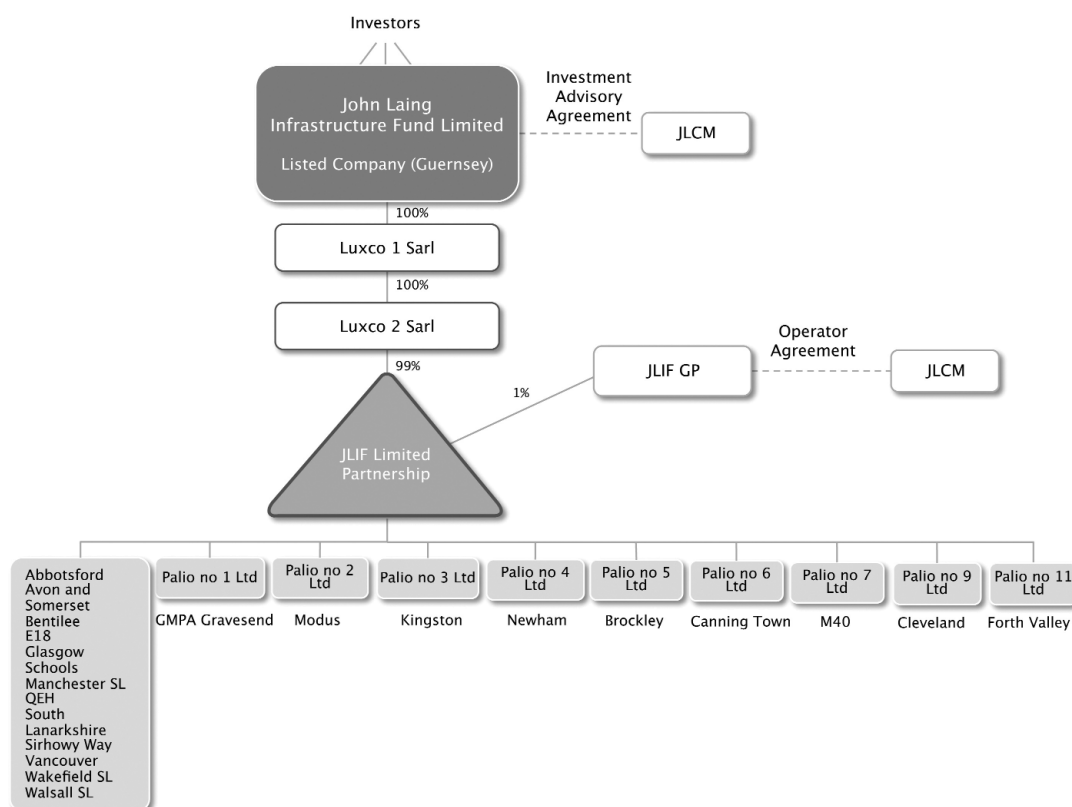
**PricewaterhouseCoopers LLP**

## PART 5: MANAGEMENT AND TRACK RECORD

### The Company

The Company is advised by John Laing Capital Management in its capacity as investment adviser. JLCM reports to the Board of Directors of the Company, who retain overall management responsibility for the Company.

The current structure of the Fund is shown below\*.



\*The above diagram is a representative diagram showing the principal investment advisory and operator relationships. It is not intended to (and does not) show all of the material contractual and other relationships in respect of the Fund, which are described in Part 9 of this Prospectus.

### Directors

The Directors, all of whom are independent of the John Laing Group and are non-executive, will be responsible for the overall management of the Company. The Directors are listed below. Further details of the Directors' current and previous directorships are set out in Part 9 of this Prospectus.

#### Paul Lester, CBE (Chairman).

Paul Lester, a resident of the United Kingdom, was appointed as Chairman of Greenergy International Ltd on 1 October 2010 and is also chairman of Marine Current Turbines, the UK tidal energy company. Mr. Lester was chief executive of VT Group plc, the support services company, from July 2002 until its acquisition by Babcock International in July 2010.

Mr. Lester was group managing director of Balfour Beatty plc, the international engineering, construction and services group, from 1997 to 2002, and chief executive of Graseby plc from 1990 to 1997. Mr. Lester has also held senior management positions at Schlumberger and the Dowty Group plc. He is an ex-president of the Society of Maritime Industries.

Mr. Lester is a non-executive director of Invensys plc and Survitec Group Ltd and is a visiting professor at Nottingham Trent University.

### **David MacLellan**

Alexander David MacLellan, a resident of the United Kingdom, is the founder and currently chairman of RJD Partners, a mid market private equity business focussed on the services and leisure sectors. Previously Mr. MacLellan was an executive director of Aberdeen Asset Managers plc following its acquisition in 2000 of Murray Johnstone where he was latterly chief executive having joined the company in 1984.

Mr. MacLellan has served on the boards of a number of companies and is currently a non executive director of Havelock Europa plc and Maven Income and Growth VCT 2 plc. He is a past council member of the British Venture Capital Association and is a member of the Institute of Chartered Accountants of Scotland.

### **Talmi Morgan**

Talmi Morgan, a resident of Guernsey, qualified as a barrister in the United Kingdom in 1976. He moved to Guernsey in 1988 where he worked for Barings as general counsel and then for the Bank of Bermuda as managing director of Bermuda Trust (Guernsey) Limited. From January 1999 to June 2004, Mr. Morgan was director of Fiduciary Services and Enforcement at the Guernsey Financial Services Commission (Guernsey's financial regulatory agency) where he was responsible for the design and subsequent implementation of Guernsey's law relating to the regulation of fiduciaries, administration businesses and company directors. Mr. Morgan was also involved in working groups of the Financial Action Task Force and the Offshore Group of Banking Supervisors. From July 2004 to May 2005, Mr. Morgan served as chief executive of Guernsey Finance, which is the official body for the promotion of the Guernsey finance industry. Mr. Morgan is now the Chairman or a non-executive director of a number of investment companies including companies listed on the Main Market. He holds an M.A. in economics and law from the University of Cambridge.

### **Christopher Spencer**

Christopher Spencer, a resident of Guernsey, qualified as a chartered accountant in London in 1975. Following two years in Bermuda he moved to Guernsey. Mr. Spencer, who specialised in audit and fiduciary work, was Managing Partner/Director of Pannell Kerr Forster (Guernsey) Limited from 1990 until his retirement in May 2000. Mr. Spencer is a member of the AIC Offshore Committee, a past President of the Guernsey Society of Chartered and Certified Accountants and a past Chairman of the Guernsey Branch of the Institute of Directors. Mr. Spencer sits on the Board of Directors of Real Estate Credit Investments PCC Limited, IRP Property Investments Limited, Tamar European Industrial Fund Limited, Dexion Trading Limited, JP Morgan Private Equity Limited and Ruffer Investment Company Limited, each of which is listed on the London Stock Exchange, and Low Carbon Accelerator Limited, which is listed on the London Stock Exchange's Alternative Investment Market. Mr. Spencer also sits on the Board of Directors of Thames River Longstone Limited and Thames River ISIS Fund Limited, each of which is listed on the Irish Stock Exchange, and Thames River Property and Growth Fund Limited, which is listed on the Channel Islands Stock Exchange.

### **Guido Van Berkel**

Guido Van Berkel, a resident of Luxembourg, is an Associate of The Directors' Office, the leading practice of independent directors in Luxembourg. Mr. Van Berkel started his career in the financial industry nearly 40 years ago and has held various senior positions with Bank Sarasin, Rabobank, Robeco Group and Citibank. Over the course of his career, he has worked in the Netherlands, Jersey, Switzerland and Scandinavia.

From 2000 until 2007 Mr. Van Berkel was active on the Executive Boards of Bank Sarasin and Cie and has acted as Chairman of various Sarasin entities across Europe and Asia.



## **John Laing Capital Management Limited: The Investment Adviser and the Operator**

### **Introduction**

JLCM, a wholly owned subsidiary of John Laing, acts as the Investment Adviser to the Company and as the Operator of the Partnership. JLCM was incorporated in England and Wales on 19 May 2004 under the Companies Act 1985 (registered number 5132286) and has been authorised and regulated in the UK by the FSA since December 2004.

### **The management team**

David Marshall and Andrew Charlesworth are directors of JLCM, lead its management team and are dedicated to advising the Company and the management of the Fund (as Operator of the Partnership).

David Marshall has 12 years of infrastructure investment experience with John Laing. Prior to being appointed as a manager of the Fund he was Chairman of the Investment Committee of John Laing, and sat on their project review committee for 10 years. David was group treasurer of the John Laing Group for seven years and has substantial M&A experience which includes, over his career with John Laing, the buying and selling of PFI/PPP assets both on an individual basis and also within portfolios.

Prior to joining John Laing, David was group treasurer of two FTSE 100 companies and is a Fellow of the Institute of Chartered Accountants in England and Wales and a Fellow of the Association of Corporate Treasurers.

Andrew Charlesworth has 14 years of experience in infrastructure investments. He has multi-faceted experience in the PFI/PPP market, having been advisor to authorities in procuring PFI projects and to senior lenders in funding them prior to becoming an equity sponsor. In the last 10 years Andrew has led the equity investment in a number of PFI bids across many sectors, delivering investment of approximately £800 million of shareholder contributions into projects and has raised over £1.5 billion in funding.

Prior to moving to JLCM Andrew led significant parts of the primary investment business within John Laing, initially as CEO of Regenter (a John Laing social housing PFI joint venture), then as Local Authority PFI Director and latterly as the Financial and Commercial Director for the global John Laing Investments business.

### **The Investment Adviser and the investment process**

JLCM, in its capacity as Investment Adviser, seeks out acquisition opportunities from the wider market and also reviews those investments that are offered for sale by members of the John Laing Group under the First Offer Agreement. JLCM will ensure, in relation to any investments which are offered for sale by the John Laing Group, that all necessary due diligence is undertaken and that an independent valuation is sought. Following completion of these processes JLCM will make a proposal to the Board to either acquire or reject such assets, proposing an offer value where appropriate.

The Board will review the JLCM proposal in relation to an investment which is offered for sale by the John Laing Group and, if approved, will instruct JLCM to make an offer to the relevant John Laing Group member and, if such offer is accepted, finalise negotiations and agree documentation. JLCM will ensure that the terms of the sale and purchase agreements and any other accompanying documentation will be properly reviewed and reflect market terms.

Should the Board be unable to agree an appropriate price with John Laing for assets that have been offered to it the Fund is under no obligation to purchase, and John Laing is under no obligation to sell, any such assets.

## The Operator

In addition to its role as Investment Adviser to the Company, JLCM acts as the Operator to the Partnership. Under the Partnership Agreement, the Operator has full discretion to acquire, dispose of and manage the assets of the Partnership subject to investment guidelines which reflect the investment strategy, policy and restrictions applying to the Company as set out in Part 1 of this Prospectus and the provisions in relation to the acquisition of assets from the John Laing Group set out above. A summary of the terms of the Partnership Agreement is provided in Part 9 of this Prospectus.

## Investment performance of the Fund

Since its launch in November 2010 the Company's share price has performed steadily, despite an uncertain economic outlook, rising from a value of 100 pence per Ordinary Share at launch to 106 pence per Ordinary Share at close of business on 26 September 2011, being the latest practicable date prior to publication of this Prospectus. The Company's NAV has increased from £265.1 million at launch to £308.9 million as at 26 September 2011, being the latest practicable date prior to publication of this Prospectus, and the unaudited NAV per Ordinary Share rose from 98.2 pence at launch to 104.1 pence over the same period based on the discount rate remaining between 8.34 per cent. and 8.35 per cent. (Source: The Company).

The increase in the underlying value of the Investment Portfolio is due to a combination of continuing growth and higher than forecast inflation, coupled with one-off factors, including lower tax rates and a number of achieved value enhancements.

The Company has paid dividends in line with targets detailed in the IPO prospectus. The Company paid an interim dividend of 0.5 pence in April 2011 for the period from launch to 31 December 2010 and has announced that it will pay an interim dividend of 3.0 pence in October 2011 for the six month period to 30 June 2011.

The table below sets out the share price total return achieved by the Company, measured against a number of equity indices:

	<i>Shareholder Total Return from launch to 26 September 2011</i>
The Company	9.5%
FTSE Equity Investment Instrument Index	(6.1)%
FTSE AllShare Index	(7.5)%
FTSE 350 Higher Yield	(1.6)%
FTSE World ex UK	(8.0)%

Source: Thomson Datastream. All index figures are on a total return basis in sterling terms to 26 September 2011.

## Future pipeline of the Fund

In addition to the projects comprising the New Portfolio, the Fund has the ability to make Further Investments in accordance with the Company's investment policy. The Directors believe that the Fund's right of first offer in relation to John Laing investments in UK, European and Canadian accommodation and roads and UK waste projects until October 2015, in accordance with the First Offer Agreement, is integral to the Fund's future pipeline of projects.

John Laing has a strong global pipeline of projects and has a strategy of seeking future growth both in the UK and in international markets. The Company expects that the John Laing pipeline that may be available to the Fund through the First Offer Agreement will be diversified across various sectors and countries, and a number of projects that are likely to fit the Fund's investment criteria are

currently under construction. Within the next three years the Company expects that 13 eligible projects will become available with a combined value (as valued by John Laing) of over £355 million.

Whilst the Fund has a right of first offer to acquire certain John Laing infrastructure investments which satisfy the Company's investment policy and of which John Laing wishes to dispose, in accordance with the First Offer Agreement, there can be no assurance that John Laing will elect to dispose of investments, or that the Investment Adviser will be able to identify and execute a sufficient number of opportunities, to permit the Fund to expand its portfolio of PFI/PPP development projects. Further details in relation to the First Offer Agreement are set out in Part 9 of this Prospectus.

In addition, the secondary market has proved buoyant in 2011 to date with the Fund being offered in excess of 10 portfolios of projects, some of which have met the investment requirements for the Fund and have been pursued, with others having being rejected as unsuitable. The response to the offers made which could provide accretive value has culminated so far this year in the acquisition of approximately £35 million of assets to date, around £23 million of which are third party assets. The Company understands that the Investment Adviser envisages that the next few years will continue to provide significant opportunities for third party asset acquisitions, and that the Investment Adviser will monitor the secondary market for potential acquisitions of projects which meet the investment criteria of the Fund from sources other than the John Laing Group.

### **The long term John Laing pipeline**

Looking beyond the current pipeline of projects that will reach operational status within the next three to four years, the Company understands that John Laing will continue to seek to build a future pipeline. Whilst the UK will probably remain the single most important market for John Laing, the Company understands that John Laing intends to shape its offering to meet Public Sector Clients' needs in a relatively mature but changing market. The Company understands that John Laing intends to have a larger presence in sectors such as the renewable energy market, as well as using its experience to work as a partner developer with local authorities on regeneration projects.

In 2010, the John Laing Group successfully reached financial close on ten primary investments securing total commitments of £78 million (£64 million in 2009). The John Laing Group achieved four project wins (preferred bidder appointments) in 2010, with investment potential of £89 million.

Recent investments demonstrate John Laing's strong track record in rail infrastructure, including taking a 45 per cent. stake in the Denver FasTracks project in Colorado and developing experience and expertise in key growth areas of the market, for example the East London Waste PFI.

### **Success rate of John Laing**

John Laing has an internal target of 40 per cent. bid success rate (by value) from the "invitation to submit detailed solution" stage or equivalent (the first priced bid stage) following which the majority of bidding costs are accrued.

Historically, John Laing has consistently exceeded this target, with a bid success rate of 55 per cent. by value in 2010:

<i>Success rate</i>	<i>By value</i>	<i>By number of bids</i>
2010	55%	46%
2009	54%	58%
Last three years	47%	53%

Source: The Company

On a worldwide scale John Laing has a well established presence in a number of overseas markets. John Laing has focussed on North America, Western Europe and the Asia Pacific regions in particular Canada, the Netherlands, India and Australia. In 2010 John Laing secured its first investment in the US market through the Denver FasTracks rail project. The Business Development

team plans to expand its activities during 2011, focussing on a mix of UK and International markets, and intends to engage in new forms of PFI/PPP opportunities to respond to changing market demands and government policies.

## **John Laing**

### **Introduction**

JLCM, as Investment Adviser to the Company, will have the ability to call on and utilise the substantial experience of the John Laing Group in the management of the Current Portfolio and New Portfolio projects which the Fund acquires, as well as future pipeline projects.

### **History of John Laing**

John Laing's origins date back to 1848, but the business was not listed on the London Stock Exchange until 1952. John Laing started out in housebuilding and construction, and in the 1990s diversified into long-term public infrastructure projects, typically via PPP schemes. In December 2006, John Laing was taken private in an acquisition by infrastructure funds managed by Henderson Equity Partners Limited, a subsidiary of Henderson Group plc.

John Laing is a long-term investor, developer and operator of facilities and serviced assets and will usually take a position of between 30 per cent. and 100 per cent. of total equity in each project. John Laing's strategy is to deliver predictable investment returns and consistent growth in the value of its investment portfolio. This is achieved through the active approach John Laing takes to managing all of its projects, and the relationships that it seeks to build and maintain with its Public Sector Clients and the end users.

The John Laing Group has specialist Business Development and Operations teams. The Business Development team is responsible for all of the John Laing Group's bid development activities, both in the UK and internationally. The Operations team is responsible for providing day to day management of projects within the John Laing portfolio, as well as 18 of the Current Portfolio projects for the Fund, throughout the various project life cycles, encompassing all phases from financial close through to the construction and operation phases, seeking to deliver projected investment returns and consistent growth in the value of the investment portfolio.

The Operations team provides investor services, such as corporate governance activities, management services, such as the provision of staff and services directly to Project Entities, and technical services, including technical support to Project Entities, bidding and property development activities.

The Investment Adviser seeks to optimise the management of the projects in the Investment Portfolio of the Fund by utilising the existing managers and staff of the individual assets to provide services to the Investment Adviser in accordance with its services agreement with John Laing.

### **Project Risk Management and Review**

#### ***Project monitoring and risk management framework***

The Operations team manages projects in the John Laing portfolio with risk management controls in accordance with well developed and established risk and compliance procedures. The Investment Adviser will seek to make use of this extensive management process; projects are to be monitored on a periodic basis with copies of all board papers, together with a brief report of any key issues and matters, as well as information in relation to any material events as they arise, to be issued to the management of the Investment Adviser. Assurance procedures ensure regular reviews of management systems, project risks and health and safety of activities at project company level, as well as at joint venture and supply chain partner levels.

### **Annual review process**

The Investment Adviser will seek to use the existing John Laing systems to conduct a comprehensive, bottom-up annual review process of a significant proportion of the projects in the Fund's portfolio, to ensure adequate ongoing performance and best-practice risk management is in place and that value enhancement opportunities are identified.

Pursuant to these systems, all projects in the portfolio are reviewed during a rolling three year period. Each project is reviewed at least once every 15 months to three years, with projects with a higher risk element or greater value enhancement opportunities reviewed more frequently. The reviews cover the full range of issues reporting on, inter alia, operational findings and recommendations, detailed financial analysis, descriptions of project issues (operational and financial), value enhancement opportunities and analysis of project sensitivities.

The reviews are submitted to the John Laing annual review committee, headed by John Laing's director of operations Chris Waples. Annual reviews are managed by an investment performance team, whose other core activities involve implementation of value enhancements and portfolio valuation. The Directors believe that the arms' length examination that this committee provides is an additional advantage, and therefore intends that projects in the Fund's portfolio will be subject to the John Laing review process. Representatives of the Investment Adviser's management will attend all annual review committee meetings at which projects in the Fund's portfolio are being reviewed.

### **Value enhancement**

A key strategic objective of the John Laing Group is the identification and implementation of operational improvements and realisation of value enhancements through all stages of the project life cycle. JLCM will seek to ensure that as many value enhancements as possible are identified for the assets in the Investment Portfolio, utilising the resources of the Operations team as necessary.

The Investment Adviser will seek to add value to the Investment Portfolio through various value enhancements, such as:

- Contract variations, such as additional services in return for increased returns and management fees;
- Tax and treasury, for example improvements to tax efficiency and deposit rates;
- Facilities management and utilities, such as promoting energy efficiency across the portfolio;
- Portfolio insurance, such as the use of insurance pooling across the portfolio to minimise premiums;
- Life cycle management, for example the extension of the useful life of assets to reduce capital replacement costs;
- Project refinancing and other financial engineering to improve distribution profile;
- Divestments and acquisitions, for example utilising opportunities to exercise pre-emption rights in the event that co-shareholders seek to dispose of project holdings; and
- Third party agreements, for example seeking opportunities to generate additional cash flow streams from third parties for the use of project facilities.

### **Portfolio growth**

John Laing has demonstrated a clear track record of growing the value of its portfolio of PFI/PPP assets. The portfolio value at 31 December 2010 was £544.3 million. In 2010, the underlying growth in the value of the John Laing Group's PFI portfolio, after adjusting for acquisitions, disposals, new investment, cash distributions and the movement in discount and exchange rates, was £84.7 million, representing a growth rate of 18 per cent.

The Investment Adviser will also seek to utilise the Operations team in the effective and disciplined monitoring and managing of life cycle costs during the operation of projects. Actively managing

such costs, capital expenditure requirements and associated risks is central to maintaining yields and driving value enhancement.

### **Conflicts of Interest**

It is expected that JLCM, the Administrator, the Domiciliation Agent, the Sponsor, the Registrar, the Bookrunner, the Receiving Agent, any of their directors, officers, employees, service providers, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “**Interested Party**”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with members of the Fund and their investments. In particular, Interested Parties may provide services similar to those provided to the Fund to other entities and will not be liable to account to the Fund for any profit earned from any such services. JLCM and its directors, officers, service providers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Fund and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Subject to the arrangements explained above, the Company may (directly or indirectly) acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Fund (provided that no Interested Party will act as auditor to the Company) or hold Ordinary Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held by the Company (directly or indirectly). An Interested Party may contract or enter into any financial or other transaction with any member of the Fund or with any shareholder or any entity any of whose securities are held by or for the account of the Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Fund effected by it for the account of the Fund.

Procedures designed to deal with any potential conflicts of interest that may arise from individuals at John Laing Group acting on both the “buy-side” (for the Fund) and the “sell-side” (for any member of the John Laing Group) in relation to any acquisition of assets from the John Laing Group are set out in Part 1 of this Prospectus.

Procedures designed to manage any potential conflict of interest that may arise in relation to an acquisition opportunity from outside the John Laing Group which both the Fund and a member of the John Laing Group is considering acquiring will be put into place should such potential conflicts of interest arise. Such procedures will include any relevant individuals acting for the Fund having the benefit of a release from their duties as a John Laing Group employee to the extent that these duties conflict with their duties to act in the interests of the Fund and the establishment of information barriers to ensure confidentiality and integrity of commercially sensitive information.

The Directors will at all times comply with the conflict of interest rules contained in the Rules.

### **Administration**

Heritage International Fund Managers Limited has been appointed as Administrator to the Company and will also provide company secretarial services and a registered office to the Company. The Administrator has responsibility for the safekeeping of any share and loan certificates of the Company’s investments in Luxco 1.

ATC Corporate Services (Luxembourg) S.A. has been appointed as domiciliation agent in respect of the Luxcos. The Domiciliation Agent will also carry out various accounting and related services in respect of the Luxcos.

### **Registrar and UK Transfer Agent and Receiving Agent**

Capita Registrars (Guernsey) Limited has been appointed as Registrar to the Company and Capita Registrars acts as the Company’s UK transfer agent and receiving agent.

## **PART 6: ISSUE ARRANGEMENTS, DISCOUNT MANAGEMENT, FEES AND VALUATIONS**

### **The Issue**

The Issue comprises up to 148,365,000 New Shares to be issued at a price of 105 pence each. New Shares will be allocated to Existing Shareholders under the Open Offer on a pre-emptive basis in accordance with the Articles of Incorporation. Allocations of New Shares which are not taken up under the Open Offer will be determined at the discretion of the Directors (in consultation with JPMC and JLCM). On the basis that the Issue is fully subscribed, it is expected that the Company will receive approximately £152.4 million from the Issue, net of fees and expenses associated with the Issue and the Acquisition and payable by the Company of £3.4 million. The Issue is being made in order to raise funds for the purpose of achieving the investment objective of the Company, as described in Part 1 of this Prospectus.

The Issue is conditional upon, inter alia:

- (a) Admission occurring;
- (b) the Placing Agreement having become unconditional in all respects and not having been terminated in accordance with its terms before Admission; and
- (c) not less than 60 million New Shares being subscribed for in aggregate pursuant to the Issue.

If any of these conditions are not met, the Issue will not proceed. In the event that the Issue does proceed, the Company will not issue any further Shares during the period of 180 days from Admission except with the consent of the Sponsor.

### **The Open Offer**

#### ***Open Offer Entitlement***

The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

#### **One New Share for every two Existing Ordinary Shares held on the Record Date**

Qualifying Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Shares and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00am on 24 October 2011.

A Qualifying Shareholder which does not take up all (or any part) of its Open Offer Entitlement shall be deemed to have renounced its right to be allotted New Shares pursuant to its Open Offer Entitlement (or the relevant part thereof) in favour of such persons as the Directors, following consultation with the Bookrunner and the Investment Adviser, may determine.

The terms and conditions of application under the Open Offer are set out in Appendix 1 of this Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in any doubt as to the action they should take.

The Open Offer is not underwritten and is not subject to scaling back in favour of either the Placing or the Offer for Subscription.



### ***Excess Application Facility under the Open Offer***

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will be comprised of Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement ("**Excess Shares**") and which are allocated to the Excess Application Facility as determined by the Directors (following consultation with the Bookrunner and the Investment Adviser).

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of the "Terms and Conditions of the Open Offer" in Appendix 1 to this Prospectus for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

John Laing Investments Limited, which holds approximately 62.5 million Existing Ordinary Shares at the date of this Prospectus, has irrevocably undertaken not to subscribe for its Open Offer Entitlement of 31,244,594 New Shares (except if the Issue is not fully subscribed, in which case it may only subscribe for New Shares with the prior consent of the Directors, following consultation with the Bookrunner and the Investment Adviser). This is consistent with John Laing's strategy of recycling capital into primary bidding activities. As such, at least 31,244,594 Excess Shares, in aggregate, will be available under the Excess Application Facility, the Placing and the Offer for Subscription.

Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent any Open Offer Shares remain unallocated pursuant to Open Offer Entitlements and subscriptions under the Excess Application Facility, the Placing and the Offer for Subscription exceed the maximum number of Excess Shares available, the Directors will scale back subscriptions at their discretion, following consultation with the Bookrunner and the Investment Adviser. The Excess Application Facility is not subject to scaling back in favour of the Placing or the Offer for Subscription, the Placing is not subject to scaling back in favour of the Excess Application Facility or the Offer for Subscription and the Offer for Subscription is not subject to scaling back in favour of the Excess Application Facility or the Placing.

### ***Action to be taken under the Open Offer***

Qualifying Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement. Qualifying CREST Shareholders will not be sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 30 September 2011.

Persons that have sold or otherwise transferred all of his or her Existing Ordinary Shares held in certificated form before 28 September 2011 should forward this document, together with any Open Offer Application Form (following the completion of Box 10 of the Open Offer Application Form), if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that, such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States or any of the Excluded Territories.

Any Existing Shareholder that has sold or otherwise transferred only some of his or her Existing Shares held in certificated form before 28 September 2011, should refer to the instruction regarding split applications in the "Terms and Conditions of the Open Offer" at the end of this document and in the Open Offer Application Form.



If an Existing Shareholder has sold or otherwise transferred only part of his or her holding of Existing Ordinary Shares held in uncertificated form before 28 September 2011, a claim transaction will automatically be generated by Euroclear UK which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer in Appendix 1 to this Prospectus. If you have any doubt what action you should take, you should seek your own financial advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

### **The Offer for Subscription**

Excess Shares that are not allocated under the Excess Application Facility or under the Placing are available to the public under the Offer for Subscription. The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot Excess Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription are set out in Appendix 2 to this Prospectus and an Application Form is set out at the end of this Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their respective stockbroker, bank manager, solicitor, accountant or other financial adviser if they are in doubt about the contents of this Prospectus.

All applications for New Shares under the Offer for Subscription will be payable in full, in Sterling, by a cheque or banker's draft drawn on a UK, Channel Islands or Isle of Man clearing bank.

### **The Placing**

The Company, the Investment Adviser and JPMC have entered into the Placing Agreement, pursuant to which JPMC, as Bookrunner, has agreed, subject to certain conditions, to use its reasonable endeavours to procure subscribers for any Excess Shares made available in the Placing.

Further details of the terms of the Placing Agreement, including the fees payable to JPMC, are detailed in Part 9 of this Prospectus.

### **General**

Subject to those matters on which the Issue is conditional and the Articles of Incorporation, the Directors, with the consent of JPMC, may postpone the closing date for the Open Offer, Placing and the Offer for Subscription by up to two weeks.

The basis of allocation under the Issue is expected to be announced on 25 October 2011. The basis of allocation of any Excess Shares between the Excess Application Facility, the Placing and the Offer for Subscription shall be determined by the Company after consultation with the JLCM and JPMC. CREST accounts will be credited on the date of Admission and it is anticipated that, where Shareholders have requested them, certificates in respect of the New Shares to be held in certificated form will be dispatched during the week commencing 31 October 2011. Pending receipt by Shareholders of definitive share certificates, if issued, the Registrar will certify any instruments of transfer against the register of members.

To the extent that any application for subscription under the Issue is rejected in whole or in part, or the Directors determine in their absolute discretion that the Issue should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

The Net Issue Proceeds will be used to finance the Acquisition and associated expenses and to repay debt incurred by the Fund in acquiring the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio. On the basis that the Issue is fully subscribed, the Price has not been reduced and there has been no scaling back of the acquisition of the New Portfolio, the balance, after completing the Acquisition may be invested in accordance with Part 1

of this Prospectus and may be used to finance Further Investments and to meet other working capital requirements of the Fund. The Acquisition and other investment activities described in this Prospectus are expected to have a positive effect on earnings.

Multiple applications or suspected multiple applications on behalf of a single client are liable to be rejected.

The International Security Identification Number for the New Shares is GG00B4ZWPH08 and the SEDOL is B4ZWPH0.

### **Basis of allocation**

If all Qualifying Shareholders other than John Laing Investments Limited take up all of their Open Offer Entitlements, only 31,244,594 Excess Shares will be available under Excess Application Facility, the Placing or the Offer for Subscription, and will be allocated between the Excess Application Facility, the Placing and the Offer for Subscription at the discretion of the Directors (following consultation with JPMC and the Investment Adviser). If subscriptions under the Excess Application Facility, the Placing and the Offer for Subscription exceed the maximum number of Excess Shares available, the Directors will scale back subscriptions at their discretion (following consultation with JPMC and the Investment Adviser). The Excess Application Facility is not subject to scaling back in favour of the Placing or the Offer for Subscription, the Placing is not subject to scaling back in favour of the Excess Application Facility or the Offer for Subscription and the Offer for Subscription is not subject to scaling back in favour of the Excess Application Facility or the Placing.

### **Overseas investors**

The attention of persons resident outside the UK is drawn to the notices to investors set out on pages 135 to 138 of this Prospectus which set out restrictions on the holding of New Shares by such persons in certain jurisdictions.

In particular investors should note that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the New Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons.

### **CREST**

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. The Articles of Incorporation permit the holding of the New Shares under the CREST system and the Company has applied for the New Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the New Shares following Admission may take place within the CREST system if any Shareholder so wishes (provided that the New Shares are not in certificated form).

CREST is a voluntary system and, upon the specific request of a Shareholder, the New Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for shares in certificated form.

If a Shareholder or transferee requests New Shares to be issued in certificated form, a share certificate will be despatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the New Shares. Shareholders who are non-US Persons holding definitive certificates may elect at a later date to hold their New Shares through CREST in uncertificated form provided that they surrender their definitive certificates.

## **Dealing arrangements**

Application will be made for the New Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective and that dealings in the New Shares will commence, at 8.00am on 28 October 2011.

## **Settlement**

The latest time and date for acceptance and payment in full in respect of the Open Offer is expected to be 11.00am on 24 October 2011, unless otherwise announced by the Company.

## ***Open Offer***

The procedure for acceptance and payment is set out in “Terms and Conditions of the Open Offer” in Appendix 1 to this Prospectus and, in respect of Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

## ***Placing***

Payment for the New Shares to be acquired under the Placing should be made in accordance with settlement instructions provided to investors by the Bookrunner. To the extent that any application for subscription for New Shares is rejected in whole or part, monies will be returned to the applicant without interest.

## ***Offer for Subscription***

Payment for New Shares applied for under the Offer for Subscription should be made in accordance with the instructions contained in the Application Form set out at the end of this Prospectus and on the basis of the terms and conditions of the Offer for Subscription, set out in Appendix 2 to this Prospectus. The latest time and date for acceptance and payment in full in respect of the Offer for Subscription is expected to be 1.00pm on 17 October 2011, unless otherwise announced by the Company.

## **Money laundering**

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, any of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Adviser and the Bookrunner may require evidence in connection with any application for New Shares, including further identification of the applicant(s), before any New Shares are issued to that applicant.

Each of the Company and its agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Adviser and the Bookrunner reserves the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's New Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes the Directors, in consultation with any of the Company's agents, including the Administrator, the Registrar, the Receiving Agent, the Investment Adviser and the Bookrunner, may refuse to accept a subscription for New Shares, or may refuse the transfer of New Shares held by any such Shareholder.

## **Discount Management**

### **Purchases of Ordinary Shares by the Company in the market**

By ordinary resolution of the founder Shareholder of the Company, passed on 26 October 2010, the Company was granted Shareholder authority (subject to the Listing Rules and all other applicable legislation and regulations) to purchase in the market up to 14.99 per cent. per annum of the Ordinary Shares in issue immediately following the IPO. This authority was renewed (in relation to 14.99 per cent. per annum of the Ordinary Shares in issue immediately following the passing of the

resolution) at the first annual general meeting of the Company held on 19 May 2011. The Directors intend to seek renewal of this authority from Shareholders at each annual general meeting.

It is the Company's investment objective to return value to Shareholders in the form of dividends and capital distributions. The Company intends to distribute net income in the form of dividends. Furthermore, in normal market circumstances the Directors intend to favour pro rata capital distributions ahead of Ordinary Share repurchases in the market.

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 Share. Such purchases will only be made in accordance with the Law and the Listing Rules, which currently provide that the maximum price to be paid per Ordinary Share must not be more than the higher of (i) five per cent. above the average of the mid market values of the Ordinary Shares for the five Business Days before the purchase is made or (ii) the higher of the last independent trade or the highest independent bid for the Ordinary Shares.

**Prospective Shareholders should note that the exercise by the Directors of the Company's powers to repurchase Shares either pursuant to a tender offer or the general repurchase authority is entirely discretionary and they should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions. Moreover, prospective Shareholders should not expect, as a result of the Directors exercising such discretion, to be able to realise all or part of their holding of Shares, by whatever means available to them, at a value reflecting their underlying Net Asset Value.**

#### **Tender offers**

The Company may also make tender offers from time to time as part of its overall approach to discount management. As such, subject to certain limitations and the Directors exercising their discretion to operate the tender offer on any relevant occasion, Shareholders may tender for purchase all or part of their holdings of Ordinary Shares for cash. Tender offers will, for regulatory reasons, not normally be open to Shareholders (if any) in any of the Excluded Territories or the United States of America. Implementation of tender offers is subject to prior Shareholder approval.

In order to implement a tender offer it is likely that a market maker selected by the Board will, as principal, purchase the Ordinary Shares tendered at the tender price and will sell the relevant Ordinary Shares on to the Company at the same price by way of an on-market transaction, unless the Company has agreed with the market maker that the market maker may sell any of the Ordinary Shares in the market. Tender offers will be conducted in accordance with the Listing Rules and the rules of the London Stock Exchange.

In addition to the availability of the share purchase and tender offers mentioned above, Shareholders may seek to realise their holdings through disposals in the market.

**Prospective Shareholders should note that the exercise by the Directors of the Company's powers to repurchase Shares either pursuant to a tender offer or the general repurchase authority is entirely discretionary and they should place no expectation or reliance on the Directors exercising such discretion on any one or more occasions. Moreover, prospective Shareholders should not expect as a result of the Directors exercising such discretion, to be able to realise all or part of their holding of Shares, by whatever means available to them, at a value reflecting their underlying Net Asset Value.**

#### **Treasury Shares**

The Company is able to hold Ordinary Shares acquired by way of market purchase or by way of tender offer "in treasury", meaning that the Ordinary Shares remain in issue and owned by the Company rather than being cancelled. Such Ordinary Shares may subsequently be cancelled or sold for cash.

Up to ten per cent. of the Ordinary Shares bought by the Company in the market (as described above) or by way of tender offer may be held in treasury. This gives the Company the ability to sell Ordinary Shares held in treasury quickly and cost efficiently, and will provide the Company with additional flexibility in the management of its capital base.

### **Meetings, Reports and Accounts**

All general meetings of the Company will be held in Guernsey. The annual general meeting of the Company will be held in Guernsey in each year, the first having been held on 19 May 2011.

The Company's annual reports will be prepared up to 31 December each year and it is expected that copies will be sent to Shareholders within the following four months. Financial statements for the period from the IPO to 31 December 2010 were announced on 4 April 2011. Shareholders will also receive an unaudited interim report prepared by the Investment Adviser covering the six month period to 30 June each year. The report for the six month period to 30 June 2011 was announced on 30 August 2011. Financial information for the Company is set out in Part 8 of this Prospectus.

The audited accounts of the Fund are drawn up in Sterling and prepared under IFRS, as endorsed by the EU. The Fund's management and administration fees, finance costs and all other expenses are charged through the income statement. The Fund's accounts consolidate the Partnership and therefore, under IFRS rules, interests in Project Entities in which the Fund has a controlling interest are consolidated as subsidiaries. In addition, Project Entities where the Fund does not have a controlling interest are recognised at fair value on the balance sheet with any movements in fair value recognised in the Fund's income statement. The Fund's financial statements are prepared on a basis that also reflects the Fund's results and financial position on an investment basis<sup>8</sup> in addition to under a full IFRS consolidated basis, in order to provide Shareholders with a more meaningful representation of the Fund's Net Asset Value, its capacity for investment and its capacity to make distributions. The narrative section of the annual report and accounts includes the Fund's Net Asset Value, primarily being the fair value of the Fund's investments calculated in accordance with the Company's valuation policies.

### **Valuations**

JLCM produces fair market valuations of the Fund's investments on a quarterly basis as at each calendar quarter, which are presented to the Directors for their approval and adoption. It is intended that these valuations will be reported on annually by an independent specialist who will be asked to consider whether the discount rates used in the valuations reflect, amongst other things, potential risks to the cash flows from investments and are appropriate and in line with market rates. The first such report by an independent specialist will be for the period ending 31 December 2011.

The Administrator, with the assistance of JLCM, calculates the Net Asset Value of the Ordinary Shares on a quarterly basis as at each calendar quarter and these calculations will be reported to Shareholders in the Company's annual report and interim financial statements. All calculations made by the Administrator are made, in part, on valuation information provided by the Project Entities in which the Fund has invested and, in part, on financial reports provided by JLCM in its capacity as Operator of the Partnership and/or the asset manager of those Project Entities. Although JLCM and the Administrator evaluate all such information and data, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition the financial reports, where not provided by JLCM in its capacity as asset manager of the Project Entities, are typically provided on a quarterly or half yearly basis only and are generally issued one to four months after their respective valuation dates. Consequently, each quarterly Net Asset Value valuation is based on information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these quarterly estimates.

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<sup>8</sup> Investment basis is the basis used for reporting the results of the Fund as an investment group, under which investments in all projects are accounted for in the same way. This differs from the results of the Fund under the total group basis, in accordance with IFRS, where the accounting treatment for the project subsidiaries is different to that for the other projects which are joint ventures of the Fund.

The quarterly Net Asset Value valuations from the launch of the Company are set out below:

	<i>31 December 2010</i>	<i>31 March 2011</i>	<i>30 June 2011</i>	<i>26 September 2011</i>
Net Asset Value (£ million)	272.3	277.7	314.2	308.9
Weighted Average Discount Rates	8.34%	8.34%	8.35%	8.35%

Source: The Company

The Directors do not envisage any circumstances other than those arising out of any changes in or waiver to the Listing Rules in which valuations will be suspended.

## **Fees and Expenses**

### **Issue Costs**

The Issue Costs are those necessary for the Issue and include fees payable under the Placing Agreement, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Issue Costs will be met by the Company from the Gross Issue Proceeds and set off against its share premium account (or other reserve accounts). The Issue Costs (including VAT where relevant) are estimated to be approximately £2.5 million (subject to any scaling back of the acquisition of the New Portfolio or reduction of the Price, as described in Part 4 of this Prospectus).

### **Acquisition costs**

The Acquisition costs are those costs, (predominantly legal and due diligence costs and Stamp Duty Reserve Tax) incurred by the Fund in connection with the Acquisition. The Acquisition costs will be charged to the income statement. The Acquisition costs (including VAT where relevant) are estimated to be approximately £0.9 million (subject to any scaling back of the acquisition of the New Portfolio or reduction of the Price, as described in Part 4 of this Prospectus).

### **Base Fee**

JLCM and the General Partner are entitled, in aggregate, to a Base Fee at the annual rate of 1.1 per cent. of that part of the Adjusted Portfolio Value up to and including £500 million, 1.0 per cent. of that part of the Adjusted Portfolio Value over £500 million and up to £1,000 million and 0.9 per cent. of that part of the Adjusted Portfolio Value over £1,000 million, together with any applicable VAT. The Base Fee accrues quarterly in arrears as at each Valuation Day, and is calculated by reference to the Adjusted Portfolio Value as at the relevant Valuation Day. The Base Fee is payable in cash in pounds sterling within 10 Business Days of the relevant Valuation Day.

### **Asset origination fee**

In aggregate, JLCM and the General Partner are also entitled to an asset origination fee of 0.75 per cent. of the purchase price of new Investment Capital acquired by the Fund that is not sourced from any of John Laing, its subsidiaries, or funds or holdings managed by John Laing or any of its subsidiaries. This fee is due to the Investment Adviser 10 Business Days after the completion of any acquisition in respect of which it is payable.

The Directors intend to keep the fees described above under review to ensure they are set at appropriate levels.

### **Commission and Project Entity directors' fees**

JLCM, the General Partner and their associates are each entitled to retain commissions, fees and expenses received under any agreement with any member of the Fund, fees and expenses received by them, the Fund or their associates in consideration for providing directors to Project Entities, commissions received through the Bookrunner in respect of investors that JLCM procures to subscribe for Shares, provided that they notify the Company (and/or the partners of the Partnership

as the case may be) of the amount and details of such commissions before or promptly after receipt. They may also retain fees payable to their associates under asset management agreements. Any other commissions, fees or other remuneration must be notified to the Company (and/or the partners) and the Base Fee will be reduced by the amount of such other commissions not detailed herein.

**Other fees and expenses**

JLCM and the General Partner are also entitled to be reimbursed for certain expenses under the Investment Advisory Agreement and the Partnership Agreement, as described in Part 9 of this Prospectus.

The fees payable to the Domiciliation Agent, the Administrator, the Registrar and the Receiving Agent pursuant to the Domiciliation Agreements, the Administration Agreement, the Registrar Agreement and the Receiving Agent Agreement respectively are also set out in Part 9 of this Prospectus.

## **PART 7: TAXATION**

The following summary is given as a general guide to the tax treatment of the Fund and certain types of investors. It does not purport to cover all taxation issues which might be applicable to the Fund or such investors and is not intended to be, nor should be construed to be, legal, tax or investment advice to any particular investor. The summary is based on current laws and tax authority practices in the UK, Guernsey and Luxembourg, which may change, but the summary is believed to be correct at the date hereof. Nevertheless, prospective investors are strongly advised to seek their own advice on the taxation consequences of an investment in the Company, especially those prospective investors who are not resident for tax purposes in the UK as they may be subject to taxation law in their respective jurisdictions.

### **Guernsey Taxation**

#### ***The Company***

The Company has obtained exemption from liability to income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 (the "Ordinance") by the Director of Income Tax in Guernsey. Exemption must be applied for annually and will be granted, subject to the payment of an annual fee which is currently fixed at £600, provided that the Company continues to qualify under the applicable legislation for exemption. It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it continues to qualify.

As an exempt company, the Company is treated as if it were not resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice in Guernsey, the Company will only be liable to tax in Guernsey in respect of income arising or accruing in Guernsey, other than from a relevant bank deposit. It is not anticipated that any income other than bank interest will arise in Guernsey and therefore the Company will not incur any liability to Guernsey tax.

Guernsey does not levy taxes upon capital inheritances, capital gains (with the exception of a dwellings profit tax, which has been suspended), gifts, sales or turnover, nor are there any estate duties, save for an ad valorem fee for the grant of probate or letters of administration.

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it is not resident in any jurisdiction outside of Guernsey.

#### ***Potential Changes to the Tax Law***

In September 2009, Guernsey and the other Crown Dependencies were informed by the UK government that their tax regimes did not meet the "spirit" of the EU Code of Conduct on Business Taxation (the "Code"). The EU Code of Conduct Group (the "Group") has carried out a review of the similar tax regimes operated in Jersey and the Isle of Man, and on 14 September 2011 Jersey's Chief Minister announced that the Group had accepted that Jersey's tax regime, amended to remove certain attribution provisions, was no longer harmful. This is subject to ratification at the ECOFIN meeting scheduled to take place in December 2011.

It is therefore expected that Guernsey may also need to amend the attribution provisions of its corporate tax regime. However, it is not expected that any changes will be needed to the exempt company regime as the EU Code of Conduct Group did not conclude that this aspect of Guernsey's tax law is harmful.

#### ***Withholding Tax***

No withholding tax or deduction will need to be made on distributions made by the Company to its Shareholders.

#### ***EU Savings Tax Directive***

Guernsey is not subject to the European Union Directive on the Taxation of Savings Income (Directive 2003/48/EC) (the "EU Savings Tax Directive"). However, the States of Guernsey have



entered into equivalent measures under bilateral agreements entered into with each of the EU Member States.

Under the terms of the bilateral agreements and domestic legislation, interest payments may include distributions from the proceeds of shares or units in certain collective investment schemes which are equivalent to a UCITS. Guidance notes on the implementation of the agreements (issued by the States of Guernsey) indicate that the Company is not equivalent to a UCITS. Accordingly, any such payments will not be subject to the EU Savings Tax Directive as operated in Guernsey.

The operation of the EU Savings Tax Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the EU Savings Tax Directive in the future.

### **Shareholders**

Guernsey does not levy capital gains tax (with the exception of a dwellings profit tax, which has been suspended) and, therefore, Shareholders will not suffer any tax in Guernsey on capital gains. Payments made by the Company to non-Guernsey resident Shareholders, whether made during the life of the Company or by distribution on the liquidation of the Company, will not be subject to Guernsey tax.

Assuming the company is granted exempt status, it will not be required to apply the deemed distribution provisions of the Income Tax (Guernsey) Law, 1975.

In the event that the Company has Guernsey resident individual Shareholder(s), the Company will be required, following payment of a dividend, to disclose to the Director of Income Tax the name and address of the Guernsey resident(s), the date of the dividend and the gross amount distributed.

## **Luxembourg Taxation**

### **The Companies**

Luxco 2 has invested in the Partnership which should be regarded as transparent for Luxembourg tax purposes.

Luxco 1 and Luxco 2 are companies incorporated under Luxembourg laws as “société à responsabilité limitée”. They should be considered as resident in Luxembourg for Luxembourg tax purposes and are managed by the Directors accordingly. They are subject to Luxembourg corporate income tax and Luxembourg municipal business tax and solidarity surcharge on their worldwide income. The current aggregate tax rate (including corporate income tax, municipal business tax and solidarity surcharge) is 28.80 per cent., applicable to companies which have a registered office in Luxembourg City.

As of tax year 2011, fully taxable resident entities which do not require a business license or the approval of a supervisory authority and own financial assets, transferable securities, and cash at bank exceeding 90 per cent. of their total balance sheet are subject to a €1,500 minimal corporate income tax (increased to €1,575 by the 5 per cent. solidarity surcharge).

The taxation position of the companies has been agreed with the Luxembourg tax authorities and this agreement will be reviewed from time to time.

Dividends received from, and capital gains realized upon disposal of shares held in, subsidiaries may be exempt from Luxembourg tax subject to certain conditions provided by Luxembourg tax laws implementing the EU Parent-Subsidiary Directive.

Luxembourg laws provide however for certain restrictions to:

- (a) the deductibility of expenses if incurred by the Luxcos in the same year during which an exempt dividend is received; and
- (b) the exemption of capital gains.

Interest income received by Luxco 1 and Luxco 2 (if any) and any other income will be fully taxable.

Interest expenses should be deductible for Luxembourg tax purposes at the level of Luxco 1 and Luxco 2 provided the payable generating interest expenses are treated as debt for tax purposes, the interest is at arm's length, they are not incurred in relation with exempt income, the Luxcos comply with Luxembourg thin capitalisation requirements (to the extent interest expense relates to the financing of equity interests). Interest payable under profit participation bonds, certain profit participating loans or in the case of recharacterisation of interest into hidden dividend distributions are not deductible for tax purposes.

Where they are considered as performing cross-border financing activities (i.e. interest income generated by a loan receivable – directly or indirectly – granted to a related foreign entity and financed by a corresponding loan payable generating interest expenses), Luxco 1 and/or Luxco 2 should report an arm's length margin which will be subject to tax in Luxembourg.

As of the fiscal year 2012, such existing activity might be subject to the new transfer pricing rules following the implementation of the Circular 164/2 dated 28 January 2011 and Circular 164/2bis dated 8 April 2011. Under the above-mentioned circulars, (i) the arm's length margin to be reported needs to comply with the OECD's Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations and (ii) Luxco 1 and/or Luxco 2 will have to comply with economic and organizational substance requirements. In addition, tax payers falling within the scope of those circulars will have to enter into a separate advance pricing agreement with the Luxembourg tax administration in order to confirm the appropriate margin.

### **Net Wealth Tax**

The Luxcos will be subject to 0.5 per cent. net wealth tax computed on their worldwide net wealth, assessed on 1 January each year. Net wealth tax is not considered to be a material cost to the Fund to the extent that the shares held directly or indirectly through a transparent entity by the Luxcos fulfil the conditions to benefit from the exemption for net wealth tax purposes. Furthermore, debts are deductible for the purpose of computing the net wealth tax basis unless they finance exempt assets. Other assets such as non exempt participations, cash or receivables held directly or indirectly through a transparent entity are subject to net wealth tax.

### **Taxation of capital gains realised by the Company**

Capital gains realised by the Company on the transfer of shares in Luxco 1 are not taxable in Luxembourg unless (i) the Company is not entitled to benefit from double tax treaties concluded with Luxembourg, and (ii) the Company holds more than 10 per cent. of the share capital of Luxco 1 and shares are transferred within a six month period following their acquisition.

### **Withholding tax**

Dividends paid by Luxco 1 to the Company will be subject to 15 per cent. withholding tax.

Luxembourg does not apply withholding tax to interest payments, subject to the following exceptions:

- (a) under the application of the Council Directive 2003/48/EC of 3 June 2003 (the 'EU Savings Directive') as implemented by Luxembourg law (see below); or
- (b) under specific circumstances such as interest paid under profit participation bonds, certain profit participating loans, or recharacterisation of interest into hidden dividend distribution.

On 3 June 2003, the EU Council of Economic and Finance Ministers adopted a new directive regarding the taxation of savings income. The EU Savings Directive has been implemented in Luxembourg by the laws of 21 June 2005. Under the EU Savings Directive, each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income made by a paying agent to an individual resident or certain types of entities called 'residual entities', established in that other Member State (or certain dependent or associated territories). For a transitional period Luxembourg is permitted to apply a withholding tax if the beneficial owner of the payment does not comply with the procedures for information reporting. The withholding tax system applies for a transitional period during which the rate of the withholding is of 20 per cent. up to 30 June 2011 and 35 per cent. as from 1 July 2011. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino), have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a paying agent within its jurisdiction to, or collected by such a paying agent for, an individual resident or a residual entity established in a member state. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, Netherlands Antilles, Aruba, Anguilla, Cayman Islands and the Turks and Caicos Islands) in relation to payments made by a paying agent in a member state to, or collected by such a paying agent for, an individual resident or a residual entity established in one of those territories.

Every three years, it is envisaged that the EU Commission reports to the EU Council on the operation of the EU Savings Directive and, where appropriate, proposes to the EU Council any amendments to the EU Savings Directive that prove necessary in order to better ensure effective taxation of savings income. Therefore, changes to the EU Savings Directive should be anticipated.

In this respect, the European Commission published on 13 November 2008 a proposal for amendments to the EU Savings Directive which has been approved by the European Parliament and which includes a number of suggested changes which, if implemented, would broaden the scope of the requirements described above.

### **Partnership Taxation**

Luxco 2 has invested in the Partnership which is transparent for UK and Luxembourg tax purposes.

### **The Partnership Holding Entities**

The Partnership Holding Entities are UK incorporated holding companies formed by the Partnership for the purpose of acquiring the New Portfolio assets.

It is the intention that the directors of these companies manage them in order that they are tax resident in the UK and nowhere else.

The Partnership Holding Entities will pay UK corporation tax on their worldwide profits. The tax rate is currently at the rate of 26 per cent. but is falling to 23 per cent. by 2014.

### **The New Portfolio**

The New Portfolio is an established collection of assets with a track record of submitting tax returns to the tax authorities and reaching agreement on those returns.

## **UK taxation**

### ***Company***

The Directors manage and conduct the affairs of the Company so that it does not become resident in the United Kingdom for United Kingdom taxation purposes. Accordingly, and provided that the Company is not trading in the United Kingdom through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes and that all its trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Adviser each intend that the respective affairs of the Company and the Investment Adviser are conducted so that these requirements are met insofar as this is within their respective control. However, it cannot be guaranteed that the necessary conditions will at all times be satisfied.

Certain interest and other amounts received by the Company which have a United Kingdom source may be subject to withholding or other taxes in the United Kingdom.

### ***Shareholders***

The following comments apply to Shareholders who are resident or ordinarily resident solely in the UK for taxation purposes and who hold their interest in the Company for investment purposes. They do not apply to persons who hold their interest in the Company as trustees or in any other capacity other than that of absolute beneficial owner; nor do they apply to persons who carry on a banking, financial or insurance trade.

The comments in this Part 7 do not apply to non-UK domiciled shareholders who are taxable on the remittance basis. Shareholders who are resident for tax purposes in jurisdictions other than the UK will be taxed according to the rules of that jurisdiction and should seek specialist advice. Any person who is in any doubt about their own tax position should consult an appropriate independent professional adviser

The Company is a closed ended fund and makes no guarantee or undertaking that investors will be able to realise their investments entirely or almost entirely by reference to Net Asset Value, or by reference to any index. The Company does not expect to be treated as an offshore fund for the purposes of Part II Finance Act 2008, but does not make any commitment to investors that it will not become an offshore fund. The Company has not obtained confirmation of its position under the offshore fund rules from HMRC.

### ***Individual Shareholders***

The information below concerns the tax treatment of individuals who are resident or ordinarily resident in the UK and are also UK domiciled. Other persons will be subject to different tax considerations and should seek the advice of a professional adviser.

#### ***Income tax***

Where a UK resident individual receives a dividend from the Company in respect of his Ordinary Shares, the dividend will be a foreign source dividend and will be subject to income tax at the appropriate marginal tax rate for the individual. This is currently 10 per cent. if the individual is a basic rate taxpayer, 32.5 per cent. for higher rate taxpayers, and 42.5 per cent. if the individual is taxed at the additional tax rate for income above £150,000.

UK resident individuals who own less than a 10 per cent. shareholding in the Company will be entitled to a non-payable tax credit of one ninth of dividends received from the Company. This would reduce the effective tax rate of UK income tax paid on dividends received from the Company by basic rate, higher rate, and additional rate tax payers to 0 per cent., 25 per cent. and 36.11 per cent. respectively.

This tax credit will not be available for any individual who owns 10 per cent. or more of the class of issued share capital of the Company in respect of which the dividend is made.

Whilst the Company does not expect to be an offshore fund as defined in Part 8 of the Taxation (International and Other Provisions) Act 2010, if it were to be, and the market value of the Company's qualifying investments exceed 60 per cent. of the market value of all of the Company's assets, dividends would be treated as interest for income tax purposes and be subject to income tax at the appropriate marginal tax rate for the individual. This is currently 20 per cent. if the individual is a basic rate taxpayer, 40 per cent. for higher rate taxpayers and 50 per cent. if the individual is taxed at the additional tax rate for income above £150,000. Investors might seek to understand the impact of the offshore fund rules as they affect them personally should they become relevant in the future.

#### *Capital gains tax*

A disposal of Ordinary Shares by a UK resident individual may, depending upon their circumstances, and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax. The current rate of tax for chargeable gains is 18 per cent. for basic rate taxpayers and 28 per cent. for higher rate taxpayers.

There is an annual exempt amount for which capital gains do not apply for UK resident and domiciled individuals. This is currently £10,000, but investors should be aware that the UK government is entitled to reduce the level of annual exemption for future years, or even remove it altogether.

Where a UK resident individual receives a capital distribution this will be treated as a part disposal of their holding. The capital gain or loss would be calculated as proceeds less base cost. As this is deemed to be a part disposal only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is  $A/(A+B)$ , where A is the consideration and B is the value of the part retained.

Where the distribution is small, compared with the value of the holding in respect of which it is made, it is not treated for capital gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory: the recipient can elect to have the distribution treated as a part disposal. HMRC automatically treats a distribution as being "small" if it is 5 per cent. of the value of the shares at the date of the distribution, or it is not more than £3,000 (irrespective of whether the five percent test is satisfied). Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

If at any time in the future the Company were to become an offshore fund as defined in Part 8 of the Taxation (International and Other Provisions) Act 2010, then higher rates of taxation would apply on the disposal of shares by UK resident shareholders and the exemptions described above will not be available.

#### ***Transfer of assets abroad***

The attention of individuals that are resident in the UK for tax purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. Under these provisions a UK resident individual may be charged to income tax on certain amounts following a transfer of assets to a person not resident or domiciled within the UK for tax purposes. Investors should seek professional advice if they are concerned about any potential liability under these provisions.

#### ***Corporate Shareholders***

The following assumes that the corporate Shareholder will not be holding the investment with a view to realising trade profits under section 35 of the Corporation Tax Act 2009 ("CTA 2009"). This paragraph applies to UK resident companies only that hold the Ordinary Shares as part of a business of investing in shares: companies with tax residence in other territories, or with dual residence, or which are subject to special tax rules in respect of their business or activities, should seek professional advice in respect of their tax position.

UK resident corporate Shareholders may be able to rely upon the provisions of Part 9A of CTA 2009, which exempts certain classes of dividend and other company distributions from the charge to UK corporation tax. In particular, provided the Company meets certain conditions, dividends paid by the Company to a UK resident corporate Shareholder which is not a “small company” for the purposes of section 931S CTA 2009 should not be subject to UK corporation tax.

Where a UK resident corporate shareholder received a capital distribution, this may be treated as a part disposal of its holding depending on how the capital distribution is effected. In certain cases, distributions out of capital might be treated as income distributions. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is  $A/(A+B)$ , where A is the consideration and B is the value of the part retained.

Where the distribution is small, compared with the value of the holding in respect of which it is made, it is not treated for chargeable gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory: the recipient can elect to have the distribution treated as a part disposal.

HMRC automatically treats a distribution as being “small” if it is 5 per cent. or less than the value of the shares as at the date of distribution or if it is not more than £3,000 (irrespective of whether the 5 per cent. test is satisfied). Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

If at any time in the future the Company were to become an offshore fund under Part II Finance Act 2008, then the disposal of Shares by UK resident company Shareholders could be subject to taxation under the offshore fund rules. If the Company were to become an offshore fund, the investors could also suffer additional adverse consequences were the portion of investments which represent qualifying investments under Chapter 3 of Part 6 of CTA 09 to exceed 60 per cent. of the market value of all the Company’s investments.

If a corporate Shareholder is resident for tax purposes in a country other than the UK then it will be taxed according to the rules of that jurisdiction.

### ***Section 13 Gains***

This paragraph applies to any UK resident or ordinarily resident shareholders (irrespective of domicile) whose interest (when aggregated with persons connected with them) in the chargeable gains of the Company or the Luxcos or any other non-UK company in which the Company may invest (together, the “non-UK Companies”) exceeds one tenth of the gain if the relevant non-UK Company would be a close company if it were resident in the UK. In calculating whether a Shareholder has an interest in more than one-tenth of the gain, the interest of that Shareholder will be aggregated with the interests of any person who are “connected” with them for tax purposes. Persons who would be “connected” include, where the Shareholder is a company, any other company that is under the control of the Shareholder, or that has control of the Shareholder, or which is under common control with the Shareholder. Where the Shareholder is a member of a partnership (or is a company under the direct control of another company that is itself a member of a partnership), the Shareholder is connected with any other member of that partnership. In the event that any non-UK company would be treated as ‘close’ under UK tax legislation if it were resident in the UK, then part of any chargeable gain accruing to such non-UK company may be attributed to such a Shareholder and the Shareholder may (in certain circumstances) be liable to UK tax on capital gains (section 13 Taxation of Chargeable Gains Act 1992). The part of the capital gain attributed to the Shareholder corresponds to the Shareholder’s proportionate interest in such non-UK Company.

### ***Controlled foreign company rules***

As it is possible that the Company will be controlled by a majority of persons resident in the UK, the UK legislation applying to controlled foreign companies may apply to any corporate holders of Ordinary Shares who are resident in the UK. Under these rules, part of any undistributed income

profit accruing to any non-UK company may be attributed to such a UK resident company Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment to that Shareholder (when aggregated with persons connected or associated with them) is at least 25 per cent. of the chargeable profits of the controlled foreign company.

### ***Scrip Shares***

On the basis of case law, UK-resident shareholders should not receive any income liable to UK income tax or corporation tax to the extent that they elect to be issued new Ordinary Shares in lieu of a cash dividend ("Scrip Shares"). Nor should they make any disposal for chargeable gains tax purposes at the time the Scrip Shares are allotted. Instead the Scrip Shares and the original registered holding of Ordinary Shares (the "Original Holding") should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Scrip Shares and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the Scrip Shares. A disposal for chargeable gains tax purposes will only arise at the time the shareholder subsequently disposes of the Scrip Shares or the Original Holding (a "Subsequent Disposal").

UK-resident individual shareholders may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident corporate shareholders may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purposes of the fund.

### **Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No Guernsey or UK stamp duty or SDRT will be payable on the issue of Ordinary Shares.

UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the Ordinary Shares executed within the UK other than when the value of the consideration for the transfer is less than £1,000. There may, however, be no practical necessity to pay such stamp duty as United Kingdom stamp duty is not an assessable tax provided that the instrument of transfer is kept permanently outside the UK. However, an instrument of transfer which is not duly stamped cannot be used for any purpose in the UK; for example it will be inadmissible in evidence in civil proceedings in a UK court. Provided that there is no register of the Company kept in the UK, any agreement to transfer the Ordinary Shares will not be subject to UK SDRT.

In the event of the death of an individual Shareholder, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Court in Guernsey.

### **ISAs and SIPPs**

It is expected that the Ordinary Shares will be eligible for inclusion in ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market (which will include any Ordinary Shares acquired directly under the Offer for Subscription but not any Ordinary Shares acquired directly under the Placing) and that they will be permissible assets for SIPPs.

***THE DISCUSSION ABOVE IS A GENERAL SUMMARY, AND DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THEIR OWN TAX ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE NEW SHARES IN THE CONTEXT OF THE INVESTOR'S OWN CIRCUMSTANCES.***



## PART 8: FINANCIAL INFORMATION

### Documents Incorporated by Reference

The following documents are incorporated into this Prospectus by reference:

- (a) The annual report and financial statements of the Group for the period ended 31 December 2010; as have been published, containing the audited consolidated financial statements of the Fund for that financial period together with the audit report by the Auditors thereon; and
- (b) the interim report and financial statements of the Group for the period ended 30 June 2011.

Copies of those documents are available as provided in paragraph 15 of Part 9 of this Prospectus.

### Historical Financial Information Incorporated by Reference: Checklist

The annual report and financial statements of the Group for the period ended 31 December 2010, as have been published, contain the audited consolidated financial statements of the Fund for the relevant financial period together with the audit report by the Auditors thereon. The interim report and financial statements of the Group for the period ended 30 June 2011 contain the unaudited consolidated financial statements of the Fund for that period. These annual and interim reports and financial statements of the Fund are incorporated by reference into this Prospectus which should be read and construed in conjunction with such documents, except for documents incorporated by reference therein.

	<i>For the year ended 31 December 2010</i>	<i>For the six month period ended 30 June 2011</i>
<i>Financial information</i>	<i>Page No(s) in incorporated information</i>	<i>Page No(s) in incorporated information</i>
Consolidated Income statement	41	14
Consolidated Balance sheet	44	17
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Audit report	40	13*

\* Independent review

### Operating and Financial Review

The annual report and audited financial statements of the Fund for the period ended 31 December 2010 and the interim report and unaudited financial statements of the Fund for the period ended 30 June 2011 (each as incorporated into this Prospectus by reference) include descriptions of the Company's financial condition (in both capital and revenue terms), details of the Company's investment activity and portfolio exposure and changes in its financial condition for each of those periods.

### No Significant Change

There has been no significant change in the financial or trading position of the Fund since 30 June 2011, being the end of the last financial period for which financial information has been published, such information being interim unaudited financial information, except that:

- (a) on 22 September 2011 the Company extended its revolving £25 million revolving credit facility with inter alia National Westminster Bank plc to £60 million; and
- (b) on 26 September 2011 the Company entered into the Forth Valley Acquisition Agreement to acquire Investment Capital in the Forth Valley project for £22.8 million, including a future subordinated debt commitment of £14.8 million. £8.4 million was drawn down on the Facility to fund this future subordinated debt commitment.



## PART 9: ADDITIONAL INFORMATION

### 1. Incorporation and administration

- 1.1 The Company was incorporated with limited liability in Guernsey under the Companies (Guernsey) Law, 2008, as amended, on 6 August 2010 with registered number 52256 to be a closed-ended investment fund.
- 1.2 The registered office of the Company is Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY and the telephone number is +44 1481 716000. The Company operates under the Law and the regulations made thereunder. The New Shares will conform with the Law and the regulations made thereunder, will have all necessary statutory and other consents and are duly authorised according to, and will operate in conformity with, the Memorandum of Incorporation and Articles of Incorporation.
- 1.3 The Company is a closed-ended investment company registered with the Commission under the Rules. Registered schemes are supervised by the Commission insofar as they are required to comply with the requirements of the Rules, including requirements to notify the Commission of certain events and the disclosure requirements of the Commission's Prospectus Rules 2008. A registered scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. The Company is not regulated or authorised by the FSA but is subject to the Listing Rules applicable to closed-ended investment companies.
- 1.4 The Company's accounting period ends on 31 December of each year, with the first period having ended on 31 December 2010.
- 1.5 Assuming that £155.8 million is raised under the Issue the net assets of the Company will increase by £152.4 million, which will be earnings enhancing.
- 1.6 Changes in the authorised and issued share capital of the Company since incorporation are summarised in paragraph 3 of this Part 9.
- 1.7 Richard A Garrard, for and on behalf of the Guernsey office of Deloitte LLP Guernsey, has been the only auditor of the Company since its incorporation. Deloitte LLP Guernsey is independent of the Company and is registered to carry on audit work by the Institute of Chartered Accountants in England and Wales. The annual report and accounts are prepared under IFRS. The values of the assets in the Company's portfolio are determined in accordance with IFRS.

### 2. Directors

- 2.1 The Directors of the Company are:

<i>Name</i>	<i>Function</i>	<i>Age</i>	<i>Date of Appointment</i>
Paul Lester	Chairman	62	27 August 2010
Alexander David MacLellan	Deputy Chairman	52	27 August 2010
Talmai Morgan	Director	58	27 August 2010
Christopher Spencer	Director	61	27 August 2010
Guido Van Berkel	Director	60	27 August 2010

all care of the Company's registered office at Heritage Hall, Le Marchant Street, St Peter Port, Guernsey, GY1 4HY.

- 2.2 Further details relating to the Directors are disclosed in Part 5 of this Prospectus.

### **3. Share capital**

- 3.1 Upon incorporation, the Company was authorised to issue an unlimited number of shares. By special resolution of the founder Shareholder of the Company, passed on 26 October 2010, replacement articles of incorporation were adopted, which set out the different classes of Shares that may be issued by the Company and the rights and restrictions attaching to them. The unclassified Shares may be issued as, amongst other things, Ordinary Shares, C Shares or otherwise on such terms and conditions as the Directors may from time to time determine in accordance with the Articles of Incorporation and the Law. At incorporation, one Share was subscribed for by the subscriber to the Memorandum of Incorporation. The Company raised £270 million through the IPO pursuant to which the Company issued 270,000,000 Ordinary Shares of 0.01 pence each at an issue price of £1 per Ordinary Share.
- 3.2 On 7 April 2011, the Company issued 26,730,000 Ordinary Shares of 0.01 pence each at an issue price of 102.5 pence per Ordinary Share by way of a tap issue.
- 3.3 By ordinary resolution of the founder Shareholder of the Company, passed on 26 October 2010, the Company was granted Shareholder authority (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 14.99 per cent. per annum of the Ordinary Shares in issue immediately following the IPO. This authority was renewed at the first annual general meeting of the Company held on 19 May 2011 with respect to 14.99 per cent. of the Ordinary Shares in issue immediately following the first annual general meeting of the Company. The Directors intend to seek renewal of this authority from Shareholders at each annual general meeting.
- 3.4 In accordance with the power granted to the Board by the Articles of Incorporation, and subject to satisfaction of the Issue Conditions, it is expected that 148,365,000 unclassified shares (assuming the maximum size of the Issue is reached) or such lesser number of unclassified shares equal to the actual size of the Issue will be issued as Ordinary Shares and allotted pursuant to a resolution of the Board to be passed prior to and conditional upon Admission.
- 3.5 The Articles provide that the Company is not permitted to allot equity securities (being Shares or rights to subscribe for, or convert securities into, Shares) or sell (for cash) any Shares held in treasury, unless it shall first have made an offer to each person who holds equity securities of the same class to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company and the period for acceptance of such offer has expired or the Company has received notice of acceptance or refusal of every offer made. These pre-emption rights may be excluded or modified by special resolution of the Shareholders. Subject to these pre-emption rights, the Directors have power to issue further Shares, although other than the New Shares they have no current intention to do so.
- 3.6 By special resolution of the founder Shareholder of the Company, passed on 26 October 2010, the Company disapplied and excluded the pre-emption rights set out in the Articles in relation to the issue of Ordinary Shares pursuant to the IPO and the issue of the aggregate number of Ordinary Shares as represent less than 10 per cent. of the number of Ordinary Shares admitted to trading on the Main Market immediately following the IPO. This disapplication and exclusion was renewed at the first annual general meeting of the Company with respect to Ordinary Shares as represent less than 10 per cent. of the number of Ordinary Shares admitted to trading on the Main Market immediately following the first annual general meeting of the Company.
- 3.7 Subject to the exceptions set out in paragraph 11.10 of this Part 9, Shares are freely transferable and Shareholders are entitled to participate (in accordance with the rights specified in the Articles) in the assets of the Company attributable to their Shares in a winding-up of the Company or a winding-up of the business of the Company.
- 3.8 Save as disclosed in this Part 9 or in connection with the Issue as described in this Prospectus, since the date of its incorporation no share or loan capital of the Company has

been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the Issue or sale of any such capital. No share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.

- 3.9 All of the New Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.
- 3.10 The Net Issue Proceeds will be used for the acquisition of the New Portfolio (subject to any scaling back of the acquisition of the New Portfolio, as described in Part 4 of this Prospectus), to repay debt incurred by the Fund in acquiring the Forth Valley project and, if agreement is reached with the vendor, to acquire the Pipeline Portfolio, and any balance will be invested in accordance with the Company's investment objective and policy to acquire Further Investments after Admission or, to the extent that Further Investments are not made, to meet other operational expenses of the Company.

#### 4. Working capital and indebtedness

- 4.1 The Company is of the opinion that the working capital available to the Fund is sufficient for the Fund's present requirements, being for at least the next 12 months from the date of this Prospectus.
- 4.2 The following table shows the indebtedness of the Company (distinguishing between secured and unsecured indebtedness) as at 30 June 2011 (being the last date in respect of which the Company has published interim unaudited financial statements).

	<i>Recourse £'000</i>	<i>Non- Recourse £'000</i>	<i>Total £'000</i>
<i>Current Debt</i>			
Guaranteed	–	–	–
Secured <sup>1</sup>	–	11,853	11,853
Unguaranteed/unsecured	–	–	–
<b>Total current debt</b>	<b>–</b>	<b>11,853</b>	<b>11,853</b>
<i>Non-Current Debt</i>			
Guaranteed	–	–	–
Secured <sup>1</sup>	–	172,345	172,345
Unguaranteed/unsecured	–	–	–
<b>Total non-current debt</b>	<b>–</b>	<b>172,345</b>	<b>172,345</b>
<b>TOTAL</b>	<b>–</b>	<b>184,198</b>	<b>184,198</b>

<sup>1</sup> All existing funding is project specific PFI/PPP style funding that is non-recourse in nature and is secured by lending agreements that are contained within the individual project companies.

<sup>2</sup> In accordance with CESR guidance the Company's revenue reserves have been excluded from Shareholders' equity.

- 4.3 The following table shows the capitalisation of the Company as at 30 June 2011 (being the last date in respect of which the Company has published interim unaudited financial statements).

	<i>Recourse £'000</i>	<i>Non- Recourse £'000</i>	<i>Total £'000</i>
<i>Shareholders' equity<sup>2</sup></i>			
Share capital	30	–	30
Share premium	293,808	–	293,808
Other distributable reserves	–	–	–
<b>TOTAL</b>	<b>293,838</b>	<b>–</b>	<b>293,838</b>

- 4.4 Save as discussed below there has been no material change in the capitalisation and indebtedness of the Company since 30 June 2011 (being the last date in respect of which the Company has published interim unaudited financial statements).

On 22 September 2011 the Company extended its £25 million revolving credit facility with inter alia National Westminster Bank plc to £60 million. £8.4 million has been drawn down on this facility to date.

- 4.5 The following table shows the Group's net indebtedness (excluding accruals) as at 30 June 2011 (being the last date in respect of which the Company has published interim unaudited financial statements):

	<i>Corporate Debt £'000</i>	<i>Non- Recourse Debt £'000</i>	<i>Total £'000</i>
A. Cash	28,500	25,840	54,340
B. Cash equivalent	–	–	–
C. Trading securities	–	–	–
<b>D. Liquidity (A) + (B) + (C)</b>	<b>28,500</b>	<b>25,840</b>	<b>54,340</b>
<b>E. Current financial receivables</b>	<b>–</b>	<b>5,100</b>	<b>5,100</b>
F. Current bank debt	–	11,853	11,853
G. Current portion of non-current debt	–	–	–
H. Other current financial debt	–	–	–
<b>I. Current financial debt (F) + (G) + (H)</b>	<b>–</b>	<b>11,853</b>	<b>11,853</b>
<b>J. Net current financial indebtedness (I) - (E) - (D)</b>	<b>(28,500)</b>	<b>(19,087)</b>	<b>(47,587)</b>
K. Non current bank loans	–	107,506	107,506
L. Bonds issued	–	64,839	64,839
M. Other non current loans	–	–	–
<b>N. Non current financial indebtedness (K) + (L) + (M)</b>	<b>–</b>	<b>172,345</b>	<b>172,345</b>
<b>O. Net financial indebtedness (J) + (N)</b>	<b>(28,500)</b>	<b>153,258</b>	<b>124,758</b>

## 5. The Luxcos

As explained in Part 1 of this Prospectus under the heading "Fund Structure", the Company holds its assets through two Luxembourg companies, each being a Sàrl (broadly the equivalent of a private company). Luxco 2 is the sole limited partner in the Partnership.

## 6. The Partnership

- 6.1 The Partnership was registered on 20 September 2010 as a limited partnership under the Limited Partnerships Act 1907 of England with the name JLIF Limited Partnership with registered number LP014109. The principal place of business of the Partnership is at Allington House, 150 Victoria Street, London SW1E 5LB. The Partnership is governed by the Partnership Agreement dated 27 October 2010 (as amended on 10 February 2011) between the General Partner (a special purpose subsidiary of John Laing and as such a member of the John Laing Group) as general partner and Luxco 2 as limited partner. JLCM acts as

Operator pursuant to a letter of appointment dated 27 October 2010 (as amended on 10 February 2011). The management and operation of the Partnership on the intended basis may amount to the regulated activity of operating a collective investment scheme under UK legislation. In order to lawfully carry on a regulated activity in the UK a person must be authorised by the FSA to carry on the activity in question unless an exemption applies. As such, JLCM, which has been authorised by the FSA to carry on, amongst other things, the regulated activity of operating a collective investment scheme, has been appointed as Operator to manage and operate the Partnership.

- 6.2 Under the Partnership Agreement, the Operator has full discretion to acquire, dispose of and manage the assets of the Partnership subject to investment guidelines which reflect the investment strategy, policy and restrictions applying to the Company as set out in this Prospectus. The Operator may effect borrowings for the Partnership within limits to be prescribed by the limited partner, Luxco 2. Related party transactions involving members of the John Laing Group may only take place with the consent of Luxco 2.
- 6.3 The Partnership Agreement provides that the Operator, the General Partner and each of their officers, directors, employees and agents shall be indemnified out of Partnership assets in respect of losses of any nature arising in connection with the agreement other than those resulting from the fraud, negligence or wilful default of the person claiming the indemnity. The same people and entities shall not be liable for any losses of any nature suffered by the Partnership, or by any limited partner, except for losses resulting from the fraud, negligence or wilful default of the relevant person. The Partnership Agreement also provides that neither the Operator nor the General Partner shall be liable to the Partnership or to Luxco 2 in respect of any losses suffered by either of them and arising out of any act or omission by it or any of its employees or agents except where the act or omission is a result of the negligence, wilful default or fraud of itself or any of its employees or agents.
- 6.4 The General Partner is entitled to distributions each year in proportion to its contributions to the Partnership up to the aggregate amount that the Investment Adviser is entitled to receive under the Investment Advisory Agreement, less any amounts actually paid in respect of such fees to the Investment Adviser, in relation to that year. The Operator is entitled to such remuneration for its services as it may agree with the General Partner in writing from time to time plus any applicable VAT. The Operator's fee will be paid by the General Partner, which is entitled to be reimbursed for such payment by the Partnership, provided that the total amount of the Operator's fee in any period when added to the General Partner's distributions in relation to such period may not exceed the aggregate amount to which the Investment Adviser is entitled under the Investment Advisory Agreement, less any amounts actually paid in respect of such fees to the Investment Adviser, in relation to that period. The General Partner and Operator are also entitled to be reimbursed for certain expenses.
- 6.5 The Partnership can be terminated in the following circumstances: (a) automatically with immediate effect on the bankruptcy or analogous event of Luxco 2 (as limited partner); (b) unless the Partnership is reconstituted by Luxco 2 with a replacement general partner, on the bankruptcy or analogous event of the General Partner; (c) upon notice from Luxco 2 (unless in each case Luxco 2 reconstitutes the Partnership with a replacement general partner) if (i) the General Partner or Operator commits a material unremedied breach or fails to offer reasonably acceptable compensation for a material breach that is not capable of remedy, (ii) the General Partner or Operator is prohibited by force majeure from performing its obligations under the agreement for at least 60 consecutive days, or (iii) if the Investment Advisory Agreement is terminated and/or JLCM ceases to be the Operator; (d) the written agreement of the General Partner and Luxco 2; or (e) by written notice of the General Partner if the Operator's appointment has been terminated and the Operator has not been replaced within three months of such termination.
- 6.6 Each of the Operator and the General Partner (who shall do so if required by Luxco 2) may terminate the Operator's appointment by one year's written notice at any time after the fourth anniversary of the effective date of the appointment letter (27 October 2010). Notwithstanding such initial four year term, both the General Partner (who shall do so if so required by Luxco 2)

and the Operator may terminate the Operator's appointment with immediate effect in the following circumstances:

- (a) the other party fails to make a payment under or in connection with the Partnership Agreement when due, and fails to remedy such breach within 30 days of being notified of such breach; or
  - (b) the other party commits a material breach of the Partnership Agreement or the Operator's letter or appointment, and such breach (if capable of remedy) is not remedied within 30 days of being notified to do so, or (if the breach is not capable of remedy) the breaching party fails to offer reasonably acceptable compensation to the other taking into account any loss suffered or that will be suffered.
- 6.7 The General Partner may (and shall if so required by Luxco 2) terminate the Operator's appointment with immediate effect in the following circumstances:
- (a) the insolvency or analogous event of the Operator;
  - (b) the Operator is no longer permitted by applicable law to perform its obligations;
  - (c) the Investment Advisory Agreement is terminated; or
  - (d) the Operator is prevented by force majeure from performing its obligations for 60 consecutive days.
- 6.8 The Operator may also resign with immediate effect by giving written notice if the Ordinary Shares cease to be listed on the Official List or upon the insolvency or analogous event of the Partnership.
- 6.9 In addition, the Operator can be removed with six months' notice and replaced if in the reasonable opinion of the General Partner, a material amount of people that are employed by the John Laing Group that enable the Operator to provide the services contemplated by the agreement cease to be employed by the John Laing Group, and such employees have not been replaced (before the end of the six month notice period referred to above) by suitably qualified other staff who will enable the Operator to provide the services in a manner comparable to that in which the services were provided previously.
- 6.10 Notwithstanding the above, termination of the Operator's appointment will not take effect until a replacement has been appointed, provided that if no replacement has been appointed within three months of the date on which termination would otherwise have taken place, the Operator's obligations shall cease.
- 6.11 Although the Operator will keep the Partnership's money separate from its own, it will not be deemed client money. Cash held by the General Partner will be held in a bank account in the General Partner's name and will not be subject to the FSA's client money rules.
- 6.12 Luxco 2 will remain the sole limited partner in the Partnership and Luxco 2 will fund the Partnership's obligations under the Acquisition Agreement as explained in Part 1 of this Prospectus.

## **7. Directors' and other interests**

- 7.1 As at the date of this Prospectus the respective spouses of Mr. Lester and Mr. MacLellan have subscribed for £100,000 and £25,000 Ordinary Shares respectively. Mr. Morgan has subscribed for 15,000 Ordinary Shares and has indicated his intention to subscribe for 10,000 New Shares and Mr. Spencer has subscribed for 5,000 Ordinary Shares. No other Director holds any Ordinary Shares or expects to subscribe for any New Shares under the Open Offer, Placing or Offer for Subscription. The aggregate holding of the Directors is expected to be less than 1 per cent. of the Issue.

- 7.2 The Directors shall be remunerated for their services at such rate as the Directors shall from time to time determine. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2011 which will be payable out of the assets of the Company is not expected to exceed £175,000. It is expected that the Chairman will receive a Director's fee of £45,000 per annum, Mr. MacLellan will receive a Director's fee of £40,000 per annum, Mr. Morgan and Mr. Spencer will each receive a Director's fee of £30,000 per annum and Mr. Van Berkel will receive a Director's fee of €22,500 per annum. In addition, Mr Morgan and Mr Spencer will each receive a fee of £5,000 in connection with the Issue. No Director of the Company has waived or agreed to waive future emoluments nor has any Director waived any such emolument during the current financial year. No commissions or performance related payments have been or will be made to the Directors by the Company. The aggregate remuneration of the Directors shall not exceed £200,000 per annum (or such other sum as the Company in general meeting shall determine). From the IPO to the date of this Prospectus, Mr Lester had received remuneration of £42,565, Mr MacLellan had received remuneration of £33,106, Mr Morgan and Mr Spencer had each received remuneration of £28,377 and Mr Van Berkel had received remuneration of £21,283.
- 7.3 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were appointed as non-executive directors by the subscribers to the Memorandum of Incorporation on the incorporation of the Company. Their appointments were confirmed by letters dated 27 August 2010. The Directors' appointments are subject to the Articles of Incorporation and can be terminated in accordance with the Articles of Incorporation without notice and without compensation.
- 7.4 Other than as set out below, the Company currently complies with the "Guidance on Corporate Governance in the Finance Sector in Guernsey" issued by the Commission.
- 7.5 The Company is a member of the AIC and is classified within the infrastructure sector. Save as set out below, the Company currently complies with the AIC Code, and in accordance with the AIC Code will be meeting its obligations in relation to the Corporate Governance Code and associated disclosure requirements of the Listing Rules. The Company's corporate governance practices depart from the Corporate Governance Code as follows:
- (a) There is no chief executive of the Company nor has the Company so far established a separate nominations committee or formal process to assess the performance of the individual Directors. The Board exercises central management and control and is satisfied that any relevant issues can be properly considered by the Directors as a whole;
  - (b) The Directors are satisfied that the requirement for a formal policy on executive remuneration is not applicable as the Company does not currently employ executive directors: as a result there is no remuneration committee. However the Directors determine the remuneration of non-executive Directors within the limits set out in the Articles and this Prospectus and in cognisance of the principles of the Corporate Governance Code; and
  - (c) The Company's audit committee is comprised of all the Directors. The audit committee has the remit to meet bi-annually and to consider, inter alia: (i) annual and interim accounts, (ii) auditor reports and (iii) terms of appointment and remuneration for the Auditors (including overseeing the independence of the Auditors particularly as it relates to the provision of non-audit services).
- 7.6 Mr. Spencer chairs the audit committee.
- 7.7 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 7.8 There are no potential conflicts of interest between the duties of the Directors to the Company and their private interests or other duties and none of the Directors has, or has had, any material personal interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

## 8. Other Directorships

- 8.1 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

### **Paul Lester, CBE (Chairman)**

#### *Current Directorships and Partnerships*

Greenery International Ltd  
Invensys plc  
Marine Current Turbines Limited  
Survitec Group Ltd

#### *Past Directorships and Partnerships*

VT Group plc  
CIVICA plc  
Chloride Group plc  
High Integrity Solutions Limited  
Engineering Employers Federation  
Alchemy Partners  
University of Southampton  
Business In the Community Solent Region  
Solent Synergy  
Society of Maritime Industries  
HM Treasury Major Projects Review Group

### **David MacLellan**

#### *Current Directorships and Partnerships*

RLPE Founder Partner Limited  
RLPE General Partner Limited  
RJD General Partner II Limited  
RJD Group Limited  
RJD General Partner (Scotland) II Limited  
RJD Partners Limited  
Maven Income and Growth VCT 2 PLC  
(previously Aberdeen Growth VCT I PLC)  
Havelock Europa PLC  
Britannic UK Income Securities PLC  
Britannic UK Income Trust PLC  
Facia Limited

#### *Past Directorships and Partnerships*

RJD Partners (Holdings) Limited

### **Talmai Morgan**

#### *Current Directorships and Partnerships*

AnaCap Atlantic Co-Investment GP Limited  
AnaCap Derby Co-Investment GP Limited  
AnaCap Debt Opportunities Limited  
AnaCap FP Debt Opportunities GP Limited  
AnaCap FP GP Limited  
  
AnaCap FP GP II Limited  
Altius Associates GP Limited  
Altius Select Europe (GP) Limited  
BH Global Limited  
BH Macro Limited  
EuroDekania Limited  
Goldman Sachs Dynamic Opportunities Limited  
Mont Hubert Limited  
NB Distressed Debt Investment Fund Limited  
NB Private Equity Partners Limited  
NB PEP Holdings Limited  
NB PEP Investments Limited  
NB PEP Investments LP Limited  
Pollux Partnerships Limited  
Real Estate Credit Investments PCC Limited  
Sherborne Investors (Guernsey) A Limited

#### *Past Directorships and Partnerships*

Bourse Trust Company Limited  
Brix Global Investment Limited  
Close European Accelerated Fund Limited  
European Investments (Guernsey) Limited  
European Investment Holdings (Guernsey) Limited  
Glebe Central Cross Limited  
Glebe London Limited  
Mayven International Limited  
Mayven UK plc  
Peak Asia Properties Limited  
Prodesse Investment Limited  
Psource Asian Recovery Limited  
TCR1 Limited  
TCR2 Limited  
The Emotional Assets Fund I Limited  
Trebuchet Finance Limited



**Talmai Morgan** *(continued)**Current Directorships and Partnerships*

Signet Global Fixed Income Strategies Limited  
Star Asia Finance, Limited  
Third Point Offshore Independent Voting  
Company Limited  
Therium Holdings Limited

**Christopher Spencer***Current Directorships and Partnerships*

Alpha Asset Finance CI Ltd  
J.P. Morgan Private Equity Limited  
Carib Golf Limited  
Dexion Trading Limited  
Generali International Limited  
Generali Worldwide Insurance Company Ltd  
Generali Portfolio Management (CI) Limited  
Generali Portfolio Management UK Limited  
Grenfell PIA Guernsey Limited  
IRP Property Investments Limited  
IRP Holdings Limited  
KAAN Limited  
Tamar European Industrial Fund Ltd  
TEIF Luxembourg SARL  
TEIF Luxembourg Scandi SARL  
Low Carbon Accelerator Limited  
Olivant Limited  
Opportunity Investment Co. Limited  
Real Estate Credit Investments PCC Limited  
RIL Insurance Limited  
Ruffer Investment Company Limited  
Rutley Russia Property Fund Limited  
Sitex Insurance PCC Limited  
Spencer Holdings Limited  
Tacus Fund Limited  
Thames River Hillside Apex Fund SPC  
Hillside Apex Fund Limited  
Thames River Hillside Apex Fund II Limited  
Thames River Legion Fund Limited  
Thames River ISIS Fund Limited  
Thames River Longstone Limited  
Thames River Property Growth & Income  
Fund Ltd

**Guido Van Berkel***Current Directorships and Partnerships*

HofHoorneman Value Fund  
HofHoorneman Income Fund  
HofHoorneman Europe Fund  
HofHoorneman Emerging Markets Fund  
HofHoorneman Phoenix Fund  
Stichting Beleggersgiro HofHoorneman Funds  
Stichting HofHoorneman Obligatie Recovery  
Achmea Beleggingsfondsen Beheer BV  
Glendevon King Global Fund SICAV-SIF  
Glendevon King Master Bond Fund SICAV  
sCOREvalue Investment Funds SICAV-SIF  
INTRAWEST Holdings Sarl Luxembourg

*Past Directorships and Partnerships*

Safedataco.com Limited  
Alpha Bank Jersey Limited  
Henderson Far East Income Fund Limited  
Kingsway Fund Limited  
Thames River Kingsway Fund Limited  
Rutley East African Property Limited  
Thames River 2X Currency Alpha Fund  
Limited  
Thames River Origin Fund Limited  
Thames River ZeCo Fund Limited  
Thames River Argentum Fund Limited  
Thames River Kingsway Plus Fund Limited  
PSolve Alternatives PCC Ltd  
Thames River EDO Fund  
Henderson Far East Income (Malta) Limited  
Thames River Tybourne Fund Limited  
Advance Focus Fund Limited  
Cowry Global Financials Fund Limited  
Guernsey Gambling Control Commission  
St Johns Ambulance and Rescue  
Drummonds Insurance PCC Ltd  
Gartmore SICAV

*Past Directorships and Partnerships*

Bank Sarasin & Cie, Basel-CH  
Bank Sarasin-Rabo Asia, Ltd., Singapore  
Bank Sarasin-Rabo Asia, Ltd., Hong Kong  
Bank Sarasin (Guernsey) Ltd.  
Sarasin Chiswell, London  
EuroAsia Bank, Amsterdam-NL

**Guido Van Berkel** *(continued)*

*Current Directorships and Partnerships*

Somerset Luxembourg SICAV-SIF  
Dutch National Maritime Museum  
Stichting Hospice Kajan, Hilversum-NL

8.2 At the date of this Prospectus, none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been bankrupt; Guido Van Berkel has not been director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors' voluntary liquidation for at least the previous five years; each of Paul Lester, David MacLellan, Talmai Morgan and Christopher Spencer have been a director of the following companies which went into voluntary liquidation during the past five years:

*Paul Lester*

High Integrity Solutions Limited

*David MacLellan*

Britannic UK Income Securities plc  
Britannic UK Income Trust plc

*Talmai Morgan*

Glebe Central Cross Limited (members voluntary liquidation under Guernsey law)  
TCR1 Limited (as above)  
TCR2 Limited (as above)  
Prodesse Investment Limited

*Christopher Spencer*

Thames River Garret Fund  
Cowry Global Financials Fund Limited  
Advance Focus Fund Limited  
Thames River Tybourne Fund Limited  
Henderson Far East Income (Malta) Limited  
Thames River EDO Fund  
PSolve Alternatives PCC Ltd  
Thames River Kingsway Plus Fund Limited  
Thames River Argentum Fund Limited  
Thames River 2X Currency Alpha Fund Limited  
Rutley East African Property Limited;  
Thames River Kingsway Fund Limited;

or

- (c) has been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies), nor has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

8.3 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

**9. Major interests and related party transactions**

9.1 Insofar as is known to the Company, as at the close of business on 19 September 2011 (the latest practicable date prior to publication of this Prospectus) the following registered holdings representing a direct or indirect interest of 3 per cent. or more of the Company's issued share capital were recorded on the Company's share register:

<i>Shareholder</i>	<i>Number of Ordinary Shares Held</i>	<i>Percentage Held</i>
John Laing Investments Limited	62,489,189	21.1%
Schroders plc	33,754,726	11.4%
Chase Nominees Limited	28,067,561	9.5%
Investec Wealth & Investment Limited	17,840,885	6.0%
Nortrust Nominees Limited	16,581,315	5.6%
BNY Clearing Nominees Limited	9,259,333	3.1%

- 9.2 Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now and, following the Issue, will not, have different voting rights from other holders of Shares in the Company.
- 9.3 The Company is not aware of any person who directly or indirectly, jointly or severally, will exercise or could exercise control over the Company immediately following the Issue.
- 9.4 Save as disclosed in paragraph 12 of this Part 9 the Company has not entered into any transactions with related parties between the date of its incorporation and the date of this Prospectus.

## **10. Memorandum of Incorporation**

The Memorandum of Incorporation provides that the Company's objects are unrestricted and it shall therefore have the full power and authority to carry out any object not prohibited by the Law, or any other law of Guernsey. Copies of the Memorandum of Incorporation are available for inspection at the addresses specified in paragraph 15 of this Part 9.

## **11. Articles of Incorporation**

The Articles of Incorporation of the Company contain provisions, inter alia, to the following effect. Copies of the Articles of Incorporation are available for inspection at the addresses specified in paragraph 15 of this Part 9.

### **11.1 Share Capital**

The Company may issue an unlimited number of Shares of par value 0.01 pence.

#### *Ordinary Shares*

The rights attaching to the Ordinary Shares shall be as follows:

- (a) As to income – the holders of Ordinary Shares shall be entitled to receive, and participate in, any dividends or other distributions out of the profits of the Company attributable to the Ordinary Shares available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income or right to participate therein in accordance with paragraphs 11.8 and 11.9 inclusive.
- (b) As to capital – the holders of Ordinary Shares shall be entitled on a winding up to participate in the distribution of capital in the manner described in paragraph 11.5.
- (c) As to voting – the holders of the Ordinary Shares shall be entitled to receive notice of and to attend and vote at general meetings of the Company.

#### *C Shares*

The rights attaching to the C Shares (as defined in the Articles) shall be as set out in paragraph 11.19 (as described in more detail in paragraph 11.19).

#### *General*

Without prejudice to any special rights previously conferred on the holders of any existing Shares or class of Shares, any Share (or option, warrant or other right in respect of a Share) in the Company may be issued with such preferred, deferred or other special rights or restrictions, whether as to dividend, voting, return of capital or otherwise, as the Board may

determine. To the extent required by sections 292 and 293 of the Law, the Board is authorised to issue an unlimited number of shares (or options, warrants or other rights in respect of Shares) (subject only to any limitation in the Articles) which authority shall expire five years after the date of adoption of the Articles; in the event that the restrictions in section 292(3)(a) and/or (b)(i) of the Law are amended or removed, such authority shall be to the extent and for as long as is legally permissible. This authority may be further extended in accordance with the provisions of the Law.

## 11.2 **Offers to Shareholders to be on a pre-emptive basis**

- (a) The Company shall not allot equity securities to a person on any terms unless:
  - (i) it has made an offer to each person who holds equity securities of the same class in the Company to allot to him on the same or more favourable terms a proportion of those securities that is as nearly as practicable equal to the proportion in number held by him of the share capital of the Company; and
  - (ii) the period during which any such offer may be accepted has expired or the Company has received notice of the acceptance or refusal of every offer so made.
- (b) Securities that the Company has offered to allot to a holder of equity securities in accordance with paragraph 11.2(a) may be allotted to him, or anyone in whose favour he has renounced his right to their allotment, without contravening the restriction referred to in paragraph 11.2(a).
- (c) Shares held by the Company as treasury shares shall be disregarded for the purposes of the restriction referred to in paragraph 11.2(a), so that the Company is not treated as a person who holds shares; and the treasury shares are not treated as forming part of the share capital of the Company.
- (d) Any offer required to be made by the Company pursuant to the restriction referred to in paragraph 11.2(a) should be made by a notice (given in accordance with paragraph 11.12)) and such offer must state a period during which such offer may be accepted and such offer shall not be withdrawn before the end of that period. Such period must be a period of at least 21 days beginning on the date on which such offer is deemed to be delivered or received (as the case may be), pursuant to paragraph 11.12.
- (e) The restriction referred to in paragraph 11.2(a) shall not apply in relation to the allotment of bonus shares, shares issued pursuant to the provisions of paragraph 11.9, or to a particular allotment of equity securities if these are, or are to be, wholly or partly paid otherwise than in cash.
- (f) The Company may by special resolution resolve that the restriction referred to in paragraph 11.2(a) shall be excluded or that the restriction referred to in paragraph 11.2(a) shall apply with such modifications as may be specified in the resolution:
  - (i) generally in relation to the allotment by the Company of equity securities;
  - (ii) in relation to allotments of a particular description; or
  - (iii) in relation to a specified allotment of equity securities;and any such resolution must: (i) state the maximum number of equity securities in respect of which the restriction referred to in paragraph 11.2(a) is excluded or modified; and (ii) specify the date on which such exclusion or modifications will expire, which must be not more than five years from the date on which the resolution is passed.
- (g) Any resolution passed pursuant to the provisions referred to in paragraph 11.2(f) may:
  - (i) be renewed or further renewed by special resolution of the Company for a further period not exceeding five years; and
  - (ii) be revoked or varied at any time by special resolution of the Company.

- (h) Notwithstanding that any such resolution referred to in paragraphs 11.2(f) and 11.2(g) has expired, the Directors may allot equity securities in pursuance of an offer or agreement previously made by the Company if the resolution enabled the Company to make an offer or agreement that would or might require equity securities to be allotted after it expired.
- (i) In relation to an offer to allot securities a reference (however expressed) to the holder of shares of any description is to whoever was the holder of shares of that description at the close of business on a date to be specified in the offer and the specified date must fall within the period of 28 days immediately before the date of the offer.

### **11.3 Issue of Shares**

Subject to the authority to issue Shares referred to in paragraph 11.1 or any extension thereof and to paragraph 11.2, the unissued Shares shall be at the disposal of the Board which may allot or grant options, warrants or other rights over or otherwise dispose of them to such persons on such terms and conditions and at such times as the Board determines but so that no Share shall be issued at a discount except in accordance with the Law and so that the amount payable on application on each Share shall be fixed by the Board.

### **11.4 Variation of Class Rights**

If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class or with the sanction of a special resolution of the holders of the Shares of that class.

### **11.5 Winding up**

The Company shall have an indefinite life. If the Company shall be wound up, the surplus assets remaining after payment of all creditors shall be divided among the Shareholders in accordance with the Articles.

If the Company is wound up whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide among the Shareholders in specie any part of the assets of the Company and may with the like sanction vest any part of the assets of the Company in trustees upon such trusts for the benefit of the Shareholders as the liquidator with the like sanction shall think fit.

In case any of the Securities or other assets to be divided as aforesaid involve a liability to calls or otherwise any person entitled under such division to any of the said assets may within 14 clear days after the passing of the special resolution by notice in writing direct the liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable, act accordingly.

### **11.6 Notice requiring disclosure of interest in Shares**

The Directors shall have power by notice in writing to require any Shareholder to disclose to the Company the identity of any person (other than the Shareholder) who has an interest in the Shares held by the Shareholder and the nature of such interest. Any such notice shall require any information in response to such notice to be given within the prescribed period which is 28 days after service of the notice or 14 days if the Shares concerned represent 0.25 per cent. or more in value of the issued Shares of the relevant class or such other reasonable period as the Directors may determine. The direction notice may direct that in respect of the Shares in respect of which the default has occurred (the "default Shares") and any other Shares held by the Shareholder, the Shareholder shall not be entitled to vote (either personally or by representative or by proxy) in general meetings or class meetings. Where the default Shares represent at least 0.25 per cent. of the class of Shares concerned the direction notice may additionally direct that dividends on such shares will be retained by the Company (without interest), and that no transfer of the Shares (other than a transfer approved under the Articles) shall be registered until the default is rectified.

### 11.7 **Notification of interests**

The Articles incorporate by reference the provisions of Chapter 5 of the Disclosure and Transparency Rules (the “**Disclosure and Transparency Provisions**”). The Disclosure and Transparency Provisions detail the circumstances in which a person may be obliged to notify the Company within two business days that he has an interest in voting rights in respect of Ordinary Shares. An obligation to notify the Company arises when the percentage of voting rights which a person holds reaches, exceeds or falls below three per cent. of the voting rights attaching to any class of the shares or moves through any whole percentage point above three per cent.

In addition, the Company may, by issuing a written notice (a “Disclosure Notice”), require a Shareholder to disclose the nature of his interest in a relevant shareholding within such reasonable time as may be specified in the Disclosure Notice.

Where a Shareholder fails to comply with the Disclosure and Transparency Provisions, the Directors may by delivery of a notice to the applicable Shareholder (i) suspend the right of such Shareholder to vote in person or by proxy at any meeting of the Company (until a date that is no more than seven days after the Company has determined in its sole discretion that the Shareholder has cured the non-compliance with the provisions of Disclosure and Transparency Rule 5) and/or (ii) withhold, without any obligation to pay interest thereon, any dividend or other amount payable, render ineffective any election to receive Shares of the Company instead of cash in respect of any dividend or part thereof and/or prohibit the transfer of any Shares held by the Shareholder except with the consent of the Company.

### 11.8 **Dividends**

Subject to compliance with section 304 of the Law, the Board may at any time declare and pay such dividends as appear to be justified by the position of the Company. The Board may also declare and pay any fixed dividend which is payable on any Shares half-yearly or otherwise on fixed dates whenever the position, in the opinion of the Board, so justifies.

The method of payment of dividends shall be at the discretion of the Board.

No dividend shall be paid in excess of the amounts permitted by the Law or approved by the Board.

Unless and to the extent that the rights attached to any Shares or the terms of issue thereof otherwise provide, all dividends shall be declared and paid pro rata according to the number of Shares held by each Shareholder. For the avoidance of doubt, where there is more than one class of Shares in issue, dividends declared in respect of any class of Share shall be declared and paid pro rata according to the number of Shares of the relevant class held by each Shareholder.

The Board may deduct from any dividend payable to any Shareholder on or in respect of a Share all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

The Board may retain any dividend or other monies payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the liabilities or obligations in respect of which the lien exists.

The Board may retain dividends payable upon Shares in respect of which any person is entitled to become a Shareholder until such person has become a Shareholder.

With the sanction of the Company in general meeting by way of a special resolution, any dividend may be paid wholly or in part by the distribution of specific assets and, in particular, of paid-up Shares of the Company. Where any difficulty arises in regard to such distribution the Board may settle the same as it thinks expedient and in particular may issue fractional Shares and fix the value for distribution of such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the value so fixed in order

to adjust the rights of Shareholders and may vest any such specific assets in trustees for the Shareholders entitled as may seem expedient to the Board.

Any dividend interest or other monies payable in cash in respect of Shares may be paid by cheque or warrant sent through the post to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register. Any one of two or more joint holders may give effectual receipts for any dividends interest or other monies payable in respect of their joint holdings. In addition, any such dividend or other sum may be paid by any bank or other funds transfer system or such other means (including, in relation to any dividend or other sum payable in respect of Shares held in uncertificated form, by means of a computer-based system and procedures such as CREST in any manner permitted by the rules of the relevant system concerned) and to or through such person as the holder or joint holders (as the case may be) may in writing direct, and the Company shall have no responsibility for any sums lost or delayed in the course of any such transfer or where it has acted on any such directions. Any one of two or more joint holders may give effectual receipts for any dividends interest bonuses or other monies payable in respect of their joint holdings.

No dividend or other monies payable on or in respect of a Share shall bear interest against the Company.

All unclaimed dividends may be invested or otherwise made use of by the Board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends unclaimed for a period of six years after having been declared shall be forfeited and shall revert to the Company.

#### **11.9 Scrip Dividends**

The Board may, if authorised by an ordinary resolution of the Company, offer any holders of any particular class of Shares (excluding treasury shares) the right to elect to receive further Shares (whether or not of that class), credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution (a "Scrip Dividend") in accordance with the following provisions.

The ordinary resolution may specify a particular dividend (whether or not already declared) or may specify all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting of the Company to be held following the date of the meeting at which the ordinary resolution is passed.

The basis of allotment shall be decided by the Board so that, as nearly as may be considered convenient, the value of the further Shares, including any fractional entitlement, is equal to the amount of the cash dividend which would otherwise have been paid.

For the purposes of the above the value of the further Shares shall be calculated by reference to the average of the middle market quotations for a fully paid Share of the relevant class, as shown in the Official List for the day on which such Shares are first quoted "ex" the relevant dividend and the four subsequent dealing days, or in such other manner as the Directors may decide.

The Board shall give notice to the Shareholders of their rights of election in respect of the Scrip Dividend and shall specify the procedure to be followed in order to make an election.

The dividend or that part of it in respect of which an election for the Scrip Dividend is made shall not be paid and instead further Shares of the relevant class shall be allotted in accordance with elections duly made and the Board shall capitalise a sum to the aggregate nominal amount of the Shares to be allotted out of such sums available for the purpose as the Directors may consider appropriate.

The further Shares so allotted shall rank *pari passu* in all respects with the fully paid Shares of the same class then in issue except as regards participation in the relevant dividend.

The Board may decide that the right to elect for any Scrip Dividend shall not be made available to Shareholders resident in any territory where, in the opinion of the Board, compliance with local laws or regulations would be impossible or unduly onerous.

The Board may do all acts and things considered necessary or expedient to give effect to the provisions of a Scrip Dividend election and the issue of any Shares in accordance with the provisions of this paragraph and the Law, and may make such provisions as they think fit in the case of Shares becoming distributable in fractions (including provisions under which, in whole or in part, the benefit of the fractional entitlements accrues to the Company rather than to the Shareholders concerned).

The Board may from time to time establish or vary a procedure for election mandates, under which a Shareholder may, in respect of any future dividends for which a right of election pursuant to this paragraph is offered, elect to receive Shares in lieu of such dividend on the terms of such mandate.

The Board shall not make a Scrip Dividend available unless the Company has sufficient unissued shares and undistributed profits or reserves to give effect to elections which could be made to receive that Scrip Dividend.

For the avoidance of doubt, Shares allotted pursuant to paragraph 11.9 in respect of all or part of any dividend shall not be treated as allotted for cash for the purposes of paragraph 11.2.

#### **11.10 Transfer of Shares**

The Articles are subject to, and do not limit or restrict the Company's powers to transfer shares in accordance with the Uncertificated Securities (Enabling Provisions) (Guernsey) Law, 2005 and any legislation or rules enacted in respect of it.

The Articles provide that the Directors may implement such arrangements as they may, in their absolute discretion, think fit in order for any class of shares to be admitted to settlement by means of the CREST system. If the Directors implement any such arrangements, no provision of the Articles shall apply or have effect to the extent that it is in any respect inconsistent with:

- (a) the holding of Shares of that class in uncertificated form;
- (b) the transfer of title to Shares of that class by means of the CREST system; or
- (c) the CREST Guernsey Requirements.

Where any class of Shares is, for the time being, admitted to settlement by means of the CREST system such securities may be issued in uncertificated form in accordance with and subject as provided in the CREST Guernsey Requirements.

Unless the Directors otherwise determine, such securities held by the same holder or joint holders in certificated form and uncertificated form shall be treated as separate holdings.

Such securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in accordance with and subject as provided in the CREST Guernsey Requirements.

Title to such of the Shares as are recorded on the register as being held in uncertificated form may be transferred only by means of the CREST system and as provided in the CREST Guernsey Requirements.

Every transfer of Shares from a CREST account of a CREST member to a CREST account of another CREST member shall vest in the transferee a beneficial interest in the Shares transferred, notwithstanding any agreements or arrangements to the contrary, however and whenever arising and however expressed.



Subject to such of the restrictions of the Articles, any Shareholder may transfer all or any of their certificated Shares by an instrument of transfer in any usual form or in any other form which the Directors may approve. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee.

The Board may, in its absolute discretion and without giving a reason, refuse to register a transfer of any Share in certificated form or uncertificated form which is not fully paid up or on which the Company has a lien provided that this would not prevent dealings from taking place on an open and proper basis. The Directors may also refuse to register any transfer of Shares which is prohibited by the provisions described above, or any transfer of Shares unless such transfer is in respect of only one class of Shares, is in favour of a single transferee or no more than four joint transferees, is delivered for registration to the Company's registered office or such other place as the Board may decide, and is accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

Subject to any relevant restrictions of the Articles, any Shareholder may transfer all or any of their uncertificated Shares by means of a relevant system authorised by the Directors in such manner provided for, and subject as provided in any regulations issued for this purpose under the Law or as may otherwise from time to time be adopted by the Directors on behalf of the Company and the rules of any relevant system, and accordingly no provision of the Articles shall apply in respect of an uncertificated Share to the extent that it requires or contemplates the effecting of a transfer by an instrument in writing or the production of a certificate for the Shares to be transferred.

Subject to the provisions of the CREST Guernsey Requirements, the registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided that such suspension shall not be for more than 30 days in any year.

#### **11.11 Alteration of capital and purchase of shares**

The Company may by ordinary resolution: consolidate and divide all or any of its share capital into shares of larger or smaller amounts than its existing Shares; subdivide all or any of its Shares into shares of a smaller amount subject to the paragraph below; cancel Shares which, at the date of the passing of the resolution, have not been taken up or agreed to be taken up by any person, and diminish the amount of its share capital by the amount of Shares so cancelled; convert all or any of its Shares, the nominal amount of which is expressed in a particular currency or former currency into Shares of a nominal amount of a different currency, the conversion being effected at the rate of exchange (calculated to not less than three significant figures) current on the date of the resolution or on such other day as may be specified therein; or where its share capital is expressed in a particular currency or former currency, denominate or redenominate it, whether by expressing its amount in units or subdivisions of that currency or former currency, or otherwise.

In any subdivision under the paragraph above the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as that proportion in the case of the Share from which the reduced Share was derived.

The Company may reduce its share capital, any capital account or any share premium account in any manner and with and subject to any authorisation or consent required by the Law.

The Company may, at the discretion of the Board, purchase any of its own Shares, whether or not they are redeemable, and may pay the purchase price in respect of such purchase to the fullest extent permitted by the Law.

#### **11.12 Notices**

A notice or other communication may be given by the Company to any Shareholder either personally or by sending it by prepaid post addressed to such Shareholder at his registered

address (or, subject to below, in electronic form) or if he desires that notices shall be sent to some other address or person to the address or person nominated for such purpose.

Any notice or other document, if served by post (including registered post, recorded delivery service or ordinary letter post), shall be deemed to have been served 48 hours after the time when the letter containing the same is posted and in proving such service it shall be sufficient to prove that the letter containing the notice or document was properly posted.

Any notice or other document that may be sent by the Company by courier will be deemed to be received 24 hours after the time at which it was despatched.

Service of a document sent by post shall be proved by showing the date of posting, the address thereon and the fact of pre-payment.

Any notice or other document, if transmitted by electronic communication, facsimile transmission or other similar means which produces or enables the production of a document containing the text of the communication, shall, if so transmitted, be deemed to be received at the expiration of 24 hours after the time it was sent.

A notice may be given by the Company to the joint holders of a Share by giving the notice to the joint holder first named in the register in respect of the Share.

Any notice or other communication sent to the address of any Shareholder shall, notwithstanding the death, disability or insolvency of such Shareholder and whether the Company has notice thereof, be deemed to have been duly served in respect of any Share registered in the name of such Shareholder as sole or joint holder and such service shall, for all purposes, be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in any such Share.

All Shareholders shall be deemed to have agreed to accept communication from the Company by electronic means in accordance with sections 524 and 526 and schedule 3 of the Law unless a Shareholder notifies the Company otherwise. Such notification must be in writing and signed by the Shareholder and delivered to the Company's registered office or such other place as the Board directs. A Shareholder shall be entitled to require the Company to send him a version of a document or information in hard copy form.

#### **11.13 Notice of general meetings**

A general meeting of the Company (other than an adjourned meeting) must be called by notice of at least fourteen clear days.

A general meeting may be called by shorter notice than otherwise required if all the Shareholders entitled to attend and vote so agree.

Notices may be published on a website in accordance with section 208 of the Law.

Notice of a general meeting of the Company must be sent to every Shareholder (being only persons registered as a Shareholder), every Director and every alternate Director registered as such.

Notice of a general meeting of the Company must state the time and date of the meeting, state the place of the meeting, specify any special business to be put to the meeting (as defined in the Articles), contain the information required under section 178(6)(a) of the Law in respect of a resolution which is to be proposed as a special resolution at the meeting, contain the information required under section 179(6)(a) of the Law in respect of a resolution which is to be proposed as a waiver resolution at the meeting, and contain the information required under section 180(3)(a) of the Law in respect of a resolution which is to be proposed as a unanimous resolution at the meeting.

Notice of a general meeting must state the general nature of the business to be dealt with at the meeting.

The accidental omission to give notice of any meeting to or the non-receipt of such notice by any Shareholder shall not invalidate any resolution or any proposed resolution otherwise duly approved.

#### 11.14 **Conflicts of Interest**

A Director must, immediately after becoming aware of the fact that he is interested in a transaction or proposed transaction with the Company, disclose to the Board in accordance with section 162 of the Law:

- (a) if the monetary value of the Director's interest is quantifiable, the nature and monetary value of that interest; or
- (b) if the monetary value of the Director's interest is not quantifiable, the nature and extent of that interest.

The obligation referred to above does not apply if:

- (a) the transaction or proposed transaction is between the Director and the Company; and
- (b) the transaction or proposed transaction is or is to be entered into in the ordinary course of the Company's business and on usual terms and conditions.

A general disclosure to the Board to the effect that a Director has an interest (as director, officer, employee, member or otherwise) in a party and is to be regarded as interested in any transaction which may after the date of the disclosure be entered into with that party is sufficient disclosure of interest in relation to that transaction.

Nothing referred to in this paragraph 11.14 above applies in relation to:

- (a) remuneration or other benefit given to a Director;
- (b) insurance purchased or maintained for a Director in accordance with section 158 of the Law; or
- (c) a qualifying third party indemnity provision provided for a Director in accordance with section 159 of the Law.

Subject to the paragraph below, a Director is interested in a transaction to which the Company is a party if such Director:

- (a) is a party to, or may derive a material benefit from, the transaction;
- (b) has a material financial interest in another party to the transaction;
- (c) is a director, officer, employee or member of another party (other than a party which is an associated company) who may derive a material financial benefit from the transaction;
- (d) is the parent, child or spouse of another party who may derive a material financial benefit from the transaction; or
- (e) is otherwise directly or indirectly materially interested in the transaction.

A Director is not interested in a transaction to which the Company is a party if the transaction comprises only the giving by the Company of security to a third party which has no connection with the Director, at the request of the third party, in respect of a debt or obligation of the Company for which the Director or another person has personally assumed responsibility in whole or in part under a guarantee, indemnity or security.

Save as provided in the Articles, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interest in Shares or debentures or other securities of or otherwise through the Company. A Director may be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

A Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters namely:

- (a) the giving of any guarantee, security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;
- (b) the giving of any guarantee, security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;
- (c) any proposal concerning an offer of Shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (d) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he is not the holder of or beneficially interested in one per cent. or more of the issued shares of such company (or of any third company through which his interest is derived) or of the voting rights available to shareholders of the relevant company (any such interest being deemed for these purposes to be a material interest in all circumstances).

Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested the Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under the provisions referred to above) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

If any question shall arise at any meeting as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of the Director concerned have not been fairly disclosed.

The Company may by ordinary resolution suspend or relax the provisions referred to above to any extent or ratify any transaction not duly authorised by reason of a contravention of any of the paragraphs above.

Subject to the provisions referred to above the Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of them director, managing director, managers or other officer of such company or voting or providing for the payment or remuneration to the directors, managing director, manager or other officer of such company).

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.

Subject to due disclosure in accordance with the provisions referred to in this paragraph 11.14, no Director or intending Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested render the Director liable to account to the Company for any profit

realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

Any Director may act by himself or his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director provided that nothing herein contained shall authorise a Director or his firm to act as Auditor to the Company.

Any Director may continue to be or become a director, managing director, manager or other officer or member of any company in which the Company may be interested and (unless otherwise agreed) no such Director shall be accountable for any remuneration or other benefits received by him as a Director, managing director, manager or other officer or member of any such other company.

#### **11.15 Remuneration and appointment of Directors**

The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other sub-paragraph of the Articles) shall not exceed in aggregate £200,000 per annum or such higher amount as the Company may from time to time by ordinary resolution determine. Such remuneration shall be deemed to accrue from day to day. The Directors shall also be paid all reasonable out-of-pocket travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company. In addition, the Board may award additional remuneration to any Director engaged in exceptional work at the request of the Board on a time spent basis.

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 but so that the total number of Directors shall not at any time exceed the number, if any, fixed pursuant to these Articles. Any Director so appointed shall hold office only until the next following annual general meeting and shall then be eligible for re-election. Without prejudice to the powers of the Board, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.

The Directors may at any time appoint one or more of their body (other than a Director resident in the United Kingdom) to the office of managing director for such term and at such remuneration and upon such terms as they determine.

#### **11.16 Disqualification and Retirement of Directors**

No person other than a Director retiring at a general meeting shall, unless recommended by the Directors, be eligible for election by the Company to the office of Director unless, not less than 14 clear days before the date appointed for the meeting there shall have been left at the Company's registered office notice in writing signed by a Shareholder duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election together with notice in writing signed by that person of his willingness to be elected.

A Director shall cease to hold office: (i) if the Director (not being a person holding for a fixed term an executive office subject to termination if he ceases for any reason to be a Director) resigns his office by written notice signed by him sent to or deposited at the registered office of the Company, (ii) if he shall have absented himself from meetings of the Board for a consecutive period of 12 months and the Board resolves that his office shall be vacated, (iii) if he dies or becomes of unsound mind or incapable, (iv) if he becomes insolvent, suspends payment or compounds with his creditors, (v) if he is requested to resign by written notice signed by all his co-Directors, (vi) if the Company in general meeting shall declare that he shall cease to be a Director, (vii) if he becomes resident in the United Kingdom and, as a result thereof, a majority of the Directors are resident in the United Kingdom, (viii) if he becomes ineligible to be a Director in accordance with section 137 of the Law or (ix) if he become

prohibited from being a Director by reason of any order made under any provisions or any law or enactment.

#### **11.17 Indemnity**

The Directors, company secretary and officers for the time being of the Company and their respective heirs and executors shall, to the extent permitted by section 157 of the Law, be fully indemnified out of the assets and profits of the Company from and against all actions, expenses and liabilities which they or their respective heirs or executors may incur by reason of any contract entered into or any act in or about the execution of their respective offices or trusts except such (if any) as they shall incur by or through their own negligence, default, breach of duty or breach of trust respectively and none of them shall be answerable for the acts, receipts, neglects or defaults of the others of them or for joining in any receipt for the sake of conformity or for any bankers or other person with whom any monies or assets of the Company may be lodged or deposited for safe custody or for any bankers or other persons into whose hands any money or assets of the Company may come or for any defects of title of the Company to any property purchased or for insufficiency or deficiency of or defect in title of the Company to any security upon which any monies of the Company shall be placed out or invested or for any loss, misfortune or damage resulting from any such cause as aforesaid or which may happen in or about the execution of their respective offices or trusts, except if the same shall happen by or through their own negligence, default, breach of duty or breach of trust.

#### **11.18 Borrowing powers**

The Board may exercise all the powers of the Company to borrow money (in whatever currency the Board determines from time to time) and mortgage, hypothecate, pledge or charge all or part of its undertaking, property and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party provided always that the aggregate principal amount from time to time outstanding of all borrowings by the Fund (excluding intra-group indebtedness and the debts of underlying Project Entities but including any financial guarantees to support subscription obligations) shall not exceed 25 per cent. of Total Assets.

#### **11.19 C Shares and New Shares**

##### *Issues of C Shares*

Subject to the Law, the Directors shall be authorised to issue C Shares in tranches on such terms as they determine provided that such terms are consistent with the provisions contained in this paragraph. The Directors shall, on the issue of each tranche of C Shares, determine the Calculation Time (as defined in the Articles) and Conversion Time (as defined in the Articles) together with any amendments to the definition of Conversion Ratio (as defined in the Articles) attributable to each such tranche.

Each tranche of C Shares, if in issue at the same time, shall be deemed to be a separate class of Shares. The Directors may, if they so decide, designate each tranche of C Shares in such manner as they see fit in order that each tranche of C Shares can be identified.

##### *Dividends and Pari Passu Ranking of C Shares and New Shares*

The holders of C Share(s) of a tranche shall be entitled to receive, and participate in, any dividends declared only insofar as such dividend is attributed, at the sole discretion of the Directors, to the C Share Surplus (as defined in the Articles) of that tranche.

If any dividend is declared after the issue of any tranche of C Shares and prior to the Conversion of that tranche, the holders of Ordinary Shares shall be entitled to receive and participate in such dividend only insofar as such dividend is not attributed, at the sole discretion of the Directors, to the C Share Surplus of the relevant tranche of C Shares.

The New Shares (as defined in the Articles) shall rank in full for all dividends and other distributions declared, made or paid after the Conversion Time and otherwise pari passu with the Ordinary Shares in issue at the Conversion Time.

### *Rights as to Capital*

The capital and assets of the Company shall, on a winding up or on a return of capital prior, in each case, to Conversion be applied as follows:

- (a) the Share Surplus (as defined in the Articles) shall be divided amongst the holders of Ordinary Shares according to the rights attaching thereto as if the Share Surplus comprised the assets of the Company available for distribution; and
- (b) the C Share Surplus shall be divided amongst the holders of C Share(s) pro rata according to their holdings of C Shares.

### *Voting and Transfer*

The C Shares shall carry the right to receive notice of, and to attend or vote at, any general meeting of the Company in the same manner as the Ordinary Shares (notwithstanding any difference in the respective Net Asset Values of the C Shares and Ordinary Shares). The C Shares shall be transferable in the same manner as the Ordinary Shares.

### *Redemption*

The C Shares are issued on terms that each tranche of C Shares and Deferred Shares shall be redeemable by the Company in accordance with the terms set out in the Articles.

At any time prior to Conversion, the Company may, at its discretion, redeem all or any of the C Shares then in issue by agreement with any holder(s) thereof in accordance with such procedures as the Directors may determine (subject to the facilities and procedures of CREST) and in consideration of the payment of such redemption price as may be agreed between the Company and the relevant holders of C Share(s).

### *Class Consents and Variation of Rights*

Without prejudice to the generality of the Articles, until Conversion the consent of the holders of the C Shares as a class shall be required for, and accordingly, the special rights attached to the C Shares shall be deemed to be varied, inter alia, by:

- (a) any alteration to the memorandum of incorporation of the Company or the Articles; or
- (b) any alteration, increase, consolidation, division, sub-division, cancellation, reduction or purchase by the Company of any issued or authorised share capital of the Company (other than on Conversion or unless pursuant to a power of the Company that has been previously been granted or otherwise approved by Shareholders prior to the issue of the relevant tranche of C Shares); or
- (c) any allotment or issue of any security convertible into or carrying a right to subscribe for any share capital of the Company or any other right to subscribe or acquire share capital of the Company; or
- (d) the passing of any resolution to wind up the Company; or
- (e) any change to the accounting reference date of the Company.

### *Undertakings*

Until Conversion, and without prejudice to its obligations under the Law, the Company shall in relation to each tranche of C Shares:

- (a) procure that the Company's records and bank accounts shall be operated so that the assets attributable to the C Shares of the relevant tranche can, at all times, be separately identified and, in particular but without prejudice to the generality of the foregoing, the Company shall procure that separate cash accounts shall be created and maintained in the books of the Company for the assets attributable to the C Shares of the relevant tranche; and
- (b) allocate to the assets attributable to the C Shares of the relevant tranche such proportion of the expenses or liabilities of the Company incurred or accrued between the Issue Date and the Calculation Time (both dates inclusive) as the Directors fairly consider to be attributable to the C Shares of the relevant tranche including, without

prejudice to the generality of the foregoing, those liabilities specifically identified in the definition of "Conversion Ratio" in the Articles; and

- (c) give appropriate instructions to the Investment Adviser to manage the Company's assets so that such undertakings can be complied with by the Company.

#### *Conversion*

In relation to each tranche of C Shares, the C Shares shall be converted into New Shares at the Conversion Time in accordance with the following provisions of this paragraph. The Directors shall procure that:

- (a) the Company (or its delegate) calculate, within two Business Days after the Calculation Time, the Conversion Ratio as at the Calculation Time and the number of New Shares (as defined in the Articles) to which each holder of C Shares of that tranche shall be entitled on Conversion; and
- (b) the Independent Accountants (as defined in the Articles) shall be requested to certify, within three Business Days after the Calculation Time, that such calculations:
  - (i) have been performed in accordance with the Articles; and
  - (ii) are arithmetically accurate,

whereupon, subject to the proviso in the definition of Conversion Ratio in the Articles, such calculations shall become final and binding on the Company and all Shareholders.

The Directors shall procure that, as soon as practicable following such certification, an announcement is made to a Regulatory Information Service, advising holders of C Share(s) of that tranche, the Conversion Time, the Conversion Ratio and the aggregate number of New Shares to which holders of C Share(s) of that tranche are entitled on Conversion.

Conversion shall take place at the Conversion Time. On Conversion:

- (a) each issued C Share of the relevant tranche shall automatically convert into such number of New Shares as shall be necessary to ensure that, upon Conversion being completed, the aggregate number of C Shares which are converted into New Shares equals the aggregate number of C Shares of that tranche in issue at the Calculation Time multiplied by the Conversion Ratio (rounded down to the nearest whole New Share);
- (b) the New Shares arising upon Conversion shall be divided amongst the former holders of C Share(s) pro rata according to their respective former holdings of C Shares of the relevant tranche (provided always that the Directors may deal in such manner as they think fit with fractional entitlements to New Shares, including, without prejudice to the generality of the foregoing, selling any such shares representing such fractional entitlements and retaining the proceeds for the benefit of the Company) and for such purposes any Director is hereby authorised as agent on behalf of the former holders of C Share(s), in the case of a share in certificated form, to execute any stock transfer form and to do any other act or thing as may be required to give effect to the same including, in the case of a share in uncertificated form, the giving of directions to or on behalf of the former holders of any C Shares who shall be bound by them; and
- (c) forthwith upon Conversion, any certificates relating to the C Shares of the relevant tranche shall be cancelled and the Company shall issue to each such former C Shareholder new certificates in respect of the New Shares which have arisen upon Conversion unless such former holder of any C Shares elects to hold their New Shares in uncertificated form.

#### **11.20 Forfeiture and surrender of Shares**

Any Share in respect of which a notice requiring payment of an unpaid call or instalment, together with any interest which may have accrued and any expenses which may have been incurred, has been served may, at any time before payment has been made, be forfeited by a



resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Share and not actually paid before the forfeiture.

The Directors may, in their absolute discretion, refuse to register a transfer of any Shares to a person that they have reason to believe is (i) an “employee benefit plan” (within the meaning of Section 3(3) of ERISA) that is subject to Part 4 of Title 1 of ERISA, (ii) a plan, individual retirement account or other arrangement that is subject to Section 4975 of the US Internal Revenue Code or any other state, local laws or regulations that would have the same effect as regulations promulgated under ERISA by the US Department of Labor and codified at 29 C.F.R. Section 2510.3-101 to cause the underlying assets of the Company to be treated as assets of that investing entity by virtue of its investment (or any beneficial interest) in the Company and thereby subject the Company and the Investment Adviser (or other persons responsible for the investment and operation of the Company’s assets) to laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions contained in Title I of ERISA or Section 4975 of the US Internal Revenue Code, (iii) an entity whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement (each of (i), (ii) and (iii), a in this paragraph 11.20 a “Plan”) or (iv) any person in circumstances where the holding of Shares by such person would (a) give rise to an obligation on the Company to register as an “investment company” under the Investment Company Act, (b) preclude the Company from relying on the exception to the definition of “investment company” contained in Section 3(c)(7) of the Investment Company Act, (c) give rise to an obligation on the Company to register its Shares under the Exchange Act, (d) result in the Company not being considered a “Foreign Private Issuer” as that term is defined by Rule 3b-4(c) promulgated under the Exchange Act or (e) give rise to an obligation on the Investment Adviser to register as a commodity pool operator or commodity trading advisor under the US Commodity Exchange Act of 1974, as amended (each such person in this paragraph 11.20 a “Prohibited US Person”). Each person acquiring Shares shall by virtue of such acquisition be deemed to have represented to the Company that they are not a Prohibited US Person.

If any Shares are owned directly or beneficially by a person believed by the Directors to be a Prohibited US Person, the Directors may give notice to such person requiring them either (i) to provide the Directors within 30 days of receipt of such notice with sufficient satisfactory documentary evidence to satisfy the Directors that such person is not a Prohibited US Person or (ii) to sell or transfer their Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer. Where condition (i) or (ii) is not satisfied within 30 days after the serving of the notice, the person will be deemed, upon the expiration of such 30 days, to have forfeited their Shares.

The Directors may accept from any Shareholder on such terms as agreed a surrender of any Shares in respect of which there is a liability for calls or in circumstances where a US Person determines that they are not qualified to hold the Shares.

## **12. Material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity since incorporation of the Company and are, or may be, material. There are no other contracts entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity which include an obligation or entitlement which is material to the Company as at the date of this Prospectus.

### **12.1 Acquisition Agreement and JLPTL Acquisition Agreement**

The Acquisition Agreement was entered into by the Vendors, John Laing as guarantor and the Partnership on 28 September 2011.

Under the Acquisition Agreement, the Vendors have agreed to sell and the Partnership has agreed to purchase Investment Capital in 10 of the Project Entities comprising the New Portfolio.

The Partnership is entitled to elect that the Partnership or a Partnership Holding Entity will not acquire the Investment Capital relating to the Project Entity for the LUL Connect project. The Partnership may exercise this right if the Gross Issue Proceeds might otherwise be insufficient to fund the consideration under the Acquisition Agreement. The LUL Connect project may be reinstated in the Acquisition Agreement in circumstances where, after its exclusion, it becomes apparent that the conditions to the transfer of another Project Entity will not be met.

For those Project Entities that will be held by a Partnership Holding Entity, the Partnership will nominate that the Investment Capital relating to the relevant Project Entity is transferred to the appropriate Partnership Holding Entity.

The price payable for the Investment Capital in relation to a Project Entity will be the price specified in the Acquisition Agreement. There will be a provision for the adjustment of the price payable for each asset which is intended to reflect material changes to the amount of the Net Asset Value of that asset between signing and completion arising from:

- (a) material new disclosure against the warranties given by the Vendors in the Acquisition Agreement; and
- (b) to reflect changes to the exchange rate for projects denominated in currencies other than Sterling.

The Partnership will pay the purchase price in cash on completion of the acquisition of each asset.

Completion of the acquisition in respect of a Project Entity is conditional on Admission and will take place after Admission subject to the following conditions:

- (a) all consents and documentation required for the relevant transfer being in place;
- (b) no event of default subsisting under the senior finance document for such Project Entity;
- (c) in the case of each of the Enfield, Highland, Newham and North Swindon schools projects, the lenders having confirmed in writing that the events or circumstances giving rise to the distribution lock-up referred to in Part 4 of this Prospectus for the applicable project have been addressed to the satisfaction of the lenders and the relevant Project Entity no longer being in lock up for those reasons; and
- (d) for the project denominated in a currency other than Sterling, a change (up or down) in the exchange rate of more than five per cent. (against the Canadian Dollar).

The Partnership has the right to terminate the Acquisition Agreement prior to completion if:

- (a) a Vendor is in persistent and material breach of its pre-completion obligations (including consultation rights in respect of the exercise of the Vendor's rights in relation to the Project Entity); or
- (b) an insolvency event has occurred in relation to a Vendor.

The Partnership also has the right to terminate the Acquisition Agreement prior to completion in respect of a Project Entity if:

- (a) an event of default is called by the providers of funding in respect of that Project Entity; or
- (b) termination occurs under the Project Agreement for such Project Entity.

The Acquisition Agreement will terminate in respect of any Project Entities for which the conditions set out above have not been satisfied by 31 December 2011. The parties have agreed to negotiate in good faith to seek amendments to the Acquisition Agreement to allow the sale of any such Project Entities after such date.

The Vendors have given certain warranties, including capacity of the Vendors and the guarantor, title to the Investment Capital, the status of the Project Entities, no change since the last accounts, the adequacy of the disclosure in the data room and the tax and insurance affairs of the Project Entities. The warranties are limited by the awareness of the Vendors and the disclosures given in a disclosure letter. The Partnership has warranted its capacity to enter into the Acquisition Agreement.

The total liability of the Vendors in respect of the relevant claims will be limited to the acquisition price for a claim by the Partnership under the capacity, title and tax warranties and to an amount equal to 50 per cent. of the acquisition price in respect of any other claim. In addition, the total amount of a Vendor's liability in respect of a Project Entity owned by it will be limited to an amount equal to the aggregate price of the Investment Capital for that Project Entity. The Vendors will only be liable in respect of a claim if the claim exceeds £150,000 and if the total amount of all such claims exceeds £1,000,000, in which case the Partnership will be entitled to claim the total amount of all claims and not only the excess.

Claims other than claims in relation to tax must be brought within two years of the date of the Acquisition Agreement. Claims in respect of tax must be brought within seven years of the date of the Acquisition Agreement

In the case of the Enfield Schools, Newham Schools and NEFRA Project Entities and for so long as the applicable restrictions on transfers apply under the shareholder arrangements for the applicable Project Entities, the Acquisition Agreement provides that if the Partnership is going to cease to be a member of the applicable Vendor's group the Investment Capital in relation to that Project Entity will be transferred back to an entity within the Vendor's group prior to the Partnership ceasing to be part of the Vendor's group at the Fair Market Value and then resold (following a pre-emption process) at the Fair Market Value back to the Partnership. Prior to completion the Vendors, and after completion the Partnership, will use their respective reasonable endeavours to procure the release of the applicable restrictions in the shareholder arrangements.

John Laing will provide a guarantee of the Vendors' obligations under the Acquisition Agreement.

The Partnership has also entered into the JLPTL Acquisition Agreement with JLPTL in relation to the additional 10 per cent. stake in the Edinburgh schools project which is to be acquired from JLPTL. The JLPTL Acquisition Agreement is on substantially the same terms as the Acquisition Agreement.

## **12.2 Forth Valley Acquisition Agreement**

The Forth Valley Acquisition Agreement was entered into by Palio (No 11) Limited (a Partnership Holding Entity) and CBA on 22 September 2011. Palio (No 11) Limited is wholly owned by the Partnership.

Under the Forth Valley Acquisition Agreement, CBA agreed to sell and Palio (No 11) Limited agreed to purchase Investment Capital (including subscription obligations) in the Forth Valley project. The price payable for the Investment Capital in relation to the Forth Valley project was £8 million paid in cash on completion of the acquisition of the project.

Palio (No 11) Limited has also agreed to reimburse CBA if the letter of credit CBA procured to be provided in support of the subscription obligations Palio (No 11) Limited has purchased under the Forth Valley Acquisition Agreement is called and CBA becomes liable to the letter of credit provider for the amount called. Palio (No 11) Limited has paid £14,757,000 into an account secured in favour of CBA in support of this obligation.

CBA has given certain warranties, including its capacity, title to the Investment Capital, the adequacy of the disclosure in the data room and the tax and insurance affairs of the project.

The warranties are limited by the awareness of Palio (No 11) Limited and the disclosures given in a disclosure letter. Palio (No 11) Limited has warranted its capacity to enter into the Forth Valley Acquisition Agreement.

### 12.3 First Offer Agreement

The First Offer Agreement was entered into by John Laing, the Company and the Partnership on 29 October 2010. Pursuant to the terms of the First Offer Agreement, John Laing undertakes that, after the date of the agreement, it will notify the Company and the Partnership of any interest in:

- (a) an accommodation project (including social housing) in the UK, Europe or Canada;
- (b) a roads project (including highways maintenance and street lighting) in the UK, Europe or Canada; or
- (c) a waste project in the UK,

that falls within the Company's investment policy, as set out in this Prospectus. If they are excluded from the Acquisition Agreement pursuant to a scaling back of the Acquisition, the Queen Elizabeth hospital project and the Glasgow schools project will not be covered by this obligation.

The First Offer Agreement may be terminated by either party on one year's notice, to be given no earlier than four years after the date of the agreement. Each party also has limited termination rights for material breach, insolvency of any party and the termination of the Investment Advisory Agreement and JLCM ceasing to be a member of the John Laing Group.

The Partnership must notify John Laing within 20 Business Days after receipt of a notice described above of the interests set out in that notice that the Partnership wishes to acquire, and the price it proposes to pay for each such interest (the "CPI Price"), together with the identity of the proposed purchaser for each such interest. John Laing, in turn, will be required to notify the Partnership within 10 Business Days of receipt of the counter-notice whether it wishes to proceed with a sale of the relevant interests at the CPI Price.

If John Laing notifies the Partnership that it intends to proceed with the sale to the Partnership, John Laing and the Partnership will be required to negotiate, acting reasonably and in good faith with a view to agreeing the terms of a sale and purchase agreement for the relevant interests, substantially in the form of the Acquisition Agreement, with such amendments thereto as the parties may agree.

If John Laing notifies the Partnership that it does not intend to proceed with the sale to the Partnership or if John Laing and the Partnership do not agree the terms of the sale and purchase agreement within 30 Business Days of the notice from John Laing intending to proceed with the sale, John Laing or the relevant member of the John Laing group may, within two years (the "Dealing Period"), offer to sell any or all of the relevant interests to any person on terms that are not materially more advantageous to the purchaser than the terms offered by the Partnership. John Laing, or the relevant member of the John Laing Group, will be entitled to sell to any person on such terms as that such seller shall in its absolute discretion see fit any interests offered for sale, where the Partnership has notified John Laing that it does not wish to acquire such interests or the Partnership does not respond within the 20 Business Day period referred to above.

If John Laing or a member of the John Laing Group proposes to sell an interest to another person (not being another member of the John Laing Group) during the Dealing Period on terms that are materially more advantageous to the purchaser than the terms previously offered by the Partnership, it shall first re-offer the relevant interests to the Partnership.

John Laing may also notify the Partnership that it intends to sell a bundle of interests together. In such case, the provisions described above will apply to the bundled interests in all respects as if they related to a single interest, and the Partnership may offer to buy all, but not some only, of the bundled interests. John Laing agrees to act in good faith when deciding which interests to put together in a bundle.

If at any time the bundled interests are in substantially the same specific market sector (for example, UK schools PFI projects) and John Laing has notified the Partnership of the specific

market sector to which they relate in its notice to the Partnership, then if the Partnership declines to offer to purchase such bundled interests (or fails to respond to the applicable notice), interests in that sector will cease to form part of the scope of interests of which John Laing is obliged to notify the Partnership.

The First Offer Agreement also contains provisions for the parties to meet periodically to consult on sales of interests over the following one year period.

#### 12.4 **Investment Advisory Agreement**

Pursuant to an investment advisory agreement dated 27 October 2010 between the Company and the Investment Adviser (the “**Investment Advisory Agreement**”), the Investment Adviser provides investment advisory services to the Company. Entry into the Investment Advisory Agreement constituted a related party transaction as the one Share issued at incorporation was held by the subscriber to the Memorandum of Incorporation on trust for the Investment Adviser. The Investment Adviser does not currently hold any Shares and the Directors do not expect that the Investment Adviser will hold any Shares following Admission.

The services to be provided under the Investment Advisory Agreement include (inter alia) advising the Company in respect of the implementation of the Fund’s investment strategy and policy as set out in this Prospectus and changes to it, and in respect of the strategic management of the Investment Portfolio and Holding Entities. The Investment Adviser also provides accounting services (working in conjunction with the Administrator in relation to certain Guernsey law requirements). As the Company conducts its investment activities through the Holding Entities, the Investment Advisory Agreement does not confer any discretionary investment management powers on the Investment Adviser, and discretionary investment management is instead conducted by JLCM as Operator of the Partnership.

The Investment Advisory Agreement also incorporates a procedure to manage any conflicts of interest arising in connection with the acquisition by the Company of any assets from the John Laing Group as set out elsewhere in this Prospectus.

The aggregate fees payable to JLCM in its capacity as Investment Adviser and Operator and to the General Partner are described in Part 6 of this Prospectus. The Investment Adviser is also entitled to reimbursement of all costs of the Company paid for the Company by the Investment Adviser and all reasonable out-of-pocket expenses properly incurred by the Investment Adviser in providing services, including travel expenses for attending Board meetings.

The Investment Advisory Agreement may be terminated by either party giving to the other one year’s written notice of termination at any time after 4 years from the date of the Investment Advisory Agreement (27 October 2010).

Notwithstanding the initial four year term, the Investment Advisory Agreement may also be terminated with immediate effect by either party giving written notice to the other party in any of the following circumstances:

- (a) the other party fails to make a payment under the agreement when due, and fails to remedy such breach within 30 days of being notified of such breach; and
- (b) the other party commits a material breach of the agreement, and such breach (if capable of remedy) is not remedied within 30 days of being notified to do so, or (if the breach is not capable of remedy) the breaching party fails to offer reasonably acceptable compensation to the non-breaching party, taking into account any loss that has been or will be suffered.

The Investment Adviser may terminate the Investment Advisory Agreement with immediate effect by giving written notice to the Company if the Company’s Ordinary Shares cease to be listed on the Official List or in the event of the Company’s insolvency (or an analogous event).

The Company may terminate the Investment Advisory Agreement with immediate effect by giving written notice to the Investment Adviser in any of the following circumstances:

- (a) in the event of the insolvency (or analogous event) in relation to the Investment Adviser;
- (b) the Investment Adviser is no longer permitted by applicable law to perform its services under the agreement;
- (c) the Investment Adviser ceases to be the Operator of the Partnership in accordance with the terms of the Partnership Agreement and operator appointment thereunder; and
- (d) the Investment Adviser is prevented by force majeure from performing its services under the agreement for at least 60 consecutive days.

The Company may also terminate the Investment Advisory Agreement by giving six months written notice at any time to the Investment Adviser if, in the reasonable opinion of the Company, a material amount of people that are employed by the John Laing Group that enable the Investment Adviser to provide the services contemplated by the agreement cease to be employed by the John Laing Group, and such employees have not been replaced (before the end of the six months notice period referred to above) by suitably qualified other staff who will enable the Investment Adviser to provide the services in a manner comparable to that in which the services were provided previously.

The Investment Advisory Agreement provides that the Company shall indemnify the Investment Adviser and its officers, directors, employees and agents in respect of losses of any nature arising in connection with the agreement other than those resulting from the fraud, negligence or wilful default of the person claiming the indemnity. The same people and entities shall not be liable for any losses suffered by the Company, or by any Shareholder, except for losses resulting from the fraud, negligence or wilful default of the relevant person. The Investment Advisory Agreement also provides that the Investment Adviser shall not be liable to the Company or to the Fund in respect of any losses suffered by the Company and/or the Fund and arising out of any act or omission by it or any of its employees or agents except where the act or omission is a result of the negligence, wilful default or fraud of itself or any of its employees or agents.

## 12.5 **Partnership Agreement**

A description of the terms of the Partnership Agreement governing the Partnership (of which Luxco 2, a wholly-owned subsidiary of the Company, is the sole limited partner) is included at paragraph 6 of this Part 9 above.

## 12.6 **Administration Agreement**

Pursuant to an administration agreement dated 27 October 2010 between the Company and the Administrator (the “**Administration Agreement**”), the Administrator was appointed to provide administrative and company secretarial services to the Company. Such services include (inter alia) maintaining the Company’s books and records, ensuring the Company’s compliance with certain regulatory requirements, calculating the NAV of the Ordinary Shares, monitoring the register of Shareholders and providing such other services as are customarily provided by administrators in Guernsey of Guernsey closed ended investment companies. In the performance of its duties under the Administration Agreement, the Administrator shall at all times be subject to the control and review of the Board.

The Administrator will receive an annual fee of £70,000, payable quarterly in arrears, under the Administration Agreement. The Administrator shall also be entitled to receive out of the Company’s assets reimbursement in respect of all reasonable and properly evidenced out of pocket expenses incurred by it in the performance of its duties under the Administration Agreement, together with additional fees for services not contemplated by the Administration Agreement but agreed with the Company, calculated on a time spent basis.

The Administration Agreement may be terminated by either party on 90 days’ written notice to the other. The Administration Agreement may also be terminated immediately by either party: (a) in the case of a breach by the other party which remains unremedied for 30 days after such party has been notified of the breach; (b) on the insolvency or analogous event of

the other party; (c) if the Administrator ceases to be qualified to act as such under the Protection of Investors (Bailiwick of Guernsey) Law, 1987; or (d) if the Company ceases to be registered as a closed-ended investment fund in Guernsey.

The Administration Agreement provides that in the absence of material breach of the agreement, negligence, fraud or wilful default on the part of the Administrator, the Administrator shall not be liable for any loss suffered by the Company or otherwise arising directly or indirectly from the discharge of the Administrator's duties or in connection with the Administration Agreement's subject matter, and in particular any loss sustained in the holding or sale of an investment in the Company. The Administrator will not be liable for losses arising from the Administrator acting in good faith upon instructions reasonably believed to be genuine (absent material breach of the agreement, negligence, fraud or wilful default of the Administrator).

The Company indemnifies the Administrator against all claims made against the Administrator in respect of any loss suffered or alleged by any party in connection with the Administrator's performance of its duties unless it results from an act of material breach of the agreement, negligence, fraud or wilful default by the Administrator. The Administration Agreement also contains certain indemnities and exclusions of liability in favour of the Administrator in the event of losses caused by corrupt or intercepted electronic data. Neither the Company nor the Administrator is liable for consequential or similar types of damages.

#### 12.7 **Domiciliation, Management and Administration Agreements**

Each of Luxco 1 and Luxco 2 has entered into a domiciliation, management and administration agreement (together the "Domiciliation Agreements"), both dated 16 September 2010, with the Domiciliation Agent, who will provide domiciliation services and accounting and related services to the Luxcos. The Company is also a party to the Luxco 1 Domiciliation Agreement and Luxco 1 is a party to the Luxco 2 Domiciliation Agreement. The services to be provided include the provision of a registered office and some of the Luxcos' directors.

The Luxcos are also under certain duties under the Domiciliation Agreements, including a requirement to provide all documents and information which the Domiciliation Agent could reasonably consider relevant to the provision of its services or that the Domiciliation Agent requires to comply with its professional obligations.

Each Domiciliation Agreement will continue in force until it is terminated: (a) by any party on 30 days' prior written notice without any cause; (b) by the Company or the relevant Luxco with immediate effect by written notice if the Domiciliation Agent violates its legal, regulatory or contractual obligations; (c) by the Domiciliation Agent with immediate effect if it cannot reasonably be expected to continue to act or provide directors to the relevant Luxco including (inter alia) following the insolvency or analogous event of the Luxco or its shareholder (i.e. the Company or Luxco 1, as the case may be), a resolution to wind up the Luxco and various breaches of the agreement or applicable law.

The Domiciliation Agent is entitled to fees in relation to each Luxco of €3,500 per annum for provision of a registered office and two directors, payable in advance each year, plus variable fees based on hourly rates depending on the service provided including €250 per hour for each director provided and with an additional 6 per cent. surcharge on such variable fees for office expenses. The variable fees will be payable within 30 days of invoicing. In addition, each Luxco must pay costs, disbursements and/or expenses incurred by the Domiciliation Agent in relation to the Services at customary rates. Both the relevant Luxco and its shareholder (i.e. the Company or Luxco 1, as the case may be) will be jointly and severally liable to pay the Domiciliation Agent which may suspend provision of the services in the event of non-payment.

The Company and each Luxco covenants that neither it nor any member of its group will hold any member of the Domiciliation Agent's group liable in connection with the Domiciliation Agreements, except for liabilities due to the Domiciliation Agent's fraud, negligence or wilful default as established by a final judgment of a court of competent jurisdiction. Where it is established by a final judgment of such a court that the Domiciliation Agent's fraud,

negligence or wilful default has caused direct damage to a Luxco, its directors, the Luxco's shareholder, the beneficial owners thereof or any member of the Luxco's group, the Domiciliation Agent's liability is limited to the amount paid out under its insurance policy or, if nothing is paid out, the fees charged in the preceding calendar year.

The Company and each Luxco also undertake to indemnify each member of the Domiciliation Agent's group against claims of any nature arising from the agreements except for liability resulting from the Domiciliation Agent's fraud, negligence or wilful default as established by a final judgment of a court of competent jurisdiction.

## 12.8 Indemnity Agreements

In connection with the Domiciliation Agreements, the Company has entered into an indemnity agreement with the Domiciliation Agent in relation to each Luxco dated 16 September 2010 (the "**Indemnity Agreements**"). Under the Indemnity Agreements, the Company agrees to and restates the exclusion of liability and indemnity provisions in the Domiciliation Agreements, guarantees the Luxcos' obligations under the Domiciliation Agreements, and agrees to ensure that it and the Luxcos comply with their obligations under the Domiciliation Agreements and applicable laws.

The Indemnity Agreements will terminate with the Domiciliation Agreements except in relation to any liability under them in relation to the period prior to their termination and unless any member of the Domiciliation Agent's group provides services at the time to a member of the Company's group.

## 12.9 Placing Agreement

Pursuant to the Placing Agreement dated 28 September 2011 between the Company, the Investment Adviser and JPMC, JPMC was appointed as sponsor in connection with the applications for Admission and as sole bookrunner in relation to the Placing.

Under the Placing Agreement, as bookrunner JPMC has agreed (inter alia) to use its reasonable endeavours to procure subscribers for the Placing. The Placing is not being underwritten. JPMC's obligations under the Placing Agreement are conditional upon the fulfilment of certain conditions (which may be waived by JPMC), including without limitation: there being no requirement for a supplementary prospectus to be published under FSMA; Admission occurring no later than 8.00am on 28 October 2011; no material adverse change in the Company's or the Investment Adviser's situation; and that the warranties and representations given by the Company and the Investment Adviser remain true at all times before Admission.

The warranties and representations referred to above include warranties and representations from the Company (inter alia) that all statements of fact contained in the Prospectus and certain other Issue documents are true and accurate in all respects, that the Company is duly incorporated, and that the Company has the power to offer, allot and issue the Shares under the Issue. The Placing Agreement also contains warranties and representations from the Investment Adviser including (inter alia) that all statements of fact contained in the Prospectus, marketing flyer and investor presentation given by the Investment Adviser are true and accurate in all respects and that so far as the Investment Adviser is aware the warranties contained in the Acquisition Agreement given by the Vendors are true and accurate save as disclosed in the disclosure letter to the Acquisition Agreement. The Company and the Investment Adviser also give certain undertakings under the Placing Agreement, including (inter alia) undertakings by the Company in relation to its actions for certain periods after Admission, including an undertaking by the Company not to issue any further Shares during the period of 180 days from Admission, except with the consent of JPMC.

Under the Placing Agreement, the Company will pay the costs and expenses of, and incidental to, the Issue and the application for Admission, the fees payable to the UKLA and the London Stock Exchange, all accountancy, legal and other professional expenses of the Company and JPMC incurred in connection with the Issue and Admission, and certain other out-of-pocket



costs and expenses, provided that the Company's prior written consent is required if JPMC incurs any individual expense in excess of £5,000 (other than its legal fees).

The Bookrunner is also entitled to (in each case together with applicable VAT):

- (a) a corporate finance fee of £100,000; and
- (b) a fee of 1.25 per cent. of the product of (i) the number of New Shares being issued pursuant to the issue (less the number of New Shares issued (a) to John Laing or any affiliates thereof, (b) to any director of the Company or any director of the Investment Adviser or (c) to any family member of any such director and (ii) the Issue Price.

The Company has also agreed to indemnify JPMC (for itself and for each of its respective affiliates and its and their respective directors, officers, employees and agents) on an after tax basis from any losses or claims made or threatened against them relating to, arising out of or in connection with the Issue, and in connection with costs and expenses incurred by them in investigating and defending such claims or establishing their right to be indemnified under the Placing Agreement unless (subject to certain limited exceptions) the loss results from the relevant indemnified persons or JPMC's fraud, wilful default or gross negligence as finally determined by a court or binding arbitration. The Placing Agreement also contains a separate indemnity from the Investment Adviser in respect of any loss suffered by JPMC as a result of any breach or alleged breach by the Investment Adviser of any warranties given by it in the Placing Agreement or any breach or alleged breach by the Investment Adviser of any other obligation of it under the Placing Agreement.

Under the Placing Agreement, none of the indemnified persons above will have any liability to the Company or the Investment Adviser or any of their respective affiliates or any of their respective directors, officers, employees and agents for or in connection with the Issue or transactions or conduct in connection with the Issue, except to the extent that any losses incurred by the Company or the Investment Adviser in connection with the Placing are finally judicially or by binding arbitration determined to have been caused primarily by the relevant indemnified person's fraud, wilful default or gross negligence in performing its obligations under the agreement (except in certain limited circumstances). In addition, in any event neither JPMC, nor its indemnified persons, will be liable for any loss of expected profit, opportunity or business or any indirect, special or consequential loss of the Company or the Investment Adviser or any other person.

JPMC may terminate the Placing Agreement in certain circumstances, including if any statement contained in this Prospectus has become untrue, incorrect or misleading in any material respect, if in JPMC's opinion (acting in good faith) the warranties are not true and accurate or have become misleading, or there has been a material adverse change in relation to the Company, the Investment Adviser or any force majeure event.

The Company entered into placing agreements in substantially the same form as the Placing Agreement in relation to the placing of Ordinary Shares at the IPO (together with Barclays Capital, the investment banking division of Barclays Bank PLC, and RBS Hoare Govett Limited as joint bookrunners) and in relation to the placing of the Tap Shares.

## 12.10 Registrar Agreement

Pursuant to a registrar agreement dated 27 October 2010 between the Company and the Registrar (the "**Registrar Agreement**"), the Registrar was appointed to act as the Company's registrar in Guernsey.

The Registrar is entitled to a fee for basic services provided by it relating to the creation and maintenance of the share register of £2.00 per holder appearing on the register during the fee year, subject to an annual minimum fee of £10,000. If the Registrar has to process transfers in excess of an agreed limit, further transfers will incur additional charges of £0.20 per CREST transfer and £5 per non-CREST transfer. Any non-standard shareholder analyses will be charged at £95 each. The Registrar will also charge an annual fee of £500 for providing an online share portal for Shareholders to manage their shareholdings online, and an annual fee of £1,250 for providing online access for the Company to its share register. The Registrar

will also be entitled to out of pocket expenses, to the extent that such expenses are reasonable and have been incurred in the proper execution of the Registrar's duties. Generally, fees and charges will be invoiced quarterly in arrears and may be reviewed by the Registrar at various times.

The Registrar Agreement may be terminated by either the Company or the Registrar giving to the other six months' written notice expiring at any time after the first anniversary of the IPO. Notwithstanding this initial one year term, the Registrar Agreement may also be terminated by either party at any time: (a) on three months' written notice should the parties not reach an agreement regarding any proposed increase of the fees by the Registrar; (b) immediately on written notice if the other party commits a material breach of its obligations under the Registrar Agreement (including any payment default) which that party has failed to remedy within 45 days of receipt of a written notice to do so; or (c) immediately upon the insolvency or other analogous event of the other party. The Company may also terminate the agreement with immediate effect in the event of the Registrar ceasing to be the holder of any licence, consent, permit or registration enabling it to act as a registrar of the Company under any applicable law.

The Registrar Agreement provides that the Company shall indemnify the Registrar and its affiliates and their directors, officers, employees and agents from and against any and all losses incurred in relation to the Registrar Agreement, save in the case of losses determined to have resulted solely from the fraud or wilful default of the person seeking indemnification. The aggregate liability (other than for fraud or death or personal injury caused by the Registrar's negligence) of the Registrar and its affiliates or its or their directors, officers, employees or agents under the Registrar Agreement is limited to the lesser of £1,000,000 or an amount equal to ten times the annual fee payable to the Registrar under the Registrar Agreement. The Registrar Agreement also contains provisions limiting its liability specifically in relation to forged transfers and lost share certificates.

#### 12.11 **Receiving Agent Agreement**

Pursuant to a receiving agent agreement dated 28 September 2011 between the Company and the Receiving Agent (the "**Receiving Agent Agreement**"), the Receiving Agent agrees to provide receiving agent services to the Company.

Under the Receiving Agent Agreement, the Company agrees to indemnify the Receiving Agent and its affiliates and its and their directors, officers, employees and agents against all losses, incurred in relation to the agreement, except to the extent that any loss is determined to have resulted solely from the fraud or wilful default of the person seeking indemnification.

The Company also agrees to indemnify the Receiving Agent for any liabilities it may suffer in connection with any changes to the application criteria or to the terms of the Open Offer after publication of this Prospectus.

The liability of the Receiving Agent or its affiliates, or its or their directors, officers, employees or agents, is limited (to the extent permitted by law) to the lesser of £250,000 and five times the fee payable to the Receiving Agent under the Receiving Agent Agreement.

Either party may terminate the Receiving Agent Agreement if the other commits a material breach which is not remedied within 14 days of notice to do so, or upon the insolvency or analogous event of the other party. The Company may also terminate the agreement with immediate effect should Capita cease to hold any licence required for it to act as the Company's receiving agent.

The Receiving Agent is entitled to receive various fees depending on the services provided, with an aggregate minimum fee of £8,500 in respect of the Open Offer and £8,900 in respect of the Offer for Subscription if all the services are required, together with certain reasonable expenses.

The Company entered into a receiving agent agreement in substantially the same form as the Receiving Agent Agreement in relation to the Offer for Subscription of Ordinary Shares at the IPO.

#### 12.12 Facility Agreement

A revolving facility agreement (the “**Facility**”) was originally entered into by the Partnership, the General Partner, the Royal Bank of Scotland plc and National Westminster Bank plc with the Company as guarantor on 21 March 2011 and was amended and restated on 22 September 2011.

Under the Facility the lenders have made available commitments of up to £60 million until the first anniversary of the date of the amendment and restatement and commitments of up to £40 million until the date falling three years after the date on which the Facility was originally entered into.

The Facility may be used to finance and refinance the purchase of certain investments, finance subordinated debt and equity contributions relating to investments and downstream loans to subsidiaries and maintain working capital and short term operational requirements.

Voluntary cancellation and voluntary prepayment is allowed in minimum amounts of £500,000.

Interest is calculated as the aggregate of the margin, the applicable interbank offer rate and the lenders' mandatory costs. The margin is capped at 2.5 per cent. per annum. There will also be a commitment fee of 45 per cent. of the margin payable in respect of any available undrawn commitment and an arrangement and administration fee equal to the margin on any letters of credit. Fronting fees may also be payable by the Partnership where one lender fronts a letter of credit on behalf of another.

Various interest cover ratios are imposed.

The Facility contains further representations, warranties, covenants, events of defaults and other obligations, including indemnities on the part of the Partnership.

### 13. Availability of this Prospectus

- 13.1 Copies of this Prospectus are available for viewing online at the National Storage Mechanism (<http://www.hemscott.com/nsm.do>).
- 13.2 Copies of this Prospectus may be collected, free of charge during normal Business Hours only, from JLCM at Allington House, 150 Victoria Street, London SW1E 5LB, or from the registered office of the Company.

### 14. General

- 14.1 The Issue of the New Shares is not underwritten.
- 14.2 The Investment Adviser is or may be a promoter of the Company. Save as disclosed in Part 6 of this Prospectus no amount or benefit has been paid, or given, to the promoters or any of their subsidiaries since the incorporation of the Company and none is intended to be paid, or given.
- 14.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware), during the period since the establishment of the Fund which may have, or have had in the recent past, significant effects on the Company and/or the Fund's financial position or profitability.
- 14.4 The New Shares will be created and issued by the Company in accordance with the provisions of the Articles of Incorporation and the Law. The Issue Price of 105 pence per New Share

represents a premium of 104.99 pence over their nominal value of 0.01 pence. No expenses are to be charged directly to any placee or subscriber pursuant to the Issue.

- 14.5 PwC has given and has not withdrawn its consent to the inclusion of the Valuation Opinion Letter in this Prospectus in the form and context in which it is included and has authorised the contents of the Valuation Opinion Letter for the purposes of item 5.5.3R(2)(f) of the Prospectus Rules of the UK Listing Authority. PwC's address is 1 Embankment Place, London WC2N 6RH. PwC is authorised and regulated by the FSA for designated investment business.
- 14.6 Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and the source identified and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 14.7 The Company has not had any employees since its incorporation and does not own any premises.
- 14.8 The City Code on Takeovers and Mergers (the "City Code") applies to all takeover and merger transactions in relation to the Company and operates principally to ensure that shareholders are treated fairly, are not denied an opportunity to decide on the merits of a takeover and to ensure that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.
- 14.9 The City Code is based upon a number of general principles which are essentially statements of standards of commercial behaviour. General Principle One states that all holders of securities of an offeree company of the same class must be afforded equivalent treatment and if a person acquires control of a company, the other holders of securities must be protected. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of a company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the company. "Voting rights" for these purposes means all the voting rights attributable to the share capital of a company which are currently exercisable at a general meeting.
- 14.10 In addition to those restrictions set out in Part 1 of this Prospectus, in accordance with the requirements of the UK Listing Authority which apply to closed ended investment funds, the Company:
- (a) will not invest more than 10 per cent. in aggregate of the value of the Total Assets (calculated at the time of the relevant investment) in other investment companies or investment trusts which are listed on the Official List (except to the extent that those investment companies or investment trusts have published investment policies to invest no more than 15 per cent. of their total assets in other investment companies or investment trusts which are listed on the Official List);
  - (b) will not conduct any trading activity which is significant in the context of the Fund and any subsidiary undertaking as a whole; and
  - (c) will, at all times, invest and manage its assets, in a way which is consistent with its objective of spreading investment risk and in accordance with its published investment policies.

- 14.11 In accordance with the requirements of the UK Listing Authority, the Company will not make any material change to its published investment policy without the approval of its Shareholders by ordinary resolution passed at a general meeting of the Company. Such an alteration will be announced by the Company through a Regulatory Information Service.
- 14.12 In the event of any breach of the Company's investment policy or of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company and/or the Investment Adviser (at the time of such a breach) by an announcement issued through a Regulatory Information Service.

## **15. Documents for inspection**

Copies of the following documents may be inspected at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and at the registered office of the Company during normal Business Hours only on any day from the date of this Prospectus until the Open Offer closes:

- (a) the Memorandum of Incorporation and Articles of Incorporation of the Company;
- (b) the annual report and audited financial statements of the Fund for the period ended 31 December 2010 and the interim report and unaudited financial statements of the Fund for the period ended 30 June 2011;
- (c) the Valuation Opinion Letter;
- (d) the terms of appointment of the Directors referred to in paragraph 7 of this Part 9 above;
- (e) the material contracts referred to in paragraph 12 of this Part 9 above; and
- (f) this Prospectus.

Dated 28 September 2011

## NOTICE TO OVERSEAS INVESTORS

This Prospectus has been approved by the FSA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

### **For the attention of Belgian investors**

The New Shares are only offered in Belgium under applicable private placement exemptions and therefore no action has been taken, or is intended to be taken, to permit a public offer of the New Shares in Belgium. In particular, this Prospectus, any offering material or other similar document relating to the New Shares have not been, and will not be, approved by the Belgian Financial Services and Markets Authority (*Autoriteit voor financiële diensten en markten/Autorité des services et marchés financiers*).

Accordingly, New Shares may not be offered or sold and this Prospectus, any offering material or other similar document relating to the New Shares may not be advertised, distributed or made available to any individual or legal entity in Belgium other than in circumstances which do not constitute a public offer for subscription of the New Shares in Belgium under the Belgian law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and/or the Belgian law of 20 July 2004 on certain forms of collective management of portfolios, each as amended from time to time.

Prospective purchasers shall only acquire New Shares for their own account.

In addition, New Shares may not be offered or sold to any person qualifying as a consumer within the meaning of the Belgian law of 6 April 2010 on market practices and the protection of the consumer unless such sale is made in compliance with this law, any applicable implementing regulation, the Belgian law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market and the Belgian law of 20 July 2004 on certain forms of collective management of portfolios, each as amended from time to time. Belgian investors should seek advice from their own advisers about the consequences of an investment in New Shares, including the tax consequences.

### **For the attention of Danish investors**

This Prospectus has not been, and will not be, filed with or approved by the Danish Financial Supervisory Authority or any other regulatory authority in Denmark and the New Shares have not been and are not intended to be listed on a Danish regulated market. Furthermore, the New Shares have not been, and will not be, offered to the public in Denmark.

Consequently, this Prospectus may not be made available nor may the New Shares otherwise be marketed or offered for sale directly or indirectly in Denmark, except to qualified investors within the meaning of, or otherwise in compliance with an exemption set forth in, Executive Order No. 223 of 10 March 2010.

### **For the attention of Dutch investors**

The New Shares are only offered by means of this Prospectus and are not, may not and will not be offered, distributed, sold, transferred or delivered, directly or indirectly, in or from the Netherlands, as part of the initial distribution or at any time thereafter other than (i) to 'Qualified Investors' (*gekwalificeerde beleggers*), within the meaning of section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) ("DFSA"), provided that these parties acquire the relevant New Shares for their own account or that of another 'Qualified Investor', (ii) to less than 100 individuals

or legal entities who or which are not a 'Qualified Investor', (iii) to investors who acquire New Shares for a total consideration of at least EUR 50,000 per investor, for each separate offer, (iv) an offer of New Shares whose denomination per unit amounts to at least EUR 50,000 and (v) an offer of New Shares with a total consideration of less than EUR 100,000, which limit shall be calculated over a period of 12 months.

#### **For the attention of Finnish investors**

The New Shares may not be offered or sold, directly or indirectly, to any resident of the Republic of Finland or in the Republic of Finland, except pursuant to applicable Finnish laws and regulations. Specifically, the New Shares may not be offered or sold, directly or indirectly, to the public in the Republic of Finland as defined in the Finnish Securities Market Act of 1989. This Prospectus may not be distributed in the Republic of Finland, other than (i) to a limited number of pre-selected investors, (ii) to an unlimited number of qualified investors as defined under the Finnish Securities Market Act of 1989 or (iii) provided that the New Shares may only be acquired for a consideration of not less than EUR 50,000 or in denominations of not less than EUR 50,000 per investor, to an unlimited number of pre-selected investors, and the offering of the New Shares does not constitute a public offering as defined in the Finnish Securities Market Act.

#### **For the attention of French investors**

This Prospectus has not been prepared in the context of a public offering of securities in France within the meaning of Article L.411-1 et seq. of the French Code monétaire et financier and Article 211-1 et seq. of the Autorité des marchés financiers (the "AMF") General Regulations, and has therefore not been submitted to the AMF for prior approval or otherwise.

Accordingly, the New Shares may not be offered or sold, directly or indirectly, to the public in France and neither this Prospectus nor any other offering material relating to the New Shares has been distributed or caused to be distributed or will be distributed or caused to be distributed to the public in France, except to qualified investors (investisseurs qualifiés), provided that such investors are acting for their own account and/or to persons providing portfolio management financial services (personnes fournissant le services d'investissement de gestion de portefeuille pour compte de tiers), all as defined and in accordance with Articles L. 411-1, L.411-2, D.411-1 to D.411-3, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier.

New Shares may only be offered or sold, directly or indirectly, to the public in the Republic of France in accordance with applicable laws relating to public offerings (which are in particular embodied in Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier and Article 211-1 et seq. of the AMF General Regulations).

#### **For the attention of German investors**

The New Shares may not be distributed to the public in Germany. The Bookrunner may only make this Prospectus available to individually selected members of its existing customer base. This Prospectus is only directed to such recipients to whom it is directly addressed; it is not directed to the public in Germany and may not be disseminated to the public in Germany.

#### **For the attention of Guernsey investors**

A registered collective investment scheme is not permitted to be directly offered to the public in Guernsey but may be offered to regulated entities in Guernsey or offered to the public by entities appropriately licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended.

#### **For the attention of Irish investors**

This Prospectus is being distributed in Ireland only to, and is directed only at, persons who are (i) "qualified investors" within the meaning of the Prospectus (Directive 2003/71/EC) Regulations 2005 (the "Regulations") or (ii) persons to whom this Prospectus may otherwise lawfully be issued or

passed on (all such persons together also being referred to as “relevant persons”). No offer, sale, underwriting or placement of the New Shares in, from or otherwise involving Ireland shall occur other than in conformity with the provisions of the Regulations and EU prospectus law (as such term is defined in section 38 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland).

The Company shall not advertise or market the New Shares in any way in Ireland without the prior approval of the Irish financial regulator. The Company is not supervised by the Irish financial regulator and the Company is not otherwise supervised or authorised in Ireland.

Nothing in this Prospectus implies any representation, recommendation or advice (including investment advice) of any kind by the Company, its management, employees or affiliates with respect to its contents

#### **For the attention of investors in Luxembourg**

The New Shares may not be offered or sold within the territory of the Grand-Duchy of Luxembourg unless:

- (g) a prospectus has been approved by the Commission de Surveillance du Secteur Financier in accordance with the Law of 10 July 2005 on prospectuses for securities (the “Prospectus Law”) implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the “Prospectus Directive”) if Luxembourg is the home member state (as defined in the Prospectus Law); or
- (h) if Luxembourg is not the home member state, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home member state of the Company that the prospectus has been duly approved in accordance with the Prospectus Directive; or
- (i) the offer benefits from an exemption to or constitutes a transaction not subject to the requirement to publish a prospectus.

#### **For the attention of Norwegian investors**

This Prospectus has not been produced in accordance with the prospectus requirements laid down in the Norwegian Securities Trading Act 2007, nor in accordance with the prospectus requirements laid down in the Norwegian Securities Fund Act of 1981 as amended. This Prospectus has not been approved or disapproved by, or registered with, the Oslo Stock Exchange, the Norwegian Financial Services Authority (*Finanstilsynet*) nor the Norwegian Registry of Business Enterprises. The New Shares described herein have not been and will not be offered or sold to the public in Norway, and no offering or marketing materials relating to the New Shares may be made available or distributed in any way that would constitute, directly or indirectly, an offer to the public in Norway. This Prospectus is for the recipient only and may not in any way be forwarded to any other person or to the public in Norway.

#### **For the attention of Swedish investors**

The New Shares may not be offered to the public in Sweden. This Prospectus is only directed to such recipients to whom it is directly addressed and may not be copied or, directly or indirectly, be distributed or made available to other persons without the express consent of the Bookrunner.

Neither this Prospectus nor the offering of New Shares hereunder is subject to any registration or approval requirements in Sweden under the Swedish Financial Instruments Trading Act. Accordingly, the document has not been, nor will it be, registered or approved by the Swedish Financial Supervisory Authority (*Sw. Finansinspektionen*).



**For the attention of Swiss investors**

Neither this Prospectus nor any other offering or marketing material relating to the Company constitutes an issue prospectus pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations. The Company has not been approved as foreign collective investment scheme pursuant to article 120 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006 ("CISA", as amended from time to time) by the Swiss Financial Market Supervisory Authority (FINMA). Accordingly, neither the New Shares nor any other participation in the Company may be publicly offered or distributed in or from Switzerland and neither this Prospectus nor any other document or offering material relating to the Company and/or the New Shares may be distributed in connection with any such offering or distribution. The Company is not subject to the supervision of any Swiss supervisory authority. New Shares may only be offered and this Prospectus may only be distributed in or from Switzerland to "qualified investors" according to CISA such that there is no public marketing in or from Switzerland as defined pursuant to the most restrictive interpretation of the applicable Swiss laws and regulations.

**For the attention of US investors**

The New Shares offered by this Prospectus may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of the Securities Act). In addition, the Company has not been, and will not be, registered under the Investment Company Act. Furthermore, the Company's Articles of Incorporation provide that the Directors may, in their absolute discretion, refuse to register a transfer of any Shares to a person that they have reason to believe is an employee benefit plan subject to ERISA or similar US laws, that will give rise to an obligation of the Company to register under the Investment Company Act or preclude the availability of certain exemptions, that will cause the Company or the New Shares to become subject to registration under the Exchange Act, would subject the Investment Adviser to registration under the US Commodity Exchange Act of 1974 or that would give rise to the Company or the Investment Adviser becoming subject to any US law or regulation determined to be detrimental to it (any such person being a "Prohibited US Person"). The Company may require a person believed to be a Prohibited US Person to provide documentary evidence that it is not such a Prohibited US Person or to sell or transfer the New Shares held by it to a person who is qualified to hold the New Shares and, if these requirements are not satisfied within 30 days' notice, the New Shares will be deemed to have been forfeited.

## DEFINITIONS

<b>“Acquisition”</b>	means the acquisition of the assets constituting the New Portfolio (subject to any scaling back, as described in Part 4 of this Prospectus) by the Partnership, or one of its wholly owned subsidiary entities, on the terms of and subject to the conditions of the Acquisition Agreement and the JLPTL Acquisition Agreement;
<b>“Acquisition Agreement”</b>	means the sale and purchase agreement entered into between the General Partner for and on behalf of the Partnership, or its wholly owned subsidiary entity, the Vendors and John Laing as guarantor in connection with the Acquisition;
<b>“Adjusted Portfolio Value”</b>	means the sum of the Fair Market Value of the Investment Portfolio, plus any cash owned by or held by or to the order of the Fund plus the aggregate amount of payments made to Shareholders by way of dividend in the quarterly period ending on the relevant Valuation Day, less any borrowings of the Fund, any other liabilities and any Uninvested Cash (each to the extent that it has not already been deducted);
<b>“Administration Agreement”</b>	means the administration agreement between the Company and the Administrator dated 27 October 2010;
<b>“Administrator”</b>	means Heritage International Fund Managers Limited;
<b>“Admission”</b>	means admission of the New Shares to be issued pursuant to the Issue to the Official List and/or to trading on the Main Market, as the context may require;
<b>“AIC”</b>	means the Association of Investment Companies;
<b>“Application Form”</b>	means the application form attached to this Prospectus for use in connection with the Offer for Subscription;
<b>“April Portfolio”</b>	means the portfolio of Investment Capital comprised of the 12.5 per cent. stake in the Queen Elizabeth hospital project and the 100 per cent. stakes in the Bentilee HUB, Cleveland Police Stations and Roseberry Park hospital projects;
<b>“Articles of Incorporation” or “Articles”</b>	means the articles of incorporation of the Company in force from time to time;
<b>“Auditors”</b>	means the auditors from time to time of the Company, the current such auditors being Deloitte LLP Guernsey who are registered with the Institute of Chartered Accountants of England and Wales;
<b>“Base Fee”</b>	means the annual asset management fee/profit share to which JLCM and the General Partner are in aggregate entitled to as described in Part 6 of this Prospectus;
<b>“Board”</b>	see “Directors” below;
<b>“Bookrunner”</b>	means JPMC, acting in its capacity as sole bookrunner of the Company;

<b>“Business Day”</b>	means any day (other than a Saturday, Sunday or bank holiday) on which commercial banks are open for non-automated business in London and Guernsey;
<b>“Business Development team”</b>	means the business development division of the John Laing Group;
<b>“Business Hours”</b>	means the hours between 9:30am and 5:30pm on any Business Day;
<b>“Buyside Committee”</b>	means the committee within JLCM representing the interests of the Company in respect of an acquisition;
<b>“Capita Registrars”</b>	means Capita Registrars Limited;
<b>“CBA”</b>	means Forth Valley Investment Company Limited, a subsidiary of the Commonwealth Bank of Australia;
<b>“certificated” or “in certificated form”</b>	means where a share or other security is not in uncertificated form;
<b>“Channel Islands”</b>	means the Bailiwick of Guernsey and the Bailiwick of Jersey;
<b>“City Code”</b>	means the City Code on Takeovers and Mergers;
<b>“Closing Price”</b>	means the closing middle-market quotation of an Ordinary Share, as derived from the Daily Official List on a given day;
<b>“Combined Portfolio”</b>	means the Current Portfolio and the New Portfolio;
<b>“Commission”</b>	means the Guernsey Financial Services Commission;
<b>“Company”</b>	means John Laing Infrastructure Fund Limited, a company incorporated in Guernsey (registered number 52256);
<b>“Corporate Governance Code”</b>	means the UK Corporate Governance Code, as amended from time to time;
<b>“CREST”</b>	means a paperless settlement procedure operated by Euroclear UK & Ireland Limited enabling system securities to be evidenced otherwise than by written instrument;
<b>“CREST Regulations”</b>	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended;
<b>“C Shares”</b>	means the temporary and separate class of shares that the Directors may determine to issue, as described in Part 9 of this Prospectus;
<b>“Current Portfolio”</b>	means the Investment Portfolio of the Fund as at the date of this Prospectus, further details of which are set out in Part 3 of this Prospectus;
<b>“Daily Official List”</b>	means the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange;
<b>“Directors” or “Board”</b>	means the directors from time to time of the Company (or any duly constituted committee thereof) as the context may require, and “Director” is to be construed accordingly;

<b>“Disclosure Rules”</b>	means the disclosure rules and the transparency rules made by the FSA under section 73A of FSMA;
<b>“Distributable Cash Flows”</b>	means, in any relevant period, all cash received by the Fund from and in respect of its Investment Portfolio (including but not limited to interest payments on subordinated debt, repayments of subordinated debt, dividend payments and cash balances from previous periods) less any expenses of the Fund and any other liabilities of the Fund that are due and payable in the relevant period;
<b>“Domiciliation Agent”</b>	means ATC Corporate Services (Luxembourg) S.A., which has been appointed as domiciliation agent and provider of various accounting and related services to the Luxcos on the terms of the Domiciliation Agreements;
<b>“Domiciliation Agreements”</b>	means the domiciliation agreements and the accounting and related services agreements between the parties set out in Part 9 of this Prospectus, dated 16 September 2010;
<b>“EEA State”</b>	means a state in the European Economic Area;
<b>“ERISA”</b>	means the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder (in each case as amended);
<b>“Excluded Territories”</b>	means Australia, Canada, Japan and the Republic of South Africa and any other jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable law or regulation;
<b>“Excess Application”</b>	means an application made by a Qualifying Shareholder that has taken up the full amount of his or her Open Offer Entitlement under the Excess Application Facility;
<b>“Excess Application Facility”</b>	means the arrangement pursuant to which Qualifying Shareholders may apply for additional New Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
<b>“Excess CREST Open Offer Entitlement”</b>	means in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for New Shares pursuant to the Excess Application Facility;
<b>“Excess Shares”</b>	means New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement;
<b>“Excluded Shareholders”</b>	means Shareholders with a registered address in or who are located in the United States or one of the Excluded Territories;
<b>“Existing Ordinary Share”</b>	means an Ordinary Share that is in issue as at the date of this Prospectus;
<b>“Existing Shareholder”</b>	means a holder of an Existing Ordinary Share;
<b>“EU”</b>	means the European Union;
<b>“Exchange Act”</b>	means the United States Exchange Act of 1934, as amended;

<b>“Facility”</b>	means the revolving facility entered into by inter alia the Company and National Westminster Bank plc pursuant to an amended and restated revolving facility agreement dated 22 September 2011;
<b>“Fair Market Value”</b>	means the amount for which an asset could be exchanged between willing parties who are under no compulsion to transact, who are acting for self-interest and gain, and both of whom are equally well informed about the assets that are the subject of the transaction and the infrastructure market;
<b>“First Offer Agreement”</b>	means the first offer agreement between the Company, the General Partner for and on behalf of the Partnership and John Laing dated 29 October 2010;
<b>“Forth Valley Acquisition Agreement”</b>	means the sale and purchase agreement entered into between Palio (No 11) Limited and CBA in connection with the acquisition of the Investment Capital in the Forth Valley project;
<b>“FSA”</b>	means the UK Financial Services Authority or any successor body thereof;
<b>“FSMA”</b>	means the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
<b>“Fund”</b>	means the Company, the Luxcos and the Partnership (together with their wholly owned subsidiaries (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate));
<b>“Further Investments”</b>	means potential future direct and indirect interests in Investment Capital that may be acquired by the Fund, which where the context permits shall include the underlying projects or investment entities;
<b>“General Partner”</b>	means JLIF (GP) Limited, a company incorporated in England and Wales (registered number 07314907);
<b>“Gross Issue Proceeds”</b>	means the gross proceeds of the Issue
<b>“Hard FM services”</b>	means hard facilities management services (such as building maintenance and refurbishment services);
<b>“HMRC”</b>	means HM Revenue and Customs;
<b>“Holding Entities”</b>	means all or any of Luxco 1, Luxco 2 and the Partnership;
<b>“IFRS”</b>	means International Financial Reporting Standards;
<b>“Independent Valuer”</b>	means PwC;
<b>“Initial Vendors”</b>	means the vendors (other than JLPTL) of the projects comprising the Seed Portfolio, being John Laing Infrastructure Limited, John Laing Social Infrastructure Limited and John Laing Regeneration GP Limited (as general partner of Pinnacle Fund LP);

<b>“Interested Party”</b>	means JLCM, the Administrator, the Domiciliation Agent, the Sponsor, the Registrar, the Receiving Agent, any of their directors, officers, employees, service providers, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed;
<b>“Investment Adviser”</b>	means JLCM, acting in its capacity as investment adviser to the Company pursuant to the Investment Advisory Agreement;
<b>“Investment Advisory Agreement”</b>	means the investment advisory agreement between the Investment Adviser and the Company dated 27 October 2010;
<b>“Investment Capital”</b>	means partnership equity, partnership loans, share capital, trust units, shareholder loans and/or debt interests in or to Project Entities or any other entities or undertakings in which the Fund invests or in which it may invest;
<b>“Investment Committee”</b>	means the investment committee of the John Laing Group, as described in Part 5 of this Prospectus;
<b>“Investment Company Act”</b>	means the United States Investment Company Act of 1940, as amended;
<b>“Investment Portfolio”</b>	means the Investment Capital from time to time owned by or held by or to the order of any member of the Fund from time to time;
<b>“IPO”</b>	means the admission to trading on the Main Market on 29 November 2010 of the Company’s initial public offering of 270 million Ordinary Shares;
<b>“IRR”</b>	means internal rate of return;
<b>“Issue”</b>	means the issue of New Shares pursuant to the Open Offer, the Excess Application Facility, the Placing and the Offer for Subscription;
<b>“Issue Conditions”</b>	means the conditions to the Issue as set out in Part 6 of this Prospectus;
<b>“Issue Costs”</b>	means the Issue expenses and Placing Fees as detailed in Part 6 of this Prospectus;
<b>“Issue Price”</b>	means 105 pence per New Share;
<b>“JLCM”</b>	means John Laing Capital Management Limited, a company incorporated in England and Wales (registered number 05132286) regulated and authorised by the FSA;
<b>“JLIS”</b>	means John Laing Integrated Services Ltd (a John Laing company);
<b>“JLPTL”</b>	means John Laing Pension Trust Limited, a company incorporated in England and Wales (registered number 00653103);
<b>“JLPTL Acquisition Agreement”</b>	means the sale and purchase agreement entered into between the General Partner for and on behalf of the Partnership and JLPTL in connection with the Acquisition;

<b>“John Laing” or “John Laing Group”</b>	means John Laing plc, a company incorporated in England and Wales (registered number 01345670) and “John Laing Group” shall include any subsidiary undertakings of John Laing plc from time to time;
<b>“JPMC”</b>	means J.P. Morgan Securities Ltd., which conducts its UK investment banking activities as J.P. Morgan Cazenove;
<b>“Law”</b>	means the Companies (Guernsey) Law 2008, as amended or replaced from time to time;
<b>“Listing Rules”</b>	means the listing rules made by the UK Listing Authority under section 73A of FSMA;
<b>“London Stock Exchange”</b>	means London Stock Exchange plc;
<b>“Luxco 1”</b>	means JLIF Luxco 1 Sàrl, a taxable company established in Luxembourg under the legal form of a Sàrl, a wholly owned subsidiary of the Company;
<b>“Luxco 2”</b>	means JLIF Luxco 2 Sàrl, a taxable company established in Luxembourg under the legal form of a Sàrl, a wholly owned subsidiary of Luxco 1 and thereby a wholly owned indirect subsidiary of the Company;
<b>“Luxcos”</b>	means Luxco 1 and Luxco 2;
<b>“Main Market”</b>	means the main market of the London Stock Exchange for listed securities;
<b>“Memorandum of Incorporation”</b>	means the memorandum of incorporation of the Company;
<b>“Net Asset Value” or “NAV”</b>	means the net asset value of the Company in total or (as the context requires) per Share calculated in accordance with the Company’s valuation policies and as described in Part 6 of this Prospectus;
<b>“Net Issue Proceeds”</b>	means the proceeds of the Issue, after deduction of the Issue Costs payable by the Company;
<b>“New Portfolio”</b>	means the portfolio of Investment Capital which the Fund intends to acquire from the Vendors and JLPTL, as further described in Part 4 of this Prospectus;
<b>“New Shares”</b>	means the Ordinary Shares to be issued pursuant to the Issue as described in this Prospectus and having the rights set out in the Articles and “New Share” shall be construed accordingly;
<b>“Offer for Subscription”</b>	means the offer for subscription to the public in the UK of New Shares on the terms set out in Appendix 2 to this Prospectus and the Application Form;
<b>“Official List”</b>	means the official list maintained by the UK Listing Authority;
<b>“Open Offer”</b>	means the offer to Qualifying Shareholders, constituting an invitation to apply for New Shares, on the terms and subject to the conditions set out in Appendix 1 to this Prospectus and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form;

<b>“Open Offer Application Form”</b>	the personalised application form on which Qualifying Non-CREST Shareholders who are registered on the register of members of the Company as at the Record Date may apply for New Shares (including Excess Shares under the Excess Application Facility) under the Open Offer;
<b>“Open Offer Entitlement”</b>	means the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of one Open Offer Share for every two Existing Ordinary Shares held and registered in their names on the Record Date;
<b>“Open Offer Shares”</b>	means the New Shares being offered in aggregate to Qualifying Shareholders pursuant to the Open Offer together, where the context requires, with Excess Shares available under the Excess Application Facility;
<b>“Operations team”</b>	means the operations team of the John Laing Group;
<b>“Operator”</b>	means JLCM, acting in its capacity as operator of the Partnership;
<b>“Ordinary Shares”</b>	means ordinary shares of 0.01 pence each in the capital of the Company;
<b>“Partnership”</b>	means JLIF Limited Partnership, a limited partnership registered in England (registered number LP014109), which will hold and manage the Fund’s investments, as further described in Part 9 of this Prospectus;
<b>“Partnership Agreement”</b>	means the amended and restated limited partnership agreement dated 27 October 2010 between the General Partner as general partner and Luxco 2 as sole limited partner;
<b>“Partnership Holding Entities”</b>	means Palio (No 1) Limited, Palio (No 2) Limited, Palio (No 3) Limited, Palio (No 4) Limited, Palio (No 5) Limited, Palio (No 6) Limited, Palio (No 7) Limited, Palio (No 9) Limited and Palio (No 11) Limited (UK incorporated holding companies formed by the Partnership for the purpose of acquiring Investment Capital in the Current Portfolio assets);
<b>“PFI”</b>	means the Private Finance Initiative procurement model;
<b>“Pipeline Portfolio”</b>	means a portfolio of Investment Capital in three UK PFI accommodation projects with a value of approximately £30 million;
<b>“Placing”</b>	means the conditional placing by the Bookrunner of New Shares pursuant to the Placing Agreement;
<b>“Placing Agreement”</b>	means the open offer, placing and offer for subscription agreement relating to the Issue between the Company, the Investment Adviser and JPMC dated 28 September 2011;
<b>“Placing Fees”</b>	means the fees and commission to which the Bookrunner is entitled under the Placing Agreement, as described in Part 9 of this Prospectus;



<b>“PPP”</b>	means the Public Private Partnership procurement model (or any equivalent procurement models relating to infrastructure projects between the public and the private sectors as currently exist in different jurisdictions or as develop in the future in the UK or other jurisdictions);
<b>“Price”</b>	means the aggregate consideration payable for the New Portfolio and related payments (including the Acquisition costs and associated expenses) as further described in Part 4 of this Prospectus;
<b>“Project Agreement”</b>	means the agreement between a Project Entity and the Public Sector Client under which the Project Entity agrees to procure the construction of an infrastructure project and/or the provision of services in relation to that project;
<b>“Project Entity”</b>	means a special purpose entity (including any company, partnership or trust) formed to undertake an infrastructure project or projects or provide infrastructure services;
<b>“Prospectus”</b>	means this Prospectus;
<b>“Prospectus Rules”</b>	means the prospectus rules made by the FSA under section 73A of FSMA;
<b>“Public Sector Client”</b>	means a procuring client that is in the public sector;
<b>“PwC”</b>	means PricewaterhouseCoopers LLP;
<b>“P3”</b>	means the Canadian equivalent of PFI;
<b>“Qualifying CREST Shareholders”</b>	means Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form in CREST;
<b>“Qualifying Non-CREST Shareholders”</b>	means Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
<b>“Qualifying Shareholders”</b>	means holders of Existing Ordinary Shares on the register of members of the Company at the Record Date, other than the Excluded Shareholders;
<b>“Receiving Agent”</b>	means Capita Registrars;
<b>“Receiving Agent Agreement”</b>	means the receiving agency agreement between the Company and the Receiving Agent, dated 28 September 2011;
<b>“Record Date”</b>	means 26 September 2011;
<b>“Registrar”</b>	means Capita Registrars (Guernsey) Limited;
<b>“Registrar Agreement”</b>	means the registrar agreement between the Company and the Registrar dated 27 October 2010;
<b>“Regulatory Information Service”</b>	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;

<b>“Repricing Event”</b>	means an event that would give rise to a breach of the warranties in the Acquisition Agreement of which the Fund becomes aware between signing of the Acquisition Agreement and its completion;
<b>“Rules”</b>	means the Registered Collective Investment Scheme Rules 2008 issued by the Commission;
<b>“Sàrl”</b>	means a société à responsabilité limitée;
<b>“Securities Act”</b>	means the United States Securities Act of 1933, as amended;
<b>“Seed Portfolio”</b>	means the initial seed portfolio of Investment Capital which the Fund acquired from the Initial Vendors and JLPTL following the IPO;
<b>“Sellside Committee”</b>	means the committee within John Laing to represent the interests of John Laing Group vendors in respect of acquisitions by the Fund;
<b>“Share”</b>	means a share in the capital of the Company (of whatever class);
<b>“Shareholder”</b>	means a registered holder of a Share;
<b>“Soft FM services”</b>	means soft facilities management services (such as cleaning and security services);
<b>“Sponsor”</b>	means JPMC, acting in its capacity as sponsor of the Company in connection with the application for Admission;
<b>“Tap Shares”</b>	means the 26,730,000 Ordinary Shares issued by way of a tap issue in April 2011;
<b>“Target Consents”</b>	means the consents and other documentation (in form and substance reasonably satisfactory to the Vendors and the Fund) required to transfer the interest of the Vendors in the New Portfolio;
<b>“Total Assets”</b>	means the Fair Market Value of the Investment Portfolio plus any cash held to or for the order of the Fund;
<b>“UK” or ‘United Kingdom”</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>“UK Listing Authority” or “UKLA”</b>	means the Financial Services Authority acting in its capacity as a competent authority for listing in the UK pursuant to Part VI of FSMA;
<b>“uncertificated” or “in uncertificated form”</b>	recorded on the relevant register of the shares or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

<b>“Uninvested Cash”</b>	means the net proceeds of any equity or debt capital raising by the Company that is held in cash or near cash instruments until such time as such net proceeds are invested by the Fund in Investment Capital, save that cash or near cash instruments held by the Fund for working capital purposes and any cash received by the Fund from or in respect of Investment Capital (by way of realisation of investment capital, dividends on equity, repayment of principal or interest on subordinated debt or otherwise) shall be deemed not to be Uninvested Cash;
<b>“US” or “United States”</b>	means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
<b>“US Person” or “United States Person”</b>	has the meaning given in Regulation S under the Securities Act;
<b>“Valuation”</b>	means the Directors’ calculation, having been advised by PwC, of a Fair Market Value of the New Portfolio as at 28 September 2011, as set out in Part 4 of this Prospectus;
<b>“Valuation Day”</b>	means 31 March, 30 June, 30 September and 31 December of each year;
<b>“Valuation Opinion Letter”</b>	means the report prepared by PwC in relation to its opinion as to a Fair Market Value of the New Portfolio, as set out in the appendix to Part 4 of this Prospectus;
<b>“VAT”</b>	means value added tax; and
<b>“Vendors”</b>	means the vendors (other than JLPTL) of the projects comprising the New Portfolio, being John Laing Infrastructure Limited, John Laing Social Infrastructure Limited and John Laing Investments Limited.

## **APPENDIX 1 – TERMS AND CONDITIONS OF THE OPEN OFFER**

### **1. Introduction**

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 26 September 2011. Open Offer Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 29 September 2011 and Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST by 30 September 2011. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00am on 24 October 2011 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00am on 28 October 2011.

This document and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these Terms and Conditions which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of these Terms and Conditions.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Application will be made to the Financial Services Authority for the Open Offer Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's Main Market.

The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, 148,365,000 Open Offer Shares pro rata to their Record Date holdings at the Issue Price of 105 pence per Open Offer Share in accordance with these Terms and Conditions.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for their Open Offer Entitlements in full to apply for additional New Shares. The Excess Application Facility will be comprised of Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements. There is no limit on the amount of New Shares that can be applied for by Qualifying Shareholders under the Excess Application Facility, save that the maximum amount of New Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of Issue less New Shares issued under the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements, the Placing and the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion following consultation with JPMC and JLCM, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in part or at all.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 8.00am on the "Ex" date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

### **2. The Open Offer**

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), Qualifying Shareholders are being given the opportunity to apply for Open Offer Shares at the Issue Price (payable in full on application and free of all expenses) based on their Open Offer Entitlement which shall be calculated on the basis of:

**One Open Offer Share for every two Existing Ordinary Shares**

registered in the name of each Qualifying Shareholder on the Record Date and so in proportion for any other number of Ordinary Shares then registered.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Shares.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than two Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility provided they have applied for their Open Offer Entitlements in full. Please refer to paragraphs 4.1(c) and 4.2(c) of these Terms and Conditions for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3).

Qualifying CREST Shareholders will have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to their stock accounts in CREST (subject to paragraph 4.2(a) of these Terms and Conditions) and should refer to paragraph 4.2 of these Terms and Conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 4 on the Open Offer Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Box 7 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine in their absolute discretion, following consultation with JPMC and JLCM, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

**Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for in respect of the Open Offer may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be issued to the**

**subscribers under Placing and/or the Offer for Subscription, with the proceeds retained for the benefit of the Company.**

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts by 30 September 2011.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST.

The Open Offer Shares will be issued credited as fully paid and will rank pari passu in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer, the Excess Application Facility and the Offer for Subscription.

### **3. Conditions and further terms of the Open Offer**

The Open Offer is conditional on the Placing Agreement becoming unconditional in all respects and Admission of the Open Offer Shares becoming effective by not later than 8.00am on 28 October 2011 (or such later time and/or date as the Company and the Bookrunner may determine, not being later than 8.00am on 11 November 2011).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Issue will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form during the week commencing 31 October 2011. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 28 October 2011.

Applications will be made for the Open Offer Shares to be listed on the premium segment of the Official List and to be admitted to trading on the London Stock Exchange's Main Market. Admission is expected to occur on 28 October 2011, when dealings in the Open Offer Shares are expected to begin. All monies received by Capita Registrars in respect of Open Offer Shares will be placed on deposit in a non-interest bearing account.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

### **4. Procedure for application and payment**

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to

the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(e) of these Terms and Conditions.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

**Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.**

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer

(a) ***General***

Subject as provided in paragraph 6 of these Terms and Conditions in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 4. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than two Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these Terms and Conditions). Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a bona fide market claim. Qualifying Non-CREST Shareholders may also apply for Open Offer Shares in excess of their Open Offer Entitlements under the Excess Application Facility by completing Box 7 of the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) ***Bona fide market claims***

Applications to acquire Open Offer Shares may only be made on the Open Offer Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a bona fide market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy bona fide market claims up to 3:00 p.m. on 20 October 2011. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be



forwarded to or transmitted in or into the United States or any Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraphs 4.2(b) below.

(c) ***Excess Application Facility***

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Box 7 of the Open Offer Application Form. The maximum amount of New Shares to be allotted under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to: (a) the maximum size of Issue; less (b) New Shares issued under the Open Offer pursuant to Qualifying Shareholders’ Open Offer Entitlements, the Placing and the Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion, following consultation with JPMC and JLCM, to allocate New Shares that would otherwise have been available under the Placing and the Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, following consultation with JPMC and JLCM, and no assurance can be given that the applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) ***Application procedures***

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by Capita Registrars by no later than 11.00am on 24 October 2011, after which time Open Offer Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker’s draft made payable to Capita Registrars Limited re John Laing Infrastructure Fund Limited Open Offer Acceptance A/C and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom, the Channel Islands or the Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker’s drafts where the building society or bank has confirmed that the



relevant Qualifying Shareholder has title to the underlying funds by printing the Qualifying Shareholder's name on the back of the draft and adding the branch stamp) will be subject to the Money Laundering Regulations which would delay Shareholders receiving their Open Offer Shares (please see paragraph 5 below).

Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the Issue Conditions are fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00am on 24 October 2011; or
- (ii) applications in respect of which remittances are received before 11.00am on 24 October 2011 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

**(e) *Effect of application***

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company and the Bookrunner that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and the Bookrunner that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of Guernsey;
- (iii) confirms to the Company and the Bookrunner that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company and the New Shares contained in this document;
- (iv) represents and warrants to the Company and the Bookrunner that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a bona fide market claim;

- (v) represents and warrants to the Company and the Bookrunner that if he has received some or all of his Open Offer Entitlements from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a bona fide market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form;
- (vii) represents and warrants to the Company and the Bookrunner that he is not, nor is he applying on behalf of any person who is, in the United States or a US Person (within the meaning of Regulation S of the Securities Act) is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares or Excess Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares or Excess Shares which are the subject of his application in the United States or to, or for the benefit of, a US Person or a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares or Excess Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it, in its absolute discretion, regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or Excess Shares under the Excess Application Facility;
- (viii) represents and warrants to the Company and the Bookrunner that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Bookrunner or any person affiliated with the Bookrunner in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to Capita Registrars Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00am to 5.00pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

**Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.**

- 4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(a) **General**

Subject as provided in paragraph 6 of these Terms and Conditions in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer and also an Excess

CREST Open Offer Entitlement up to the maximum number of New Shares available. A credit of 50 million Excess CREST Open Offer Entitlements will be made to each Qualifying CREST Shareholder; if a Qualifying CREST Shareholder would like to apply for a larger Excess CREST Open Offer Entitlement, such Qualifying CREST Shareholder should contact Capita Registrars to arrange for a further credit of New Shares to its Excess CREST Open Offer Entitlement, subject at all times to the maximum number of New Shares available). Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than two Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 3.00pm on 30 September 2011, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00am to 5.00pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Please note Capita Registrars cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) **Market claims**

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) **Excess Application Facility**

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these Terms and Conditions: "Terms and Conditions of the Open Offer" in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a bona fide market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open Offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess Application Facility.

The maximum amount of New Shares to be allotted under the Excess Application Facility (the "**Maximum Excess Application Number**") shall be limited to: (a) the maximum size of Issue; less (b) New Shares issued pursuant to Qualifying Shareholders' Open Offer Entitlements, the Placing and the Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion (following consultation with JPMC and JLCM) to allocate New Shares that would otherwise have been available under the Placing and the Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion (following consultation with JPMC and JLCM), and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

A credit of 50 million Excess CREST Open Offer Entitlements will be made to each Qualifying CREST Shareholder; if a Qualifying CREST Shareholder would like to apply for a larger Excess CREST Open Offer Entitlement, such Qualifying CREST Shareholder should contact Capita Registrars to arrange for a further credit of New Shares to its Excess CREST Open Offer Entitlement, subject at all times to the maximum number of New Shares available.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to the Registrar on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to the 0871 664 0321 number are charged at ten pence per minute from a BT landline, other telephone provider costs may vary. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. Lines are open from 9.00am to 5.00pm on Monday to Friday excluding public holidays. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlement or apply for Excess Shares.

(d) ***USE instructions***

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of Capita Registrars under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of Capita Registrars in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(e) ***Content of USE Instruction in respect of Open Offer Entitlements***

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to Capita Registrars);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00B3MHKS70;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Registrars in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of Capita Registrars in its capacity as a CREST receiving agent. This is 27475JOH;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11.00am on 24 October 2011; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00am on 24 October 2011. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 24 October 2011 in order to be valid is 11.00am on that day. If the Issue does not become unconditional by 8.00am on 28 October 2011 or such later time and date as the Company and the Bookrunner determine (being no later than 11 November 2011), the Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) ***Content of USE instruction in respect of Excess CREST Open Offer Entitlements***

The USE Instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to Capita Registrars);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00B5N5KK66;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of Capita Registrars in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of Capita Registrars in its capacity as Receiving Agent. This is 27475JOH;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph (f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00am on 24 October 2011; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Excess Application Facility to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00am on 24 October 2011.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 24 October 2011 in order to be valid is 11.00am on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.



In the event that the Issue does not become unconditional by 28 October 2011 or such later time and date as the Company and JPMC determine (being no later than 11 November 2011), the Open Offer and the Excess Application Facility will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) ***Deposit of Open Offer Entitlements into, and withdrawal from, CREST***

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a bona fide market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00am on 24 October 2011. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST, is 3.00pm on 19 October 2011 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST is 4:30pm on 17 October 2011 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements and Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements prior to 11.00am on 24 October 2011. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and Capita Registrars by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not in the United States or a US Person (within the meaning of Regulation S under the Securities Act) or citizen(s) or resident(s) of any Excluded Territory or any jurisdiction in which the application for New Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST

member(s) is/are entitled to apply under the Open Offer or the Excess Application Facility by virtue of a bona fide market claim.

(h) **Validity of application**

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00am on 24 October 2011 will constitute a valid application under the Open Offer and, if applicable, the Excess Application Facility.

(i) **CREST procedures and timings**

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer and the Excess Application Facility. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00am on 24 October 2011. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) **Incorrect or incomplete applications**

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through Capita Registrars, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares or Excess Shares, as applicable, as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares and/or Excess Shares referred to in the relevant USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) **Effect of valid application**

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer or the Excess Application Facility, as the case may be, and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or Excess Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrar's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees that all applications and contracts resulting therefrom under the Open Offer and the Excess Application Facility shall be governed by, and construed in accordance with, the law of the Island of Guernsey;



- (iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company and the New Shares contained in this document;
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and Excess CREST Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a bona fide market claim;
- (vi) represents and warrants that if he has received some or all of his Open Offer Entitlements and Excess CREST Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer and the Excess Application Facility in relation to such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a bona fide market claim.
- (vii) subject to certain limited exceptions, requests that the New Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Incorporation and Articles of Incorporation;
- (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or a US Person (within the meaning of Regulation S of the Securities Act) or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares or Excess Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares or Excess Shares which are the subject of his application in the United States or to, or for the benefit of, a US Person or a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares or Excess Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer or Excess Shares under the Excess Application Facility;
- (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (x) confirms that in making the application he is not relying and has not relied on the Bookrunner or any person affiliated with the Bookrunner in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) ***Company's discretion as to the rejection and validity of applications***

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these Terms and Conditions;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid

application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;

- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the “first instruction”) as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Registrar has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares or Excess Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

(m) ***Lapse of the Open Offer and the Excess Application Facility***

In the event that the Issue does not become unconditional by 28 October 2011 or such later time and date as the Company and the Bookrunner may agree, the Open Offer and the Excess Application Facility will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

## **5. Anti-money laundering regulations**

### **5.1 Holders of Open Offer Application Forms**

To ensure compliance with the Money Laundering Regulations, Capita Registrars may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar. In such case, the lodging agent’s stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the “relevant Open Offer Shares”) shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Registrar determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares and, if applicable, Excess Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Registrar is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Registrar nor the Company

will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer or under the Excess Application Facility will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, Capita Registrars, and the Bookrunner from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares and Excess Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (a) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Capita Registrars Limited re John Laing Infrastructure Fund Limited Open Offer Acceptance A/C" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the back of the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- (b) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact Capita Registrars.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact Capita Registrars by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00am to 5.00pm (London time) Monday to Friday. Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply

to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer or the Excess Application Facility nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of Open Offer Shares and Excess Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of Open Offer Shares and Excess Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00am on 24 October 2011, Capita Registrars has not received evidence satisfactory to it as aforesaid, the Company may reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

## **5.2 *Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST***

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for New Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Registrar before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares and/or Excess Shares represented by the relevant USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

## **6. Overseas Shareholders**

This document has been approved by the FSA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer and the Excess Application Facility to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

### **6.1 *General***

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or agents, custodians, trustees or guardians for citizens, residents in or nationals of, countries other than

the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer or Excess Shares under the Excess Application Facility.

No action has been or will be taken by the Company, the Bookrunner, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Open Offer Application Form(s) relating to the Open Offer Shares or the Excess Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements and Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer or Excess Shares under the Excess Application Facility to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Bookrunner, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares or the Excess Shares regarding the legality of an investment in the Open Offer Shares or the Excess Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer, the Excess Application Facility or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by

his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer or Excess Shares under the Excess Application Facility unless the Company and the Bookrunner determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these Terms and Conditions and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for Open Offer Shares in respect of the Open Offer or Excess Shares under the Excess Application Facility must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares or Excess Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or Excess Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.6 below.

Notwithstanding any other provision of this document or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer and/or Excess Shares under the Excess Application Facility if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares and/or Excess Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Excluded Territories Shareholders in the United States or who have registered addresses in, or who are US Persons (within the meaning of Regulation S of the Securities Act) or who are resident or ordinarily resident in, or citizens of (as applicable), any Excluded Territory will not qualify to participate in the Open Offer or the Excess Application Facility and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares and Excess Shares have not been and will not be registered under the relevant laws of the United States or any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States or any Excluded Territory or to, or for the account or benefit of, any US Person or any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares or the Excess Shares is being made by virtue of this document or the Open Offer Application Forms into the United States or any Excluded Territory.



Receipt of this document and/or an Open Offer Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

## 6.2 ***The United States***

None of the New Shares, the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements have been or will be registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States and may be offered, sold, taken up, exercised, resold, renounced, transferred, distributed or delivered, directly or indirectly, within the United States or to US Persons (within the meaning of Regulation S of the Securities Act). There will be no public offer of the Existing Ordinary Shares or the New Shares in the United States.

Accordingly, the Open Offer is not being made in the United States or to US Persons and none of this document, the Open Offer Application Form nor the crediting of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire any Open Offer Shares and/or Excess Shares in the United States. This document will not be sent to any Shareholder with a registered address or who is otherwise located in the United States.

Any person who acquires Open Offer Shares or Excess Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document and/or the Open Offer Application Form or by applying for Open Offer Shares in respect of Open Offer Entitlements or Excess Shares in respect of Excess CREST Open Offer Entitlements credited to a stock account in CREST and delivery of the Open Offer Shares or Excess Shares, that (1) they are not, and that at the time of acquiring the Open Offer Shares or Excess Shares they will not be, in the United States or applying for Open Offer Shares or Excess Shares on behalf of, or for the account of, persons in the United States unless (a) the instruction to apply was received from a person outside the United States and (b) the person giving such instruction has confirmed that (i) it has authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Open Offer Shares or Excess Shares in an "offshore transaction" within the meaning of Regulation S, and (2) they are not applying for the Open Offer Shares or Excess Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Open Offer Shares or Excess Shares into the United States; and (3) they are not a US Person or acquiring the Open Offer Shares or Excess Shares on behalf of a US Person.

The Company reserves the right to treat as invalid any Open Offer Application Form that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance of the Open Offer, or where the Company believes such acceptance may infringe applicable legal or regulatory requirements. The Company will not be bound to allot or issue any Open Offer Shares or Excess Shares to any person or to any person who is acting on behalf of, or for the account or benefit of, any person on a non-discretionary basis with an address in, or who is otherwise located in, the United States or who is a US Person in whose favour an Open Offer Application Form or any Open Offer Shares or Excess Shares may be transferred. In addition, the Company and the Bookrunner reserve the right to reject any many-to-many instruction sent by or on behalf of any CREST Member with a registered address or who is otherwise located in the United States in respect of Open Offer Shares or Excess Shares or who does not make the above warranty. Any payment made in respect of Open Offer Application Forms under any of these circumstances will be returned without interest.

## 6.3 ***Excluded Territories***

Due to restrictions under the securities laws of the Excluded Territories, Shareholders who have a registered address in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territory, will not qualify to participate in the Open Offer or under the Excess

Application Facility and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares and Excess Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares or Excess Shares is being made by virtue of this document or the Open Offer Application Forms into any Excluded Territory.

#### **6.4 *Overseas territories other than Excluded Territories***

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer or Excess Shares under the Excess Application Facility in accordance with the instructions set out in this document and the Open Offer Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer or any Excess Shares under the Excess Application Facility.

#### **6.5 *Representations and warranties relating to Overseas Shareholders***

##### **(a) *Qualifying Non-CREST Shareholders***

Any person completing and returning an Open Offer Application Form or requesting registration of the Open Offer Shares comprised therein or of any Excess Shares represents and warrants to the Company, the Bookrunner and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares or Excess Shares from within the United States or any Excluded Territory; (ii) such person is not a US Person (within the meaning of Regulation S under the Securities Act); (iii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or Excess Shares under the Excess Application Facility or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iv) such person is not acting on a non-discretionary basis for a US Person or for a person located within any Excluded Territory (except as agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) such person is not acquiring Open Offer Shares or Excess Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares or Excess Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Open Offer Application Form or of Excess Shares under the Excess Application Facility if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or an Excluded Territory for delivery of the share certificates of Open Offer Shares or Excess Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).



(b) *Qualifying CREST Shareholders*

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in these Terms and Conditions represents and warrants to the Company and the Bookrunner that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not accepting within the United States or any Excluded Territory; (ii) he or she is not a US Person (within the meaning of Regulation S under the Securities Act); (iii) he or she is not accepting in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares or Excess Shares; (iv) he or she is not accepting on a non-discretionary basis for a US Person or for a person located within any Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (iii) above at the time the instruction to accept was given; and (v) he or she is not acquiring any Open Offer Shares or Excess Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares or Excess Shares into any of the above territories.

**6.6 Waiver**

The provisions of this paragraph 6 and of any other terms of the Open Offer and the Excess Application Facility relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Bookrunner in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer and the Excess Application Facility inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

**7. Admission, settlement and dealings**

The results of the Issue are expected to be announced on 25 October 2011. Applications will be made to the UKLA for the Open Offer Shares and the Excess Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Open Offer Shares and the Excess Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Open Offer Shares and the Excess Shares, fully paid, will commence at 8.00am on 28 October 2011.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00am on 24 October 2011 (the latest date for applications under the Open Offer and the Excess Application Facility). If the condition(s) to the Issue described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the relevant USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares and Excess Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the New Shares validly applied for are expected to be dispatched by post during the week commencing 31 October 2011. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

Qualifying Shareholders wishing to exercise statutory withdrawal right pursuant to section 87(Q)(4) of FSMA after the publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (which shall include a notice sent by any form of electronic communication) which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST Member with Capita Registrars, by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by email to [withdraw@capitaregistrar.com](mailto:withdraw@capitaregistrar.com) so as to be received not later than two Business Days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by Capita Registrars after expiry of such period will not constitute a valid withdrawal, provided that the Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of his subscription in full and the allotment of Open Offer Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are recommended to seek independent legal advice.

## **8. Times and dates**

The Company shall, in agreement with the Bookrunner and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are dispatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA and, if appropriate, by Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

## **9. Governing law and jurisdiction**

The terms and conditions of the Open Offer and the Excess Application Facility as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, the law of the Island of Guernsey. The Guernsey courts are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer or the Excess Application Facility, this document or the Open Offer Application Form. By taking up Open Offer Shares and/or Excess Shares in accordance with the instructions set out in this document and, where applicable, the Open Offer Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the Guernsey courts and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

## **10. Further information**

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

## APPENDIX 2 – TERMS AND CONDITIONS OF THE OFFER FOR SUBSCRIPTION

The New Shares are only suitable for investors who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company, for whom an investment in one or more classes of shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Application Form.

In these terms and conditions, which apply to the Offer for Subscription:

**“Applicant”** means a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details of an Application Form;

**“Application”** means the offer made by an Applicant by completing an Application Form and posting (or delivering by hand during normal business hours only) it to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, as specified in the Prospectus;

**“Money Laundering Regulations”** means the UK Money Laundering Regulations 2007 (SI 2007/2157) and, where appropriate, the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007 and any other applicable anti-money laundering guidance, regulations or legislation;

**“Prospectus”** means the prospectus dated 28 September 2011 published by the Company;

**“US Person”** has the meaning given in Regulation S of the US Securities Act of 1933 (as amended).

Capitalised terms used and not defined herein shall have the meaning given to them in the Prospectus.

### The Terms and Conditions

- (a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
  - (i) Admission becoming effective by not later than 8.00 a.m. (London time) on 28 October 2011 (or such later date as may be provided for in accordance with the terms of the Placing Agreement referred to in Part 9 of the Prospectus);
  - (ii) the Placing Agreement referred to in Part 9 of the Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective; and
  - (iii) satisfaction of the conditions set out in Part 5 of the Prospectus.
- (b) The Company reserves the right to present all cheques and banker's drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's New Shares into CREST, pending clearance of the successful Applicant's cheques or banker's drafts. The Company also reserves the right to reject in whole or part, or to scale down or limit, any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first Applicant through the post at the risk of the person(s) entitled thereto. In the meantime, application monies will be retained by the Receiving Agent in a separate account.

To ensure compliance with the Money Laundering Regulations, the Company (or any of its agents) may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf an Application Form is lodged with payment. If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Company (or any of its agents).

The person lodging the Application Form with payment and in accordance with the other terms as described above, including any person who appears to the Company (or any of its agents) to be acting on behalf of some other person, accepts the Offer for Subscription in respect of such number of offered New Shares as is referred to therein and shall thereby be deemed to agree to provide the Company (or any of its agents) with such information and other evidence as the Company (or any of its agents) may require to satisfy the verification of identity requirements.

If the Company (or any of its agents) determines that the verification of identity requirements apply to any Application, the relevant New Shares (notwithstanding any other term of the Offer for Subscription) will not be issued to the relevant Applicant unless and until the verification of identity requirements have been satisfied in respect of that Applicant (or any beneficial holder) or Application. The Company (or any of its agents) is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any Application and whether such requirements have been satisfied, and neither the Company nor any agent of it will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Company (or any of its agents) has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant Application as invalid, in which event the monies payable on acceptance of the Offer for Subscription will be returned (at the Applicant's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

Submission of an Application Form with the appropriate remittance will constitute a warranty to each of the Company, Capita Registrars, the Bookrunner, the Administrator and the Registrar from the Applicant that the Money Laundering Regulations will not be breached by application of such remittance. The verification of identity requirements will not usually apply:

- if the Applicant is an organisation required to comply with the Money Laundering Directive (2005/60/EC of the European Parliament and of the EC Council of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing); or
- if the Applicant is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations; or
- if the aggregate subscription price for the offered New Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. If the Application Form is lodged with payment by a regulated financial services firm (being a person or institution) (the "Firm") which is located in Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States of America, the Firm should provide with the Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Company (or any of its agents). If the Firm is not such an organisation, it should contact Capita Registrars Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. To confirm the acceptability of any written assurance referred to above, or in any other case, the Applicant should call the Shareholder Helpline on 0871 664 0321

(calls to this number are charged at 10 pence per minute from a BT Landline, other network providers' costs may vary) or +44 208 639 3399 if calling from outside the United Kingdom or the Channel Islands. Calls to the helpline from outside the United Kingdom will be charged at applicable international rates. Lines are open 9.00am to 5.00pm (London time) Monday to Friday. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

If the Application Form(s) is/are in respect of New Shares with an aggregate subscription price of more than €15,000 (approximately £13,000) and is/are lodged by hand by the Applicant in person, or if the Application Form(s) in respect of New Shares is/are lodged by hand by the Applicant and the accompanying payment is not the Applicant's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by 1.00pm on 17 October 2011, Capita Registrars has not received evidence satisfactory to it as aforesaid, Capita Registrars may, as agent of the Company and upon instruction from the Company, reject the relevant Application, in which event the monies submitted in respect of that Application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

All payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom, the Channel Islands or the Isle of Man of a bank or a building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by those companies or committees: cheques and banker's drafts must bear the appropriate sort code in the top right hand corner. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Capita Registrars re: **"John Laing Infrastructure Fund Limited – Offer for Subscription A/C"** in respect of an Application and crossed **"A/C Payee Only"**. Cheques should be for the full amount payable on Application. Post-dated cheques and payment via CHAPS, BACS or electronic transfer will not be accepted.

Third party cheques may not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/banker's draft to such effect. The account name should be the same as that shown on the Application Form.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Application Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

- (a) Applicants should make payment by a cheque drawn on an account in their own name and write their name and address on the back of the banker's draft or cheque and, in the case of an individual, record his date of birth against his name; banker's drafts should be duly endorsed by the bank or building society on the reverse of the cheque as described above; and
- (b) if an Applicant makes the Application as agent for one or more persons, he should indicate on the Application Form whether he is a UK or EU-regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU regulated person or institution, he should contact the Receiving Agent.

By completing and delivering an Application Form you, as the Applicant (and, if you sign the Application Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (h) below):

- (a) offer to subscribe for the number of New Shares specified in your Application Form (or such lesser number for which your Application is accepted) on the terms of and subject to the

Prospectus, including these terms and conditions, and subject to the Memorandum of Incorporation and Articles of Incorporation of the Company;

- (b) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked until after 1.00pm on 17 October 2011 (or such later time and date as the Directors may determine the closing of the Offer for Subscription is postponed in accordance with the Prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand during normal business hours only) on receipt by, the Receiving Agent of your Application Form;
- (c) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Shares until you make payment in cleared funds for the New Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent, against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Shares and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or banker's draft accompanying your Application, without interest;
- (d) agree that (i) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations and (ii) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (e) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- (f) agree that, in respect of those New Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
- (g) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) is/are placed on the register of members of the Company in Guernsey in respect of such New Shares and to send a crossed cheque for any monies returnable by post without interest, at the risk of the persons entitled thereto, to the address of the person (or in the case of joint holders the first-named person) named as an Applicant in the Application Form;
- (h) warrant that, if you sign the Application Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney, or a copy thereof duly certified by a solicitor or bank, with the Application Form;
- (i) agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with the law of the Island of Guernsey, and that you submit to the jurisdiction of the Guernsey courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (j) confirm that in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in the Prospectus and, accordingly, you agree that no person



(responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof) shall have any liability for any such information or representation;

- (k) confirm that your Application is made solely on the terms of the Prospectus and subject to the Memorandum of Incorporation and Articles of Incorporation of the Company;
- (l) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (m) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the New Shares contained therein;
- (n) confirm that you have reviewed the restrictions contained in these terms and conditions;
- (o) warrant that, if you are an individual, you are not under the age of 18;
- (p) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (q) warrant that in connection with your Application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your Application;
- (r) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not (i) a US Person (meaning any person who is a US Person within the meaning of Regulation S adopted under the United States Securities Act of 1933 (as amended)) and are not acting on behalf of a US Person, that you are not purchasing with a view to re-sale in the US or to or for the account of a US Person and that you are not an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (ii) a resident of one of the Excluded Territories; and
- (s) agree, on request by the Company or the Receiving Agent on behalf of the Company, to disclose promptly in writing to the Company or the Receiving Agent any information which the Company or the Receiving Agent may reasonably request in connection with your Application, and authorise the Company or the Receiving Agent on behalf of the Company to disclose any information relating to your Application as it considers appropriate.

No person receiving a copy of this Prospectus and/or an Application Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application Form could lawfully be used without contravention of any, or compliance with, any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Shares under the Offer for Subscription to satisfy himself as to full observance of the laws of any relevant territory in connection with any such Application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

The New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an "investment company" under the Investment Company Act, and investors will not be entitled to the benefits of that Act. In addition, relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of any of the Excluded Territories and, accordingly,

unless an exemption under any relevant legislation or regulations is applicable, none of the New Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in any of the Excluded Territories. Unless the Company has expressly agreed otherwise in writing, you represent and warrant to the Company that you are not a US Person or a resident of any of the Excluded Territories and that you are not subscribing for such New Shares for the account of any US Person or resident of any of the Excluded Territories and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, New Shares subscribed for by you in the United States or any of the Excluded Territories or to any US Person or resident of any of the Excluded Territories. Subject to certain exceptions, no Application will be accepted if it bears an address in the United States or any of the Excluded Territories unless an appropriate exemption is available as referred to above.

Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001 and the Data Protection Act 1998 (the “**DP Laws**”), the Company, the Administrator the Registrar and/or Capita Registrars may hold personal data (as defined in the DP Laws) relating to past and present shareholders. Such personal data is held by Capita Registrars as Receiving Agent, who will share such data with the Administrator and the Registrar, and is used by the Administrator and the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned below when (i) effecting the payment of dividends to Shareholders and the payment of commissions to third parties and (ii) filing returns of shareholders and their respective transactions in Shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.

The countries referred to in the paragraph immediately above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, India, Japan, New Zealand, Republic of Korea, Russian Federation, Singapore, South Africa, Switzerland and the United States.

By becoming registered as a holder of Shares in the Company, a person becomes a data subject (as defined in the DP Laws) and is deemed to have consented to the processing by the Company, the Administrator, the Registrar and/or Capita Registrars of any personal data relating to them in the manner described above.

The basis of allocation will be determined by the Directors, after consultation with JPMC and the Investment Adviser, at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Application Form, including if the accompanying cheque or banker’s draft is for the wrong amount.

Save where the context otherwise requires, words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Application Form and explanatory notes in relation thereto.



## NOTES ON HOW TO COMPLETE THE APPLICATION FORM

**Applications should be returned so as to be received by Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU no later than 1.00pm on 17 October 2011.**

**HELP DESK:** If you have a query concerning the completion of this Application Form, please telephone Capita Registrars between 9.00am and 5.00pm (London time) Monday to Friday on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline (other network providers' costs may vary). Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of any proposals to invest in the Company nor give any financial, legal or tax advice.

### 1. **Application**

Fill in (in figures) in Box 1 the amount of money being subscribed for the New Shares. The amount being subscribed must be for a minimum of £1,000 and thereafter in multiples of £500. Financial intermediaries who are investing on behalf of clients should make separate Applications for each client.

### 2A. **Holder details**

Fill in (in block capitals) the full name(s) of each holder and the address of the first named holder. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Application Form in section 3.

### 2B. **CREST**

If you wish your New Shares to be deposited in a CREST account in the name of the holders given in section 2A, enter in section 2B the details of that CREST account. Where it is requested that New Shares be deposited into a CREST account please note that payment for such New Shares must be made prior to the day such New Shares might be allotted and issued. It is not possible for an Applicant to request that New Shares be deposited in their CREST account on an against payment basis. Any Application Form received containing such a request will be rejected.

### 3. **Signature**

All holders named in section 2A must sign section 3 and insert the date. The Application Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Application Form.

### 4. **Cheque/banker's draft, payment details**

Payment must be made by a cheque or banker's draft and must accompany your Application. All payments by cheque or banker's draft must be for the exact amount inserted in section 1 of your Application Form. Your cheque or banker's draft must be made payable to Capita Registrars Limited Re "**John Laing Infrastructure Fund Limited – Offer for Subscription A/C**" in respect of an Application and crossed "**A/C Payee Only**". If you use a banker's draft or a building society cheque you should ensure that the bank or building society issuing the payment enters the name, address and account number of the person whose account is being

debited on the reverse of the banker's draft or cheque and adds its stamp. Cheques should be drawn on the personal account to which you have sole or joint title to the funds. Your cheque or banker's draft must be drawn in pounds sterling on an account at a bank branch in the United Kingdom, the Channel Islands or Isle of Man which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees, and must bear a United Kingdom, Channel Islands or Isle of Man bank sort code number in the top right hand corner. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the bank or building society has confirmed the name of the account holder by stamping and endorsing the cheque to such effect. Your payment must relate solely to this Application. No receipt will be issued.

## **5. Reliable introducer declaration**

Applications with a value greater than €15,000 (approximately £13,000) will be subject to verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 5 of the Application Form given and signed by a firm acceptable to the Company (or any of its agents). In order to ensure your Application is processed in a timely and efficient manner all Applicants are strongly advised to have the declaration provided in section 5 of the Application Form completed and signed by a suitable firm.

If the declaration in section 5 cannot be completed and the value of the application is greater than €15,000 (approximately £13,000) the documents listed below must be provided with the completed Application Form, as appropriate, in accordance with internationally recognised standards for the prevention of money laundering. Notwithstanding that the declaration in section 5 has been completed and signed the Company (or any of its agents) reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time your Application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a governmental approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation and the name of the firm should be clearly identified on each document certified.

## **6. 6A. For each holder being an individual enclose:**

- (1) a certified clear photocopy of one of the following identification documents which bears both a photograph and the signature of the person: current passport — Government or Armed Forces identity card — driving licence; and
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 2A is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill — a recent bank statement — a council rates bill — or similar document issued by a recognised authority; and
- (3) if none of the above documents show their date and place of birth, enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Company (or any of its agents) may request a reference, if necessary.

## **6B. For each holder being a company (a "holder company") enclose:**

- (1) a certified copy of the certificate of incorporation of the holder company; and

- (2) the name and address of the holder company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in 5A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete 5C below and, if another company is named (hereinafter a "beneficiary company"), also complete 5D below. If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

**6C. For each person named in 6B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in 6B(1) to 6B(4)**

**6D. For each beneficiary company named in 6B(7) as a beneficial owner of a holder company enclose:**

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Company (or any of its agents) may request a reference, if necessary; and
- (4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

The Company (or any of its agents) reserves the right to ask for additional documents and information.

## **7. Contact details**

To ensure the efficient and timely processing of your Application Form, please provide contact details of a person the Company (or any of its agents) may contact with all enquiries concerning your Application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your Application being rejected or revoked

# APPLICATION FORM UNDER THE OFFER FOR SUBSCRIPTION

**EXISTING SHAREHOLDERS WISHING TO SUBSCRIBE FOR NEW SHARES SHOULD COMPLETE  
AND RETURN THE PERSONALISED OPEN OFFER APPLICATION FORM**

## **For Office Use Only**

Log No.

**Important:** before completing this form, you should read the accompanying notes.

To: Capita Registrars, acting as receiving agent for John Laing Infrastructure Fund Limited

### **1. Application**

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for New Shares subject to the Terms and Conditions set out in Appendix 2 to the Prospectus dated 28 September 2011 and subject to the memorandum and articles of incorporation of the Company.

**Box 1 Subscription monies** (minimum subscription  
of £1,000 and then in multiples of £500.)

### **2A. Details of Holder(s) in whose Name(s) Shares will be issued (BLOCK CAPITALS)**

Mr, Mrs, Miss or Title .....

Forenames (in full).....

Surname/Company Name .....

Address (in Full) .....

Designation (if any) .....

Mr, Mrs, Miss or Title .....

Forenames (in full).....

Surname/Company .....

Mr, Mrs Miss or Title .....

Forenames (in full).....

Surname/Company Name .....

Mr, Mrs, Miss or Title .....

Forenames (in full).....

Surname/Company Name .....

## 2B. CREST details

(Only complete this section if New Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID.....

CREST Member Account ID.....

## 3. Signature(s) all holders must sign

First holder signature:

Second holder Signature:

Name (Print)

Name (Print)

Dated:

Dated:

Third holder signature:

Fourth holder Signature:

Name (Print)

Name (Print)

Dated:

Dated:

## 4. Cheques/banker's draft details

Pin or staple to this form your cheque or bankers draft for the exact amount shown in section 1 made payable to Capita Registrars Limited re "John Laing Infrastructure Fund Limited - Offer for Subscription A/C". Cheques and bankers drafts must be drawn in sterling on an account at a bank branch in the UK, the Channel Islands or the Isle of Man and must bear a UK, Channel Islands or Isle of Man bank sort code number in the top right hand corner.

## 5. Reliable introducer declaration

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 6 of the notes on how to complete this Application Form.

The declaration below may only be signed by a person or institution (being a regulated financial services firm) (the "**firm**") which is itself subject in its own country to operation of "customer due diligence" and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Canada, Cyprus, Denmark, Finland, France, Germany, Gibraltar, Guernsey, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Malta, the Netherlands, New Zealand, Norway, Portugal, Singapore, the Republic of South Africa, Spain, Sweden, Switzerland, the UK and the United States of America.

### Declaration: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor if not also the Applicant (collectively the "**subjects**") WE HEREBY DECLARE:

- (i) we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;
- (ii) we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
- (iii) each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;

- (iv) we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
- (v) having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the New Shares mentioned; and
- (vi) where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed .....

Name: .....

Position .....

having authority to bind the firm.

Name of regulatory authority .....

Firm's Licence number: .....

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address

#### 6. **Contact details**

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Company (or any of its agents) may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 3 on behalf of the first named holder. If no details are entered here and the Company (or any of its agents) requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

Contact Name..... E-mail address .....

Contact Address .....

.....

Telephone No ..... Fax No .....

