

AQUILA ENERGY EFFICIENCY TRUST PLC

Notice of Annual General Meeting

To be held at 2pm on 28 June 2022

at the offices of CMS Law, Cannon Place, 78 Cannon St, London EC4N 6AF

AQUILA ENERGY EFFICIENCY TRUST PLC

125 London Wall, London, England, EC2Y 5AS

Dear Shareholder,

I am writing to you to give you notice for the Annual General Meeting (“AGM”) of the Company to be held on 28 June 2022. This will be the Company’s first AGM. For reasons I will explain, this year will be unusual because of the need to meet various regulatory timetables and the AGM will be followed by another general meeting in late July 2022. The further general meeting in late July 2022 will be held in order to: receive the Company’s annual report and accounts for the period ended 31 December 2021, with the reports of the directors and auditors thereon; to approve the directors’ remuneration policy report included in the annual report and accounts for the period ended 31 December 2021; to approve the directors’ remuneration implementation report included in the annual report and accounts for the period ended 31 December 2021; to reappoint the PricewaterhouseCoopers (“PwC”) as auditors to the Company; to authorise the directors to fix the remuneration of the auditors until the conclusion of the next AGM of the Company; and, to approve the Company’s dividend policy.

The Company is required to hold an AGM by 30 June 2022, and, to announce and file the accounts by the same date. As you will be aware, between February and April 2022 the Board conducted an independent review of the Company’s investment strategy. The result of this review was announced on 21 April 2022 and included a number of recommendations, including that modifications be made to the Company’s contract with the Investment Adviser. The work involved in the investment strategy review, and, subsequently on implementing and documenting the recommendations, has inevitably had an impact on the timing of the production of the annual report and accounts and subsequent timing and completion of the audit by PwC. We are confident that we will publish the audited accounts for the period ended 31 December 2021 by the end of June 2022 (and file them by the statutory due date). However, we will be unable to put the accounts to members for consideration at the AGM because we do not expect that they will be published in time to fulfil the statutory requirement that the accounts be in the hands of members 21 days prior to the meeting at which they are to be considered. This is predominantly a procedural matter to ensure that the annual report and accounts appropriately reflect the outcome of the investment strategy review and the changes to fee arrangements with the Investment Adviser, and, in no way reflect any concerns about the Company and its financial position.

Therefore, we are calling an AGM for 28 June 2022 in order to comply with the statutory requirement to hold the AGM by 30 June 2022. At this AGM, resolutions will be put forward to elect each director, to give authority to allot new shares, to give authority to allot new shares free from pre-emption rights, to give authority for the Company to purchase its own shares, and, to authorise calling general meetings (other than AGMs) on 14 clear days’ notice.

These are standard resolutions and further explanations are set out below. At the second general meeting, expected to be in late July 2022, resolutions on the annual report and accounts will be put to shareholders, as explained above and there will be a presentation from the Investment Adviser on the Company and its prospects for 2022.

Formal notice of the AGM, to be held at 2.00 p.m. at the offices of CMS Law, Cannon Place, 78 Cannon St, London EC4N 6AF is included with this letter.

Yours faithfully

Miriam Greenwood OBE DL

Chair

31 May 2022

Explanation of the resolutions to be presented to shareholders at the AGM to be held on 28 June 2022.

Ordinary resolutions

Resolution 1. To elect Miriam Greenwood OBE DL – Appointed on 19 April 2021 as a director of the Company.

With qualifications as a barrister and in corporate finance, Miriam has spent more than 30 years working for a number of leading investment banks and other financial institutions and has been a non-executive director of several publicly listed and private companies. She was, for nine years until 2013, a non-executive director of the Gas and Electricity Markets Authority (Ofgem) and, until recently, Chair of the Gas Network Innovation Competition for seven years and has extensive experience in the energy and utilities industry. Miriam is Chair of SMS plc and holds non-executive director positions at River and Mercantile Group plc and at Gulf International Bank (UK), where she also chairs their respective Remuneration Committees. She is also a non-executive director of Canopus Managing Agents Ltd. Beyond Board roles, Miriam is an adviser to Ofgem on the current RIIO2 price control and to the Mayor of London's Energy Efficiency Fund. A Deputy Lieutenant of the City of Edinburgh, Miriam was awarded an OBE for services to corporate finance. Miriam chairs the Management Engagement Committee and the Nomination Committee.

Resolution 2. To elect David Fletcher – Appointed on 29 April 2022 as a director of the Company.

David was group finance director of Stonehage Fleming Family & Partners, a leading independently owned multi-family office, until 2019 having joined in 2002. Prior to that, he spent 20 years in investment banking with JPMorgan Chase, Robert Fleming & Co. and Baring Brothers & Co Limited, latterly focused on financial services in the UK (asset management and life insurance). He started his career with Price Waterhouse and is a chartered accountant. David is an independent non-executive director of Ecofin U.S. Renewables Infrastructure Trust PLC, where he is the chair of the audit committee, and an independent chair of JP Morgan Claverhouse Investment Trust plc. Additionally, David is an independent non-executive director of abrdn Smaller Companies Income Trust plc, where he is the chair of the audit committee. With effect from his appointment to the Board on 29 April 2022, David is Chair of the Audit and Risk Committee.

Resolution 3. To elect Nicholas Bliss – Appointed on 9 April 2021 as a director of the Company.

Nicholas established and led the global infrastructure and transport sector group at the international law firm Freshfields Bruckhaus Deringer LLP, where he was a partner for over 20 years and also served on the Partnership Council, the supervisory board of the firm. During this period, he led on mandates involving some of the most notable infrastructure projects across the UK, Europe, Africa and the Gulf. In particular, he was heavily involved in the development and application of PFI, PPP and other project finance techniques to the delivery of major infrastructure projects. Since leaving Freshfields, he has developed an expertise in both advising and acting as an independent director in “distressed situations” at SPV corporates owned by infrastructure funds or industrials. Among his other engagements, he is Of Counsel at Chatham Partners LLP, a Hamburg based infrastructure/energy/real estate “boutique” law firm. Nicholas acted as interim Chair of the Audit & Risk Committee, as well as Remuneration Committee, between 31 January 2022 and 29 April 2022.

Special resolutions

Resolutions 4 and 5. To give authority to issue new shares and to dis-apply pre-emption rights.

At the forthcoming AGM, the Board are seeking authority to allot up to a maximum of 10 per cent. of the Company's shares in issue as at the date of the Notice of AGM (equating to 10 million Ordinary Shares) and to dis-apply pre-emption rights. Authority granted under these resolutions will expire at the conclusion of the AGM to be held in 2023 unless renewed prior to this date via a General Meeting. The full text of these resolutions are set out in the Notice of Meeting accompanying this letter.

The authority granted by Shareholders to issue Ordinary Shares will provide flexibility to grow the Company and further expand the Company's list of assets. Ordinary Shares will only be issued at a premium to the prevailing NAV (cum income) to reflect the costs of issue. Ordinary Share issues are at the discretion of the Board.

Resolution 6. To give authority for the Company to purchase its own shares.

The Directors recommend that an authority to purchase up to 14,999,000 Ordinary Shares (subject to the condition that not more than 14.99 per cent. of the Ordinary Shares in issue, excluding Treasury Shares, at the date of the AGM are purchased) be granted and a resolution to that effect will be put to the AGM. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury.

The Companies Act 2006 permits companies to hold shares acquired by way of market purchase as treasury shares, rather than having to cancel them. This provides the Company with the ability to re-issue Ordinary Shares quickly and cost effectively, thereby improving liquidity and providing the Company with additional flexibility in the management of its capital base. No Ordinary Shares will be sold from treasury at a price less than the (cum-income) NAV per existing Ordinary Share at the time of their sale unless they are first offered pro rata to existing Shareholders. At the period end the Company did not hold any shares in treasury.

Unless otherwise authorised by Shareholders, Ordinary Shares will not be issued at less than NAV and Ordinary Shares held in treasury will not be sold at less than NAV.

Resolution 7. To authorise calling general meetings (other than Annual General Meetings) on 14 clear days' notice.

The Board believes that it is in the best interests of Shareholders of the Company to have the ability to call meetings on 14 days' clear notice on matters requiring urgent approval. The Board will therefore propose resolution 7 at the AGM to approve the reduction in the minimum notice period from 21 to 14 clear days for all general meetings other than annual general meetings.

Once approval is granted, the approval would be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. In accordance with the Shareholders' Rights Directive, the Company will offer the Shareholders the ability to vote by electronic means. This facility will be accessible to all Shareholders, should the Board call a General Meeting at 14 clear days' notice. Short notice will only be used by the Board under appropriate circumstances.

Aquila Energy Efficiency Trust PLC

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Aquila Energy Efficiency Trust PLC will be held at CMS Law, Cannon Place, 78 Cannon St, London EC4N 6AF on 28 June 2022 at 2.00 p.m. for the following purposes:

To consider and if thought fit pass the following resolutions of which resolutions 1 to 4 will be proposed as ordinary resolutions and resolutions 5 to 7 will be proposed as special resolutions.

Ordinary resolutions

1. To elect Miriam Greenwood as a Director of the Company.
2. To elect David Fletcher as a Director of the Company.
3. To elect Nicholas Bliss as a Director of the Company.
4. That the Directors be and are hereby generally and unconditionally authorised (in substitution for all subsisting authorities to the extent unused) to exercise all powers of the Company to allot relevant securities (as defined in section 551 of the Companies Act 2006) up to an aggregate nominal amount equal to £100,000 PROVIDED THAT the Directors may not allot relevant securities of an aggregate nominal amount more than 10 per cent. of the nominal value of the issued share capital (excluding Treasury Shares) at the date of the Annual General Meeting and that this authority shall expire (unless previously varied, revoked or renewed by the Company in general meeting) at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution (the "section 551 period") but so that the Directors may, at any time prior to the expiry of the section 551 period, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the section 551 period and the Directors may allot relevant securities in the pursuance of such an offer or agreement as if the authority granted by this resolution had not expired.

Special resolutions

5. That, subject to the passing of resolution 4 in the notice convening the meeting at which this resolution is to be proposed (the "notice of meeting") and in substitution for all existing powers, the Directors be and are hereby generally empowered pursuant to section 570 of the Companies Act 2006 (the "Act") to allot equity securities (as defined in section 560 (1) of the Act) for cash pursuant to the authority under section 551 of the Act conferred by resolution 4 in the notice of meeting as if section 561 of the Act did not apply to any such allotment, provided that this power:
 - (i) expires at the conclusion of the next annual general meeting of the Company or, if earlier, 15 months from the date this resolution is passed, but the Company may make an offer or agreement which would or might require equity securities to be allotted after expiry of this power and the Directors may allot equity securities in pursuance of that offer or agreement as if that power had not expired; and
 - (ii) shall be limited to the allotment of equity securities for cash up to an aggregate nominal amount of £100,000.

This power applies in relation to the sale of shares which is an allotment of equity securities that immediately before the allotment are held by the Company as treasury shares as if in the opening paragraph of this resolution the words "subject to the passing of resolution 4 in the notice convening the meeting at which this resolution is to be proposed ("the notice of meeting")" and "pursuant to the authority under section 551 of the Act conferred by resolution 4 in the notice of meeting" were omitted.

6. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Companies Act 2006 ("the Act") to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of 1p each, provided that:
 - (i) the maximum number of Ordinary Shares hereby authorised to be purchased shall be 14,990,000 (representing 14.99 per cent. of the Company's issued Ordinary Share capital at the date of the notice of this meeting);
 - (ii) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is 1 pence;

- (iii) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) 5 per cent. above the average of the middle market quotations for the Ordinary Shares for the five business days immediately before the day on which it purchases that share and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
 - (iv) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company or, if earlier, on the expiry of 15 months from the passing of this resolution, unless such authority is renewed prior to such time; and
 - (v) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.
7. That a general meeting of the Company other than an Annual General Meeting may be called on not less than 14 clear days' notice, provided that this authority shall expire at the conclusion of the Company's next Annual General Meeting after the date of the passing of this resolution.

Registered Office:

6th Floor, 125 London Wall, London, England, EC2Y 5AS

By order of the Board

Brian Smith for

Sanne Fund Services (UK) Limited

Company Secretary

31 May 2022

Notes to the Notice of Annual General Meeting

Website address

1. Information regarding the meeting, including the information required by section 311A of the Companies Act 2006, is available from www.aquila-energy-efficiency-trust.com.

Entitlement to attend and vote

2. Only those holders of Ordinary Shares registered on the Company's register of members at close of business on 24 June 2022 or, if this meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to attend and vote at the meeting.

Appointment of Proxies

3. Members entitled to attend, speak, and vote at the meeting (in accordance with note 2 above) are entitled to appoint one or more proxies to attend, speak and vote in their place. If you wish to appoint a proxy, please use the Form of Proxy enclosed with this document or follow the instructions at note 7 below if you wish to appoint a proxy through the CREST electronic proxy appointment service. In the case of joint members, only one need sign the Form of Proxy. The vote of the senior joint member will be accepted to the exclusion of the votes of the other joint members. For this purpose, seniority will be determined by the order in which the names of the members appear in the register of members in respect of the joint shareholding. The completion and return of the Form of Proxy will not stop you attending and voting in person at the meeting should you wish to do so. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise the rights attached to a different share or shares held by you. If you choose to appoint multiple proxies use a separate copy of this form (which you may photocopy) for each proxy and indicate after the proxy's name the number of shares in relation to which they are authorised to act (which, in aggregate, should not exceed the number of Ordinary Shares held by you). Please also mark the box to indicate if the proxy instruction is one of multiple appointments being made. All forms must be signed and returned in the same envelope.
4. You can appoint the Chair of the Meeting, or any other person, as your proxy. If you wish to appoint someone other than the Chair, please insert their name in the appropriate box.
5. You can instruct your proxy how to vote on each resolution by marking inside the 'For' and 'Against' boxes with an 'X' as appropriate (or entering the number of shares which you are entitled to vote). If you wish to abstain from voting on any resolution, please mark the box which is marked 'Vote Withheld' with an 'X'. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' a resolution. If you do not indicate on the Form of Proxy how your proxy should vote, he/she can exercise his/her discretion as to whether, and if so how, he/she votes on each resolution, as he/she will do in respect of any other business (including amendments to resolutions) which may properly be conducted at the meeting.

A company incorporated in England and Wales or Northern Ireland should execute the Form of Proxy under its common seal or otherwise in accordance with Section 44 of the Companies Act 2006 or by signature on its behalf by a duly authorised officer or attorney whose power of attorney or other authority should be enclosed with the Form of Proxy.

Appointment of Proxy using Hard Copy Form

6. The Form of Proxy and any power of attorney (or a notarially certified copy or office copy thereof) under which it is executed must be received by Computershare Investor Services PLC ("Computershare"), The Pavilions, Bridgwater Road, Bristol, BS99 6ZY at 2pm on 24 June 2022 in respect of the meeting. Any Forms of Proxy received before such time will be deemed to have been received at such time. In the case of an adjournment, the Form of Proxy must be received by Computershare no later than 48 hours before the rescheduled meeting.

On completing the Form of Proxy, sign it and return it to Computershare at the address shown on the Form of Proxy in the envelope provided. As postage has been pre-paid no stamp is required.

Appointment of Proxy through CREST

7. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the meeting to be held on the above date and any adjournment(s) thereof by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & International Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the Company's agent (ID: 3RA50) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting.

For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to a proxy's appointee through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & International Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy, which are to be transmitted through CREST, must be lodged at 2pm on 24 June 2022 in respect of the meeting. Any such messages received before such time will be deemed to have been received at such time. In the case of an adjournment, all messages must be lodged with Computershare no later than 48 hours before the rescheduled meeting.

Proxymity Voting

8. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 2pm on 24 June 2022 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy."

Termination of proxy appointments

9. In order to revoke a proxy instruction, you will need to inform the Company. Please send a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.

In the case of a member which is a company, the revocation notice must be executed under its common seal or otherwise in accordance with section 44 of the Companies Act 2006 or by signature on its behalf by an officer or attorney whose power of attorney or other authority should be included with the revocation notice.

Once a proxy has been lodged, it can be amended up to the meeting. If you attempt to revoke your proxy appointment but the revocation is received after the time specified in note 6 above then, subject to the paragraph directly below, your proxy will remain valid.

Completion of a Form of Proxy will not preclude a member from attending and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will be automatically terminated.

If you submit more than one valid proxy appointment in respect of the same Ordinary Shares, the appointment received last before the latest time for receipt of proxies will take precedence.

Nominated Persons

10. If you are a person who has been nominated under section 146 of the Companies Act 2006 to enjoy information rights:
- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights (Relevant Member) to be appointed or to have someone else appointed as a proxy for the meeting.
 - If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights.
 - Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps, your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.
 - If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in the notes to the Form of Proxy.

Questions at the meeting

11. Under section 319A of the Companies Act 2006, the Company must answer any question you ask relating to the business being dealt with at the meeting unless:
- answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Issued Shares and total voting rights

12. As at the date of this Notice, the total number of shares in issue is 100,000,000 Ordinary Shares of 1p each. The total number of Ordinary Shares with voting rights is 100,000,000. On a vote by a show of hands, every holder of Ordinary Shares who (being an individual) is present by a person, by proxy or (being a corporation) is present by a duly authorised representative, not being himself a member, shall have one vote. On a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every Ordinary Share held by him.

Communication

13. Except as provided above, members who have general queries about the meeting should use the following means of communication (no other methods of communication will be accepted):
- Calls to the Computershare shareholder helpline on 0370 703 0388 cost no more than a national rate from any type of phone or provider. If in doubt you should check with your phone line provider as to the exact cost involved for you to call this number. Lines are open 8.30am to 5.30pm, Monday to Friday excluding bank holidays; or
 - in writing to Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, BS99 6ZY.

You may not use any electronic address provided either in this notice of meeting or in any related documents (including the Form of Proxy for this meeting) to communicate with the Company for any purposes other than those expressly stated.

