

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or what action you should take, you should consult your stockbroker, bank manager, solicitor or other appropriate independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Ordinary Shares in the Company, please send this document and any accompanying documents at once to the purchaser or transferee or to the stockbroker, bank or other agent through or by whom the sale or transfer was effected, for onward delivery to the purchaser or transferee. However, these documents should not be forwarded or sent in, into or from the United States, Canada, Australia, New Zealand, Japan, the Republic of Ireland or South Africa or any other state or jurisdiction in which release, publication or distribution would be unlawful and therefore persons into whose possession this document and/or any accompanying documents come should inform themselves about and observe any applicable requirements. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. If you have sold or transferred only part of your holding of Ordinary Shares you should retain this document and any accompanying documents and contact the stockbroker, bank or other agent through or by whom the sale or transfer was effected immediately.

AQUILA ENERGY EFFICIENCY TRUST PLC

(Incorporated in England and Wales, registered number 13324616)

Notice of 2023 Annual General Meeting

Notice of the Annual General Meeting of the Company to be held at 2:00 p.m. on 14 June 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS is set out at the end of this document. Whether or not you intend to be present at the Annual General Meeting you are urged to complete and return the Form of Proxy, in accordance with the instructions set out in the notes to the Notice of Annual General Meeting, as soon as possible and in any event by no later than 2:00 p.m. on 12 June 2023.

The distribution of this document and/or any accompanying documents in jurisdictions other than the United Kingdom may be restricted by law and therefore persons who come into possession of this document and/or any accompanying documents should inform themselves of and observe such restrictions. Shareholders who are in any doubt regarding such matters should consult an appropriate independent adviser in their relevant jurisdiction without delay.

Any failure to comply with such restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. The Notice of Annual General Meeting and the Form of Proxy will be submitted to the National Storage Mechanism and shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism> and on the Company’s website at <https://www.aquila-energy-efficiency-trust.com>.

PART 1

Letter from the Chair

Aquila Energy Efficiency Trust plc

(Incorporated in England and Wales with registered number 13324616)
(Registered as an investment company under section 833 of the Companies Act 2006)

Directors

Miriam Greenwood OBE DL
Nicholas Bliss
David Fletcher
Janine Freeman

Registered Office

6th Floor
125 London Wall
London
EC2Y 5AS

30 April 2023

Dear Shareholder,

Notice of Annual General Meeting – change in investment policy and other matters

Introduction

I am writing to you to give you notice for the Annual General Meeting of the Company to be held on 14 June 2023. The Company launched in June 2021 and is a closed-ended UK investment trust whose Ordinary Shares are admitted to trading on the Premium List of the Main Market of the London Stock Exchange.

The Company's current investment objective is to generate attractive returns, principally in the form of income distributions by investing in a diversified portfolio of Energy Efficiency Investments.

On 28 February 2023, the Company held a continuation vote (the "February 2023 Continuation Vote") which did not pass. On 15 March 2023, the Board appointed Stifel Nicolaus Europe Ltd as sole financial adviser and sole corporate broker.

As the February 2023 Continuation Vote did not pass, and as announced on 28 February 2023, the Directors undertook, by 28 August 2023, being six months following the date of such general meeting, to recommend to Shareholders whether the Company should be reconstructed, re-organised or placed into liquidation.

At the Company's IPO in June 2021, the requirement for a continuation vote at the 2023 annual general meeting was written into the Company's Articles. This further continuation vote has to be held at the 2023 AGM in June and further details are set out below.

Following the result of the February 2023 Continuation Vote, the Company is currently not making new investments and its investing activity is solely in respect of funding legal commitments to existing investments. Following recent consultation with the Company's largest Shareholders, the Directors now recommend, at the Company's forthcoming AGM, the continuation of the Company as an investment trust only on the basis that the Company will make no new investments (outside existing legal commitments) and that the Portfolio will go into a Managed Run-Off (the "Continuation Managed Run-Off Resolution").

The purpose of this document is therefore to set out details of the Board's recommended proposals in relation to the future of the Company and to convene its AGM. Further details of the Managed Run-Off and the Continuation Managed Run-Off Resolution, which will be put to Shareholders at the AGM, are set out below. Further details of the remaining resolutions to be considered at the Company's Annual General Meeting are set out in Part 4.

The Notice of Annual General Meeting is set out at the end of this document.

Background to and reasons for the Managed Run-Off

Managed Run-Off

As indicated above, the February 2023 Continuation Vote did not pass.

Whilst Shareholders were supportive of the Energy Efficiency Investment proposition of the Company, the Board believe that the February 2023 Continuation Vote did not pass because of certain Shareholders' concerns about the Company's size, scalability, liquidity and the discount to NAV at which the Ordinary Shares trade.

As announced on 28 February, the Directors undertook, by 28 August 2023, to recommend to Shareholders whether the Company should be reconstructed, re-organised or placed into liquidation. However, the Directors are also required to hold a further continuation vote at the AGM in June 2023, pursuant to the Articles. As a consequence of the failed February 2023 Continuation Vote, the Board wishes to combine these two requirements in a single resolution which will be put to Shareholders, in the form of the Continuation Managed Run-Off Resolution, that is, to continue the Company under a revised investment policy reflecting a Managed Run-Off, as set out in Part 3 of this document.

As at 31 March 2023, the Company and its immediate investment holding entities had:

- 38 private investments across Germany, Italy, Spain and the UK held in the Group's balance sheet at the sterling equivalent of approximately £62.57 million*, and with investment maturity periods of up to 15 years;
- Cash or cash equivalents at the sterling equivalent of £33.19 million**, which includes £5 million cash held by a bank as collateral for the Company's currency hedging strategy;
- Contractual obligations to make a further funding of the sterling equivalent of approximately £37.03 million* into existing investments (the "Unfunded Commitments"); and
- No credit facilities available.

**Reflecting 31 December 2022 valuation in local currency, with investments at cost since then, translated into £, where relevant, at €1.1295:£1. The Company's next NAV per share will be published in respect of 30 June 2023.*

*** For cash in Euro accounts, converted at €1.1295:£1*

Given the private and illiquid nature of the investments (which are usually a tri-partite arrangement between the Group, an industrial counterparty and an ESCO), the duration and the complexities of the Portfolio, the Directors do not believe it is in the best interests of Shareholders to place the Company into liquidation at this time.

The Board has determined that the Company should be re-organised and put into Managed Run-Off whereby assets will be realised at the best value which the Directors consider can be achieved within a reasonable timeframe. Given the Company's current cash levels, size of the Unfunded Commitments set out above, and the expected natural run-off of the Company's investments, the Board expects to be in a position to start to return capital to Shareholders in the fourth quarter of 2023.

However, under the Managed Run-Off, the Company will continue, with its advisers, to consider other strategic solutions in respect of the Company's assets which have the potential to offer greater shareholder value sooner than under a run-off of the investments. The Board will also consider any proposals which address the Company's size and liquidity which would need to be assessed against the potential value which can be achieved for Shareholders via a Managed Run-Off.

The Company is therefore seeking Shareholder approval to re-organise the Company by replacing the Company's Current Investment Objective and Investment Policy which is set out in Part 2 of this document with the New Investment Policy set out in Part 3 and to approve the Continuation Managed Run-Off Resolution.

Further details of the Managed Run-Off

If the Continuation Managed Run-Off Resolution passes, the Board will endeavour to realise all of the Company's investments in a manner that achieves the best balance for Shareholders between maximising the value received from those investments and making timely returns to Shareholders. This process might include sales of individual assets, which are mainly structured as loans/receivables, or groups of assets, or running off the Portfolio in accordance with the existing terms of the assets, or a combination. Shareholders should note that, if the Company enters a Managed Run-Off of its Portfolio, the Company is unlikely to be

able to realise the *full* value of its Portfolio for cash in the short term given the illiquid nature of the Company's investments. By way of example, there are investments in the Portfolio of the Company which have a maturity of approximately 15 years.

The Company cannot demand early repayment of investments (except in the event of a borrower default) and has to await the repayment of loan investments in accordance with their terms. Accordingly, there can be no certainty as to the value or timing of the returns Shareholders will receive as a result of any Managed Run-Off process or other form of reconstruction.

As set out above, given the Company's current cash levels, and size of Unfunded Commitments, and expected natural run-off of the Company's investments, the Board expects to be in a position to start to return capital to Shareholders in the fourth quarter of 2023. Notwithstanding this approach, the Company will continue to consider, with its advisers, other strategic solutions in respect of the Company's assets which have the potential to offer greater value to Shareholders.

The Company will not undertake new borrowing and will not undertake new investments save in the circumstances as set out in Part 3 of this document. The Company has set out risk factors in respect of the Managed Run-Off in Part 5 of this document.

Mechanics for returning cash to Shareholders

The Annual Report in respect of the year ended 31 December 2022 sets out the Board's current approach to ongoing dividends, which is to pay them from net income after taking into account cash flow forecasts, and only in respect of 6 month periods not quarterly periods.

The Board has carefully considered the potential mechanisms for returning cash to Shareholders and the Company's ability to do so. The Board believes it is in the best interests of Shareholders to make returns of value to Shareholders without a significant delay following realisations of any material part(s) of the Portfolio. As set out above, under a natural run-off of the Portfolio, the Board does not expect to make any return of capital before the fourth quarter of 2023.

In the Board's view, making distributions by way of a declaration of dividends has the benefit of being faster, providing a more regular return (as opposed to simply waiting to return all available amounts on a liquidation) and being more cost effective to administer than other mechanisms, such as a tender offer or B share scheme. The Board notes, however, that returning investment principal by way of a declaration of dividends may not be the most tax efficient method of returning monies to investors who are UK tax resident individuals.

The Board will consider making tender offers for Ordinary Shares in the future. It may become more appropriate in the future as the size of the Company reduces to make payments by way of ad-hoc special dividends during the course of the Managed Run-Off process to enable the return of available cash to Shareholders as soon as reasonably practicable after it becomes available in the Portfolio. The Company will also look to structure its dividend payments to maintain investment trust status for so long as it remains listed.

Amendments to the Current Investment Objective and Investment Policy

The proposals involve amending the Company's Current Investment Objective and Investment Policy to reflect a realisation strategy and the Company ceasing to make any new investments except in very limited circumstances as detailed in Part 3 of this document. The proposed amendments to the Company's Current Investment Objective and Investment Policy are considered a material change and the Company is required to comply with Listing Rule 15.4.8(2) of the FCA's Listing Rules.

Accordingly, given the proposed amendments are considered to be material, the consent of Shareholders to the proposed amendments to the Current Investment Objective and Investment Policy are being sought in the Continuation Managed Run-Off Resolution. The Directors believe that being prescriptive as regards the timeframe for realising the Company's investments could prove detrimental to the value achieved on realisation. Therefore, it is the Board's view that the strategy for the realisation of the Company's investments will need to be flexible and may need to be altered to reflect changes in the circumstances of a particular investment or in the prevailing market conditions. In seeking to realise the Company's investments in an orderly manner, the Directors will aim to achieve the best balance for Shareholders between maximising the investments' value and progressively returning cash to Shareholders. In so doing, the Board will take account of the costs of continuing to operate the Company.

The capacity to trade in the Ordinary Shares will be maintained for as long as the Directors believe it to be practicable and cost-effective during the Managed Run-Off period. Once all, or substantially all, of the Company's investments have been realised, the Company will, at an appropriate time, seek Shareholders' approval for it to be placed into members' voluntary liquidation. Part 3 of this document sets out the New Investment Policy in full.

The Directors believe, having taken into account the views of a number of Shareholders, that the Managed Run-Off is in the best interests of Shareholders as a whole and should yield the following principal benefits:

- implementing a managed and orderly disposal of investments should maximise the value to be realised on the sale of the Company's assets and, therefore, returns to Shareholders;
- the Managed Run-Off will allow cash to be returned to Shareholders in a cost-effective and timely manner (by way of such mechanisms as the Directors consider, in their discretion, are in the best interests of Shareholders as a whole from time to time); and
- the Managed Run-Off does not preclude the Board from considering other strategic opportunities in respect of the Company's assets.

In the event that the Continuation Managed Run-Off Resolution is not passed, the Company's Current Investment Objective and Investment Policy will remain as set out in Part 2 of this document. The Directors would then be required in accordance with the Articles, by 14 December 2023, to make a further recommendation to Shareholders whether the Company be reconstructed, re-organised or placed into liquidation.

Action to be taken

It is important to the Company that Shareholders have the opportunity to vote even if they are unable to attend the Annual General Meeting. Whether or not you propose to attend the Annual General Meeting in person, you are requested to complete the Form of Proxy and submit it to the Registrar at Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY or electronically to the Company Secretary at aeetcosecmbx@apexfs.group, so that it arrives no later than 2:00 p.m. on 12 June 2023. If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction using the procedures described in the CREST Manual as soon as possible and so that the instruction is received by no later than 2:00 p.m. on 12 June 2023.

The completion and submission of a Form of Proxy or the transmission of a CREST Proxy Instruction will not affect your right to attend and vote in person at the Annual General Meeting if you wish.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the Annual General Meeting.

Recommendation

The Board considers the passing of the Continuation Managed Run-Off Resolution, together with the other resolutions to be proposed at the AGM as set out in the notice at the end of this document, to be in the best interests of Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of all of the resolutions, including the Continuation Managed Run-Off Resolution, to be proposed at the Annual General Meeting, as Directors intend to do in respect of their own beneficial holdings, amounting to 100,606 shares representing 0.10 per cent of the issued share capital of the Company as at the date of this document.

The Notice of the Annual General Meeting to be held at 2:00 p.m. on 14 June 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS is included at the end of this document.

Yours faithfully

Miriam Greenwood OBE DL
Chair

30 April 2023

PART 2

Current Investment Objective and Investment Policy

Current Investment Objective

The Company's current investment objective is to generate attractive returns, principally in the form of income distributions by investing in a diversified portfolio of Energy Efficiency Investments.

Current Investment Policy

The Company will seek to achieve its investment objective through investment in a diversified portfolio of Energy Efficiency Investments (as defined below) located in Europe, with private and public sector counterparties. The Company will predominantly invest in (i) energy efficiency investments including the installation, in the built environment, transportation industry and other sectors of the economy, of proven technologies and solutions such as energy efficient lighting, smart building and metering services, cogeneration plants, heating, ventilation and air conditioning (HVAC) systems, efficient boilers, solar photo voltaic plants, batteries, other energy storage solutions, electric vehicles and associated charging infrastructure as well as (ii) in the acquisition of majority or minority shareholdings in companies with a strategy that aligns with the Company's investment objective, such as developers, operators or managers of energy efficiency projects ("Equity Investments") ("Energy Efficiency Investments"). These investments seek to reduce primary energy consumption, reduce CO₂ emissions and in many cases deliver economic savings and other benefits to the counterparties including improved air quality. The Company will not invest in fossil fuel extraction or mineral extraction projects. The capital value of the investment portfolio will be supplemented and supported through reinvestment of excess cash flows, asset management initiatives and the use of leverage.

The Energy Efficiency Investments will typically include long term contracts, which entitle the Company or its subsidiaries to receive stable, predictable cash flows payable by the counterparties, who will benefit from the use of the installed equipment during a contractual period typically ranging from five to fifteen years.

The Company will make Energy Efficiency Investments in operational, ready-to-build or under construction assets. The Company may, when making Equity Investments, through such investments, indirectly hold investments that are in the development phase.

In respect of each type of investment, the Company will seek to diversify its commercial exposure by contracting, where practicable, with a range of different equipment manufacturers, project developers and other service providers, as well as off-takers.

Whilst the Company will seek to diversify its commercial exposure by investing in a diversified mix of technologies, the assets of the Company may be predominantly concentrated in a small number of proven technologies.

Investments may be acquired from a single or a range of vendors and the Company may also enter into joint venture or co-investment arrangements alongside one or more co-investors, including Aquila Managed Funds.

The Company will acquire controlling and, opportunistically, non-controlling interests in Energy Efficiency Investments and may use a range of investment instruments in the pursuit of its investment objective, including but not limited to equity, mezzanine or debt investments.

In circumstances where the Company does not hold a controlling interest in the relevant investments, the Company will secure its rights through contractual and other arrangements, to, inter alia, ensure that the Energy Efficiency Investment is operated and managed in a manner that is consistent with the Company's Investment Policy.

Investment restrictions

The Company aims to achieve diversification principally through investing in a range of portfolio assets across a number of distinct geographies and a mix of technologies. The Company will observe the

following investment restrictions when making investments:

- no more than 20 per cent. of its Gross Asset Value will be invested in any single asset;
- no more than 20 per cent. of its Gross Asset Value will be invested in Energy Efficiency Investments with the same Counterparty;
- following full investment of the Net Issue Proceeds, the Company's portfolio will comprise no fewer than ten Energy Efficiency Investments;
- no investments will be made outside of Europe; and
- no more than 7.5 per cent. of its Gross Asset Value, in aggregate, will be invested in Equity Investments, and at all times such investments will only be made with appropriate shareholder protections in place.

The Company will hold its investments directly or through one or more SPVs and the investment restrictions will be applied on a look-through basis.

The Company complies with the investment restrictions set out below and will continue to do so for so long as they remain a requirement of the FCA:

- neither the Company nor any of its subsidiaries will conduct any trading activity which is significant in the context of the Group as a whole;
- the Company must at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with the published investment policy; and
- not more than 15 per cent. of the Gross Asset Value at the time an investment is made will be invested in other closed-ended investment funds which are listed on the Official List.

PART 3

Proposed New Investment Policy

Proposed replacement of the Current Investment Objective and Investment Policy of the Company should resolution 9 (the Continuation Managed Run-Off Resolution) pass

It is proposed that, if the Continuation Managed Run-Off Resolution is approved at the AGM, the Current Investment Objective and Investment Policy of the Company will each be deleted in their entirety and replaced with the New Investment Policy set out below.

New Investment Policy

The Company will be managed with the intention of realising all remaining assets in the Portfolio in a prudent manner consistent with the principles of good investment management and with a view to returning cash to Shareholders in an orderly manner.

The Company will pursue its investment objective by effecting an orderly realisation of its assets in a manner that seeks to achieve the best balance for Shareholders between maximising the value received from those assets and making timely returns of capital to Shareholders. This process might include sales of individual assets, mainly structured as loans/receivables, or groups of assets, or running off the Portfolio in accordance with the existing terms of the assets, or a combination.

The Company will cease to make any new investments or to undertake capital expenditure except where, in the opinion of both the Board and the Investment Adviser (or, where relevant, the Investment Adviser's successors):

- the investment is a follow-on investment made in connection with an existing asset in order to comply with the Company's pre-existing obligations; or
- failure to make the follow-on investment may result in a breach of contract or applicable law or regulation by the Company; or
- the investment is considered necessary to protect or enhance the value of any existing investments or to facilitate orderly disposals,

and in these circumstances the Company will observe the following restrictions when making any such investments:

- no more than 20 per cent. of its Gross Asset Value will be invested in any single asset;
- no more than 20 per cent. of its Gross Asset Value will be invested in Energy Efficiency Investments with the same Counterparty;
- no investments will be made outside of Europe; and
- no more than 7.5 per cent. of its Gross Asset Value, in aggregate, will be invested in Equity Investments, and at all times such investments will only be made with appropriate shareholder protections in place.

Any cash received by the Company as part of the realisation process prior to its distribution to Shareholders will be held by the Company as cash on deposit and/or as cash equivalents.

The Company will not undertake new borrowing.

As required by the Listing Rules, any material change to the investment policy of the Company will be made only with the approval of Shareholders by way of ordinary resolution.

PART 4

Explanation of the resolutions to be presented to Shareholders at the AGM

Ordinary Resolutions

Resolution 1. Annual Report and Financial Statements

This resolution seeks Shareholder approval to receive the Annual Report of the Directors and PricewaterhouseCoopers LLP (the “Auditor”).

Resolution 2. Approval of the Directors’ Remuneration Report

This resolution is an advisory vote on the Directors’ Remuneration Report, which may be found within the Annual Report at page 66 and which gives details of the Directors’ remuneration for the year ended 31 December 2022.

Resolutions 3 to 6. Election and re-election of Directors

In line with the UK Corporate Governance Code 2018, all Directors of the Company will retire and will be proposed for re-election at the AGM. Resolutions 3 to 5 seek approval to re-elect Miriam Greenwood OBE DL, Nicholas Bliss and David Fletcher. Janine Freeman was appointed as a Director of the Company on 2 November 2022 and accordingly resolution 6 seeks approval to elect her as a Director. The business knowledge, skills and experience of the Directors are as follows:

- **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 spent more than 30 years working for a number of leading investment banks and other financial institutions. In previous roles, she served as a non-executive director of the UK energy regulator OFGEM and on the board of a number of publicly quoted companies and was also a founding partner of SPARK Advisory Partners, an independent corporate advisory business.

Miriam is currently the chair of SMS plc, a non-executive director and senior independent director of Canopus Group Limited, a non-executive director of Canopus Managing Agents, and of Gulf International Bank UK, Encyclis Holdco Limited and Eclipse Shipping Limited, and is an adviser 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 in 2000.

- **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, 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. He is the Chair of JPMorgan Claverhouse Investment Trust plc. He also holds directorships at Ecofin US Renewables Infrastructure Trust plc and Aberdeen Smaller Companies Income Trust plc where he is the Audit Committee Chairman for both. David is a graduate of Oxford University. With effect from his appointment to the Board on 29 April 2022, David is Chair of the Audit and Risk Committee.

- **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 28 January 2022 and 29 April 2022.

- **Janine Freeman** – Appointed on 2 November 2022 as a Director of the Company.

Janine Freeman is an experienced, senior energy industry executive and Non-executive Director with over 20 years in the energy industry. Driving investment in clean energy infrastructure has been her primary focus for much of that time. Janine is currently a Non-executive Director and Audit and Risk Committee Chair at Harmony Energy Income Trust plc. Until April 2023, she also held a further non-executive role as the Non-executive Chair at Public Power Solutions Ltd, a company which developed solar, battery and EV charging sites in the UK. Janine recently led the sale of this business to new investors. Prior to this, Janine worked for three years as a Director at PwC within the Deals team, where she led on Net Zero Investment Strategy & Deals. This work at PwC included a focus on investment in the European energy efficiency infrastructure sector. At National Grid plc where Janine spent 16 years, she was a member of the UK Executive Committee and the GB Electricity System Operator Executive Committee. Janine achieved her Chartered Accountancy qualification (ACA) at Deloitte & Touche, where she worked within both the audit and restructuring departments.

Resolutions 7 and 8. Appointment of the Auditor and the Auditor’s Remuneration

These resolutions relate to the re-appointment and remuneration of the Auditor. The Company, through its Audit Committee, has considered the independence and objectivity of the Auditor and is satisfied that the Auditor is independent. Further information in relation to the assessment of the existing Auditor’s independence can be found in the Annual Report on page 71.

Resolution 9. Approval of the Continuation Managed Run-Off Resolution

This resolution is to approve the New Investment Policy and the continuation of the Company as an investment trust only on the basis that the Company will make no new investments (outside existing legal commitments) and that the Portfolio will go into a Managed Run-Off, as further detailed in Part 1 of this document.

Special Resolutions

Resolution 10. Authority for the Company to purchase its own shares

This resolution replaces the authority given at last year’s annual general meeting for the Company to make market purchases of its own Ordinary Shares as permitted by the Companies Act 2006. The Directors recommend that an authority to purchase up to a maximum of 14,999,000 Ordinary Shares, representing 14.99 per cent. of Ordinary Shares in issue as at 28 April 2023 (being the latest practicable date prior to the publication of the Notice of Annual General Meeting), 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. Any Ordinary Shares purchased will either be cancelled or, if the Directors so determine, held in treasury. At the date of this document, the Company did not hold any shares in treasury.

The price per Ordinary Share that the Company may pay is set at a minimum amount of the nominal value of each Ordinary Share and a maximum amount of the higher of: (i) 105 per cent. of the average of the previous five business days’ middle market prices as derived from the Daily Official List of the London Stock Exchange; and (ii) the higher of the price of the last independent trade of an Ordinary Share and the highest current independent bid for an Ordinary Share on the trading venue where the purchase is carried out. Unless otherwise authorised by Shareholders, Ordinary Shares will not be issued at less than NAV and any Ordinary Shares held in treasury will not be sold at less than NAV.

This authority would provide flexibility in the management of the Company’s capital resources, including potentially as part of the Managed Run-Off (if approved). The Directors will only exercise this authority if the Directors believe that such exercise would be likely to achieve the best balance for Shareholders between maximising the value received from the Company’s assets and making timely returns of capital to Shareholders.

Resolution 11. Authority to call general meetings (other than annual general meetings) on 14 clear days’ notice

The minimum notice period for general meetings of the Company is 21 days unless Shareholders approve a shorter period for general meetings (other than an annual general meeting), which cannot be less than 14 clear days. The Board believes that it is in the best interests of Shareholders to have the ability to call meetings on 14 clear days' notice on matters requiring urgent approval and resolution 11 seeks such approval.

In accordance with the Companies (Shareholders' Rights) Regulation 2009, the Company will offer 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. If given, the approval would be effective until the Company's next annual general meeting.

In light of the proposed Continuation Managed Run-Off Resolution the Directors do not consider it necessary to seek authority from Shareholders to issue additional new Ordinary Shares and accordingly the existing authorisations to do so will expire at the AGM.

PART 5

Risks associated with the Managed Run-Off

In considering a decision in relation to resolution 9 (the Continuation Managed Run-Off Resolution), Shareholders are referred to the risks set out below.

Shareholders should read this document carefully in its entirety and, if you are in any doubt about the contents of this document or the action you should take, you are recommended to seek immediately your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the FSMA or, if you are in a territory outside the United Kingdom, from an appropriately authorised independent financial adviser.

Only those risks which are material and currently known to the Company have been disclosed. Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also have an adverse effect on the Company.

- In a Managed Run-Off, the value of the Portfolio is likely to be reduced as investments are realised and concentrated in fewer holdings, and the mix of asset exposure will be affected accordingly.
- The Company might experience increased volatility in its Net Asset Value and/or its share price as a result of possible changes to the Portfolio structure following the approval of the Continuation Managed Run-Off Resolution.
- The Company's assets may not be realised at their carrying value, and it is possible that the Company may not be able to realise some assets at any value.
- Sales commissions, liquidation costs, taxes and other costs associated with the realisation of the Company's assets together with the usual operating costs of the Company will reduce the cash available for distribution to Shareholders.
- It should also be noted that there may be other matters or factors which affect the availability, amount or timing of receipt of the proceeds of realisation of some or all of the Company's investments. In particular, ongoing returns of value to Shareholders will decrease the size of the Company's assets, thereby increasing the impact of fixed costs incurred by the Company on the remaining assets. In determining the size of any returns of value, the Directors will take into account the Company's ongoing running costs, and the eventual liquidation costs of the Company. However, should these costs be greater than expected or should cash receipts for the realisations of investments be less than expected, this will reduce the amount available for Shareholders in future returns of value.

PART 6

Definitions

“AGM” or “Annual General Meeting”	the Annual General Meeting of the Company being held on 14 June 2023
“Annual Report”	the Annual Report and Accounts for the year ended 31 December 2022
“Aquila Managed Funds”	funds, finance vehicles or accounts managed or advised by Aquila Capital Investmentgesellschaft mbH or any of its affiliates
“Articles”	the articles of association of the Company as at the date of this document
“Board” or “Directors”	the board of directors of the Company
“Company”	Aquila Energy Efficiency Trust PLC
“Continuation Managed Run-Off Resolution”	resolution 9, as set out in the Notice of Annual General Meeting
“Counterparty”	a third party that the Company or a member of its Group enters into a contract or relationship with in respect of Energy Efficiency Investments
“CREST”	the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear describing the CREST system and supplied by Euroclear to users and participants thereof
“CREST Proxy Instruction”	a proxy appointment or instruction made via CREST, authenticated in accordance with Euroclear’s specifications and containing the information set out in the CREST Manual
“Current Investment Objective and Investment Policy”	the current investment objective and investment policy as set out in Part 2 of this document
“Energy Efficiency Investments”	energy efficiency investments as defined in Part 2 of this document
“Equity Investments”	equity investments as defined in Part 2 of this document
“ESCO”	European Energy Service Company
“Euroclear”	Euroclear UK & International Limited
“FCA”	the Financial Conduct Authority of the United Kingdom or any successor entity or entities
“February 2023 Continuation Vote”	the continuation vote of the Company held on 28 February 2023
“Form of Proxy”	the form of proxy for use by Shareholders in connection with the Annual General Meeting which accompanies this document

“FSMA”	the Financial Services and Markets Act 2000, as amended
“Gross Asset Value”	the aggregate of (i) the fair value of the Company’s underlying investments (whether or not subsidiaries), valued on an unlevered, discounted cash flow basis, (ii) the Company’s proportionate share of the cash balances and cash equivalents of assets and non-subsidiary companies in which the Company holds an interest, and (iii) other relevant assets of the Company (including cash) valued at fair value (other than third party borrowings) to the extent not included in (i) or (ii) above
“Group”	the Company and any of its subsidiaries from time to time
“Investment Adviser”	the entity appointed to provide investment advisory services to the Company and the AIFM
“Listing Rules”	the listing rules made by the FCA under section 73A of FSMA
“London Stock Exchange”	London Stock Exchange plc
“Main Market”	the main market for listed securities operated by the London Stock Exchange
“Managed Run-Off”	the proposed run-off of the Portfolio to effect the disposal of the Company’s investments, as described in this document
“NAV” or “Net Asset Value”	the value of the assets of the Company less its liabilities, determined in accordance with the accounting principles adopted by the Company from time to time
“Net Issue Proceeds”	the gross issue proceeds minus the costs incurred by the Company upon its initial public offering in 2021
“New Investment Policy”	the proposed new investment objective and policy of the Company, as set out in Part 3 of this document
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting which is set out at the end of this document
“Official List”	the official list maintained by the FCA under Part VI of FSMA
“Ordinary Shares”	ordinary shares of one penny each in the capital of the Company
“Portfolio”	the Company’s portfolio of investments from time to time
“Registrar”	Computershare Investor Services PLC
“Shareholder”	a holder of Ordinary Shares in the capital of the Company
“Unfunded Commitments”	contractual obligations to make further investment into the Company’s existing Portfolio

Aquila Energy Efficiency Trust PLC

Notice of Annual General Meeting

Notice is hereby given that the 2023 Annual General Meeting of Aquila Energy Efficiency Trust PLC (the "Company") (the "AGM") will be held at 2:00 p.m. on 14 June 2023 at the offices of the Company Secretary, 6th Floor, 125 London Wall, London EC2Y 5AS to consider and if thought fit pass the following resolutions of which resolutions 1 to 9 will be proposed as ordinary resolutions and resolutions 10 and 11 will be proposed as special resolutions:

Ordinary Resolutions

1. To receive the Company's audited accounts and the reports of the Directors and of the auditor for the year ended 31 December 2022 (the "Annual Report").
2. To approve the Annual Report on Remuneration, contained in the Annual Report at page 66, in accordance with the Companies Act 2006 (the "Act").
3. To re-elect Miriam Greenwood as a Director of the Company.
4. To re-elect David Fletcher as a Director of the Company.
5. To re-elect Nicholas Bliss as a Director of the Company.
6. To elect Janine Freeman as a Director of the Company.
7. To re-appoint PricewaterhouseCoopers LLP as auditors of the Company to hold office until the conclusion of the next annual general meeting of the Company at which accounts are laid before the Company.
8. To authorise the Directors to determine PricewaterhouseCoopers LLP's remuneration as auditors of the Company.
9. That the proposed new investment policy of the Company, as set out in Part 3 of the notice to shareholders of the Company dated 30 April 2023, be and is hereby approved and the Company should continue as a closed-ended investment company in accordance with such investment policy.

Special Resolutions

10. That the Company be and is hereby generally and unconditionally authorised in accordance with section 701 of the Act to make market purchases (within the meaning of section 693(4) of the Act) of its Ordinary Shares of one pence each, provided that:
 - (a) 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 AGM);
 - (b) the minimum price (exclusive of any expenses) which may be paid for an Ordinary Share is one pence;
 - (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is not more than the higher of (i) five 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 such Ordinary Share(s) and (ii) the higher of the price of the last independent trade and the highest current independent bid for the Ordinary Shares;
 - (d) 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

- (e) the Company may make a contract to purchase Ordinary Shares under the authority hereby conferred prior to the expiry of such authority, which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary Shares pursuant to any such contract.

11. That a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice, providing that the authority hereby conferred shall expire at the conclusion of the next annual general meeting of the Company.

By order of the Board

Maria Matheou
for Apex Listed Companies Services (UK) Limited
Company Secretary

Registered Office
6th Floor
125 London Wall
London
EC2Y 5AS

30 April 2023

Notes to the Notice of Annual General Meeting

Website address

1. Information regarding the meeting, including the information required by section 311A of the Act, 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 12 June 2023 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 the Form of Proxy (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 AGM, 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 Act 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 12 June 2023 in respect of the meeting. Alternatively, you may submit the Form of Proxy electronically to the Company Secretary at aetcosecmbx@apexfs.group, so that it arrives no later than 2pm on 12 June 2023. 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 or the Company Secretary no later than 48 hours before the rescheduled meeting.

If posting, 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 12 June 2023 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 Computershare. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 2pm on 12 June 2023 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 Act 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 and vote at 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 Act 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 Act, 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 Ordinary Shares and total voting rights

12. As at the date of this notice of AGM, the total number of shares in issue is 100,000,000 Ordinary Shares of one pence 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 AGM 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.