

**To potential bidders,**

3 March 2016

## **Proposed sale of the UK Government's stake in the UK Green Investment Bank plc – Bidder Information Form**

This Bidder Information Form is being issued following the announcement made by the UK Government on 3 March 2016 about the proposed privatisation or part privatisation of the UK Green Investment Bank plc ("**GIB**") (the "**Proposed Transaction**").

The Secretary of State for Business, Innovation and Skills ("**SoS**") has retained Merrill Lynch International ("**BofAML**") and GIB has retained UBS Limited ("**UBS**") as their respective financial advisers in connection with the Proposed Transaction.

On behalf of SoS, we would like to invite you to express your interest in the Proposed Transaction. You are invited to submit responses to the questions below as soon as possible to [ukgib@baml.com](mailto:ukgib@baml.com). Your responses will be used by SoS and its adviser to evaluate your interest in, and capacity for, participating in the sale process. Upon receipt of your responses, SoS and its adviser may raise further questions to assist with this evaluation

Approved parties will be required to execute a Confidentiality Agreement and in accordance with the Proposed Transaction announcement, these selected parties will be invited to participate in the first round of the sale process. Additional confidential information on GIB will be made available to the selected parties from 10 March 2016. You are therefore requested to submit your responses and subsequently the executed Confidentiality Agreement as soon as possible in advance of 10 March 2016 in order to maximise the time available to you in the first round of the sale process.

Your answers should address the following items as a minimum, presented in the sequence set out below. Note that where you would expect to participate in the Proposed Transaction through a consortium, the below information and confirmations should be provided in respect of each member of the consortium individually.

- a) Bidder identity: please give the name of the bidder entity, its ultimate parent and identify whether you intend to work alone or as part of a consortium (and if so, please identify the members of the consortium). You should also confirm that you comply with the fit and proper person test in Annex 1 of this Bidder Information Form;

- b) Confirmation of bidder criteria: you should confirm that you do not fall within any of the grounds for exclusion listed in Annex 2 of this Bidder Information Form;
- c) Conflict of interests: you should confirm that you have no actual or potential conflicts of interest; or identify any actual or potential conflicts of interest that may arise from your participation in the sale process, together with an outline of how you envisage handling such conflicts of interest. This should include, but not be limited to, information regarding ownership of, or participation in, businesses either related to or competing with GIB;
- d) Approvals: confirmation that you have all the required approvals to respond to this Bidder Information Form and participate in the sale process, and that your decision-making authority has reviewed and consented to the content of your confirmation and the information included;
- e) Other relevant information: any other information which you consider relevant for evaluating your interest in participating in the Proposed Transaction.

Should you have any questions, please contact BofAML at the address given above. All questions and information requests regarding the proposed transaction and/or sale process should be directed to BofAML.

Under no circumstances should the management, employees, representatives, customers or suppliers of GIB be contacted directly about any aspect of the Proposed Transaction and/or the sale process without the prior written consent of SoS.

Please note the grounds for exclusion from participation set out in Annex 2. Your attention is also drawn to the information set out in Annex 3.

On behalf of SoS, we would like to thank you for your interest in the Proposed Transaction.

Yours sincerely,

Merrill Lynch International

**Ken McLaren**  
*Managing Director*  
BofA Merrill Lynch  
+44 (0) 20 7628 1000

**John Lynch**  
*Managing Director*  
BofA Merrill Lynch  
+44 (0) 20 7628 1000

**Thomas Milner**  
*Vice President*  
BofA Merrill Lynch  
+44 (0) 20 7628 1000

## **Annex 1**

### **Fit and Proper Person Test**

The proposed transferee or purchaser shall be a fit and proper person. A person is not a fit and proper person if:

- a) it or any of its statutory officers or representatives have been convicted of a criminal offence which is material in the context of the Proposed Transaction;  
or
- b) it is incorporated or domiciled in, or controlled from, a country which is, or it is otherwise, the subject of economic or security sanctions imposed by the United Kingdom.

## Annex 2

### **Grounds for exclusion of an interested party from further participation in the sale process**

Note: This list is not exhaustive and SoS reserves the right to consider other factors in determining which parties are selected to participate in the sale process as well as the right to select any party notwithstanding that the grounds for exclusions below may apply to that party.

The grounds for exclusion from the sale process include that:

- a) the interested party has limited experience in relevant investments or is not able to demonstrate that it is able to procure such experience in the context of its participation in the sale process (in the case of investment funds with no relevant experience, the broader experience of the investment fund managers and key employees will also be taken into consideration);
- b) the interested party is not able to invest at least GBP 50 million of equity;
- c) the interested party has not received all required approvals to respond to this Bidder Information Form and participate in the process;
- d) the interested party has made any misrepresentation in providing information to SoS or their adviser in connection with the Proposed Transaction;
- e) the interested party is unlikely to be able to complete the sale within a reasonable period
- f) the interested party should be excluded on the grounds of national security;
- g) the interested party's participation would be likely to distort, delay or otherwise have a material adverse effect on the competitive sale process;
- h) the interested party or its advisers have contacted the management, employees, customers or suppliers of GIB Group directly in relation to any aspect of the Proposed Transaction or the sale process after the date of this Bidder Information Form without the prior written consent of SoS;
- i) the interested party, or any of its ultimate beneficial owners, is classified as a UK public sector body as defined by the Office for National Statistics: <http://www.ons.gov.uk/economy/nationalaccounts/uksectoraccounts/datasets/publicsectorclassificationguide> such that participating in the Proposed Transaction by the interested party would be likely to result in GIB continuing to be classified as a public sector body;
- j) the interested party has not complied with, or is not able to comply with, any conditions or requirements established by SoS for participation in the Proposed Transaction.

## Annex 3

### Other matters

For the purposes of this Bidder Information Form:

**"HMG Parties"** means SoS, HMG (including the Shareholder Executive and any other UK Government department and United Kingdom Government Investments Limited ("**UKGI**")), or any of the directors, officers, employees, representatives, consultants, shareholders or advisers of the foregoing;

**"GIB Parties"** means GIB, any other member of the "**GIB Group**" (which shall mean GIB, its subsidiaries, its holding company (if any) and joint ventures), or any of the directors, officers, employees, representatives, consultants, shareholders or advisers of the foregoing;

**"BofAML Parties"** means **BofAML**, any other member of the "**BofAML Group**" (which shall mean Bank of America Corporation and any subsidiary, branch or affiliate of Bank of America Corporation), or any of the directors, officers, employees, representatives, consultants, shareholders or advisers of the foregoing; and

**"UBS Parties"** means UBS Limited ("**UBS**"), any other member of the "**UBS Group**" (which shall mean UBS Group AG and any subsidiary, branch or affiliate of UBS Group AG), or any of the directors, officers, employees, representatives, consultants, shareholders or advisers of the foregoing.

This Bidder Information Form and any related materials do not, and shall not be construed as, a solicitation, an invitation or an offer to buy or sell securities, or form basis or be relied upon in any decision to enter into any sale or commercial agreement or a transaction of any sort, and do not create any commitment or obligation of any sort on the part of SoS or GIB Group.

The distribution of this Bidder Information Form and any related materials in jurisdictions other than the United Kingdom may be restricted by law. This Bidder Information Form and related materials are not directed at any person in any jurisdiction where such distribution would constitute a contravention of such law. Any failure to comply with these restrictions may constitute a violation of the laws of any such other jurisdiction. By accepting this Bidder Information Form and/or by continuing to participate in the sale process you are deemed to represent and warrant that you are able to receive this Bidder Information Form and materials without contravention of any legal or regulatory requirement or restrictions in the jurisdiction in which you reside or conduct business. None of the HMG Parties, GIB Parties, BofAML Parties or UBS Parties accepts any liability to any person in relation to the distribution or possession of this Bidder Information Form or related materials in any jurisdiction.

This Bidder Information Form is only distributed to and directed at persons in the United Kingdom who (a) have professional experience in matters relating to investments who fall within the definition of "investment professionals" as defined in the Financial Services and Markets Act 2000 (as amended) (Financial Promotion)

Order 2005 (as amended or replaced) (the “**Order**”); or (b) are high net worth entities or other persons to whom they may otherwise lawfully be communicated in accordance with the Order, and in all cases are capable of being categorised as a per se “professional client” or an “eligible counterparty” for the purposes of the FCA conduct of business rules (all such persons together being referred to as “**Relevant Persons**”). This Bidder Information Form must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which these materials relate are available only to Relevant Persons and will be engaged in only with Relevant Persons. Nothing in this Bidder Information Form constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient.

This Bidder Information Form is not directed at persons located in the United States other than “qualified institutional buyers” as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”). GIB’s securities (or that of its holding company, if applicable) have not been, and will not be, registered under the Securities Act or under any securities laws of any state or other jurisdiction of the United States, and may not be offered, sold, delivered or otherwise transferred in or into the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the Securities Act, and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offering of GIB’s securities (or that of its holding company) in the United States.

Subject to applicable law, SoS reserves the right to amend or terminate the procedures and/or change the timings outlined in this Bidder Information Form, to consider factors other than those outlined in this Bidder Information Form, to terminate discussions with any or all interested parties, to follow different procedures for different interested parties and to enter into discussions with any one or more parties in a manner and to a timetable other than that outlined above. None of the HMG Parties, GIB Parties, BofAML Parties or UBS Parties will be liable for any costs or expenses incurred by interested parties or their affiliates in connection with their evaluation or investigation of the Proposed Transaction or with their review of any of the information provided or disclosed.

You acknowledge that public bodies, including SoS and GIB, are subject to legal duties which may require the release of information under the Freedom of Information Act 2000 (“**FoIA**”) and/or the Environmental Information Regulations 2004 and/or any other applicable legislation, regulatory requirements or codes of practice governing access to information (together the “**Access Laws**”). Such information may include information supplied by you or matters relating to or arising out of or under information supplied by you. In the event that a public body, including SoS or GIB, receives a request for information under any Access Law, then you agree that any obligation of confidentiality, whether arising out of any agreement with you, implied by the general law or otherwise, shall not apply to any information (in whatever form) that the relevant public body is required to disclose to respond to the request in accordance with the relevant Access Law.

When considering a request under the Access Laws, the relevant public body may, where appropriate, consider whether the information is commercially sensitive. If you consider that information you are providing is commercially sensitive you should clearly identify it as such at the time that you provide it. It shall remain in the sole discretion of the party in receipt of the Access Law request to determine whether or not to make a disclosure in accordance with its obligations under the relevant Access Law.

You further acknowledge that public bodies, including SoS and GIB, may be subject to public sector audits and /or enquiries, which may be conducted before, during or following the Proposed Transaction, including (without limitation) those which may be conducted by the National Audit Office, or the Public Accounts Committee. You shall use your reasonable endeavours to cooperate with SoS, GIB and/or any other public body in responding to such audits / enquiries.

This Bidder Information Form, any matter or dispute (whether contractual or non-contractual) arising out of this letter, the relationship between you and the HMG Parties, GIB Parties, BofAML Parties and UBS Parties and the conduct of this process and the Proposed Transaction shall be governed by, and construed in accordance with, English law, and you irrevocably submit to the exclusive jurisdiction of the courts of England for the purposes of any dispute arising out of or in connection with any of the foregoing.