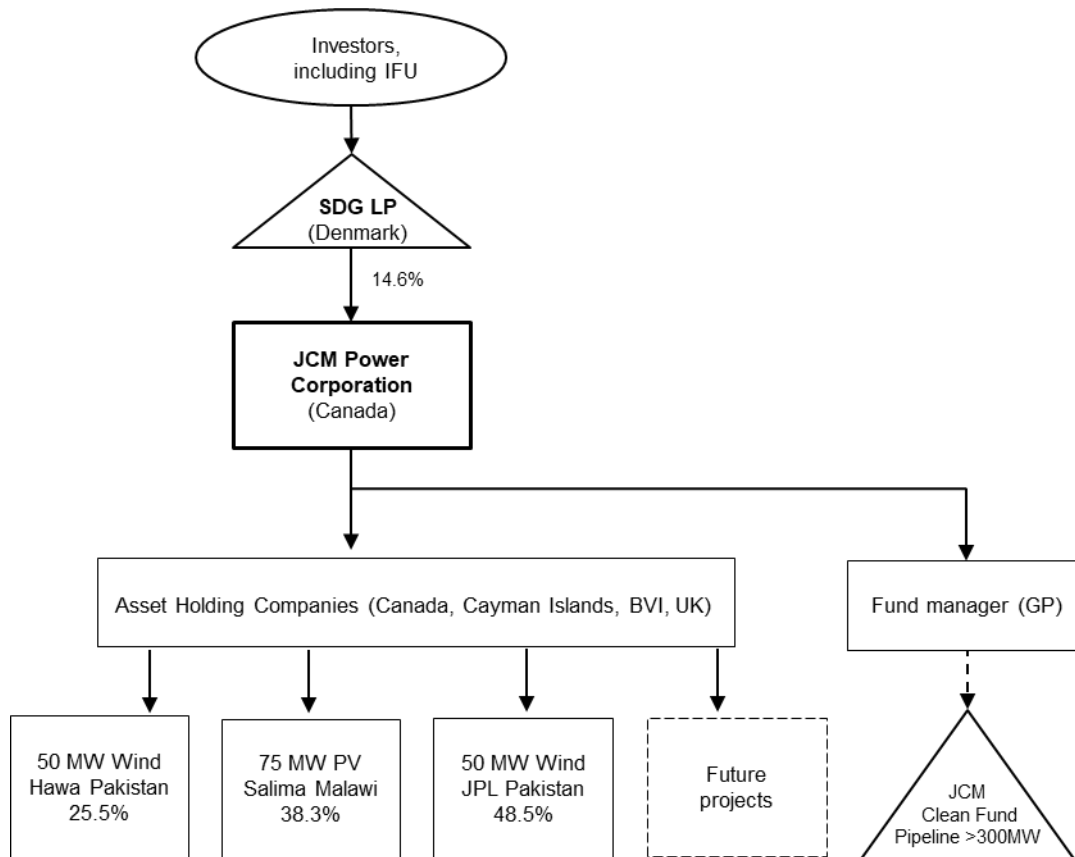


Tax policy compliance statement for JCM Power Corporation

1. The contemplated investment structure



Danish SDG I Fund K/S (SDG) will be providing finance for a renewable investment platform for developing countries through investing with equity in JCM Power Corporation being a Canadian solar and wind farm project developer. The financing provided by SDG can only be used for new projects when they reach financial close.

2. Compliance with IFU's tax policy

The investment structure has been subject to due diligence and based on the facts and circumstances made available, TaxRoom is of the opinion that the investment structure complies with IFU's tax policy for the following main reasons:

- The top holding company and operating company (JCM) is a company with genuine commercial activities and several employees working out of a Canadian office.
- The project companies holding the renewable assets are generally subject to local corporate income tax however tax exemption regimes may sometimes apply to renewables.
- JCM has established its own tax policy, which involves no conflicts when compared with IFU's tax policy. JCM operates all sub-holding companies under a strict protocol, which ensures that all companies within the JCM group meets all legal requirements for being duly established and operated holding companies being in compliance with the corporate law applying in the specific holding jurisdictions.
- JCM has holding companies in Canada, Cayman Islands, BVI and UK. For all non-Canadian holding jurisdictions JCM has provided a decent and proper explanation for having the holding companies. None of the holding companies in the three non-Canadian holding jurisdictions are established for tax reasons and in respect of the Cayman Islands, which is the holding jurisdiction preferred and established by JCM none of the taxes paid in the project companies are informed to be impacted of the Cayman Islands holding structure.
- Project companies are taxable entities and pay corporate income tax and withholding tax locally according to the rules applying to the project company in the specific country of operation. In some cases, the country of operation has granted tax incentives in form of tax exemption for renewable power production, but as IFU recognizes the freedom of countries to establish their own tax laws and incentives towards certain preferred industries this is not seen as violation of IFU's tax policy.
- New projects reaching financial close will have a formal sign-off from JCM's tax advisor confirming that the established structure is not in violation of the OECD BEPS guidelines and in compliance with JCM's tax policy.
- Neither Canada nor either of the holding jurisdictions are listed on EU's blacklist for non-cooperative jurisdictions and are all as per 28 October 2019 viewed to be largely compliant by OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes.

3. Disclosure, cf. EU Directive 2018/822/EU

The equity investment in JCM Power Corporation should not be subject to disclosure under the EU DAC 6 Directive as the listed hallmarks required for triggering a disclosure obligation are not met for this transaction.

TaxRoom P/S, 2 November 2019



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