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The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Arranger or any affiliate of the Arranger is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Arranger or such affiliate on behalf of the Issuer in such jurisdiction.

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In the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons: (i) who have professional experience in matters relating to investments and fall within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**FPO**") and/or (ii) who are persons falling within Article 49(2)(a) to (d) of the FPO ("high net worth companies, unincorporated associations etc") (all such persons together being referred to as "**relevant persons**"). This document must not be acted on or relied on in the United Kingdom by persons who are not relevant persons. In the United Kingdom, any investment or investment activity to which this document relates is only available to, and will only be engaged in with, relevant persons.

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## MALINA FINANCING 2013-1 PLC

(incorporated with limited liability in England and Wales with company number 8432822)

**Issue of £60,000,000 2.598% Secured RPI-Linked Notes due 2036**

**Issue Price: 100%**

Malina Financing 2013-1 PLC (the "**Issuer**") proposes to issue £60,000,000 Secured RPI-linked Notes due 2036 (the "**Notes**") on 2 May, 2013 or such later date as the Bookrunner may agree with the Issuer (the "**Closing Date**"). The Notes will be secured by full fixed and floating charges over the assets of the Issuer which includes the rights of the Issuer in respect of a loan secured over the assets of SE Solar Limited, Eris Solar 19 Limited, and Leeds Solar Limited (each, a "**Parent Borrower**" and together the "**Parent Borrowers**") and their respective subsidiaries Kent Solar Limited, Puriton Solar Limited, Bridgewater Solar Limited and Malmesbury Solar Limited (each, an "**OpCo Borrower**" and together, the "**OpCo Borrowers**"). The Parent Borrowers are 100 per cent beneficially owned by SparkSun Limited ("**Parent HoldCo**"). The assets of the OpCo Borrowers include certain tariff payments paid to such OpCo Borrowers under feed-in tariff agreements and power purchase agreements entered into by certain licensed electricity suppliers, or other purchasers of electricity, in connection with the generation of electricity by photovoltaic arrays accredited by the Office of the Gas and Electricity Markets ("**Ofgem**") and owned by such OpCo Borrowers. See "*Security for the Notes*". The Notes will be constituted by a trust deed to be dated the Closing Date (the "**Trust Deed**") between the Issuer and U.S. Bank Trustees Limited (the "**Note Trustee**").

Interest on the Notes is payable in arrears on 28 August and 28 February in each year commencing on 28 August 2013 (each a "**Note Interest Payment Date**") in respect of each period from (and including) the Closing Date to (but excluding) the first Note Interest Payment Date and each successive period from (and including) a Note Interest Payment Date to (but excluding) the next Note Interest Payment Date. If any such day is not a Business Day, the Note Interest Payment Date shall be the next following Business Day (unless such Business Day falls in the next calendar month, in which event, the immediately preceding Business Day).

Unless previously redeemed or purchased and cancelled in accordance with the Conditions of the Notes as summarised below, the Notes shall be redeemed at their Outstanding Principal Amount on 28 August 2036 together with interest accrued to (and including) the date of redemption (the "**Final Maturity Date**"). The Notes are subject to scheduled principal repayments, as described below, and are expected to be repaid in full on the Note Interest Payment Date falling in August 2034 (the "**Expected Maturity Date**").

The Notes will constitute secured indebtedness of the Issuer and will rank *pari passu* without any preference among themselves. See "*Description of the Notes*" for further details.

No person is or has been authorised to give any information or to make any representation concerning the listing, issue, subscription and sale of the Notes other than as is contained in these Listing Particulars. If any such information or representation is given or made by any broker, seller or any other person, it must not be relied upon as having been authorised by the Issuer or the Arranger. Neither the delivery of these Listing Particulars nor any offer, sale, allotment or solicitation made in connection with the offering of any of the Notes shall under any circumstances constitute a representation or create any implication that there has been no change in the affairs of the Issuer or in the information contained herein since the date hereof or that the information contained herein is correct at any time subsequent to the date hereof.

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes may not be offered, sold or delivered, directly or indirectly, in the United States or to any U.S. persons (as defined in Regulation S) except pursuant to an exemption from the registration requirements of the Securities Act. The Notes are being offered for sale outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**"). See "*Subscription and Sale*" below.

See "*Risk Factors*" for a discussion of certain factors that should be considered by prospective investors.

**Arranger**

**Independent Debt Capital Markets LLP**

**Bookrunner**

**Independent Debt Capital Markets LLP**

**The date of these Listing Particulars is 2 May, 2013**

These listing particulars ("**Listing Particulars**") comprise listing particulars given in compliance with the listing rules (the "**Listing Rules**") made under Section 73A of the Financial Services and Markets Act 2000 (the "**FSMA**") by the UK Listing Authority. Application will be made to the UK Listing Authority for the Notes to be admitted to the official list maintained by the UK Listing Authority for the purposes of Part VI of FSMA (the "**Official List**") and to be admitted to trading on the Professional Securities Market (the "**PSM**") of the London Stock Exchange plc (the "**London Stock Exchange**") which is not a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC. References in these Listing Particulars to the Notes being "listed" (and all related references) mean that the Notes will be admitted to trading on the PSM of the London Stock Exchange and will be admitted to the Official List.

These Listing Particulars are not a prospectus for the purposes of the European Union's Prospectus Directive 2003/71/EC (and any amendments thereto, including Directive 2010/73/EU, to the extent implemented in the relevant member states) as implemented in member states of the European Economic Area (the "**EEA**").

The Notes will initially be represented by a Global Note Certificate (the "**Global Note**") deposited with a common depository for, and registered in the name of, a nominee of Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream Luxembourg**"). The Global Note will be exchangeable for Definitive Notes (as defined below) only in certain limited circumstances set forth in the Trust Deed.

These Listing Particulars give information with regard to the Issuer and the Notes in respect of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and the rights attaching to the Notes. The Issuer accepts responsibility for the information contained in these Listing Particulars and declares that, having taken all reasonable care to ensure such is the case, the information in these Listing Particulars, to the best of its knowledge, is in accordance with the facts and contains no omission likely to affect its import. Any information sourced from third parties contained in these Listing Particulars has been accurately reproduced (and is clearly sourced where it appears in these Listing Particulars) and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Information sourced from a third party has been included in the Risk Factors – *see Offtake risk, under Risks relating to the Solar Parks and their construction, operation and maintenance in the Risk Factors section.*

In making an investment decision, investors must rely on their own examination of the Issuer, the Notes and the terms of the offering, including the merits and risks involved. Prospective investors should satisfy themselves that they understand all of the risks associated with making investments in the Notes. If a prospective investor is in any doubt whatsoever as to the risks involved in investing in the Notes, he or she should consult his or her professional advisers.

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in these Listing Particulars;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;

- (d) understand thoroughly the Conditions of the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Mirabaud Securities LLP (acting through its appointed representative, Independent Debt Capital Markets LLP) (in its capacity as arranger, the "**Arranger**" and in its capacity as bookrunner, the "**Bookrunner**") is authorised and regulated by the Financial Conduct Authority Neither the Arranger nor the Bookrunner nor the Note Trustee or the Issuer Security Trustee (as defined below) have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Note Trustee or the Issuer Security Trustee or any of them as to the accuracy or completeness of the information contained in these Listing Particulars or any other information provided by the Issuer in connection with the Notes. Neither the Arranger nor the Bookrunner nor the Note Trustee accepts any liability in relation to the information provided by the Issuer in respect of the Notes.

In particular, the Notes will not be obligations or responsibilities of, or be guaranteed by, the Borrowers, the Note Trustee, the Issuer Security Trustee, the Borrower Security Trustee, the Paying Agent, the Corporate Services Provider, the Issuer Cash Manager, the Arranger, the Bookrunner or any other person. None of such persons accepts any liability whatsoever in respect of any failure by the Issuer to make any payment of any amount due on the Notes.

These Listing Particulars should not be considered as a recommendation by the Issuer, the Arranger, the Bookrunner, the Note Trustee or the Issuer Security Trustee that any recipient of these Listing Particulars should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Any forward-looking statements, including estimates, any other projections and forecasts in these Listing Particulars are necessarily speculative and subjective in nature and some or all of the assumptions underlying such statements, estimates, projections and forecasts may not materialise or may vary significantly from actual results.

Such statements, estimates, projections and forecasts are subject to risks and uncertainties that could cause the actual results to differ materially from those expressed or implied by such forward- looking statements, estimates, projections and forecasts. Prospective investors are cautioned not to place undue reliance on these forward-looking statements, estimates, projections and forecasts which speak only as of the date of these Listing Particulars and are based on assumptions that may prove to be inaccurate. Neither the Issuer, the Borrowers, the Arranger, nor the Bookrunner undertake any obligation to update or revise any forward-looking statements, estimates, projections and forecasts contained herein to reflect events or circumstances occurring after the date of these Listing Particulars.

The distribution of these Listing Particulars and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession these Listing Particulars come are required by the Issuer, the Bookrunner and the Arranger to inform themselves about and to observe any such restrictions. These Listing Particulars do not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. For a description of certain restrictions on offers, sales and deliveries of Notes, see the section entitled "*Subscription and Sale*".

Neither the delivery of these Listing Particulars nor the issue of the Notes or any offering, sale or delivery made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

References in these Listing Particulars to "£" or "**sterling**" are to the lawful currency for the time being of the United Kingdom of Great Britain and Northern Ireland.

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## TRANSACTION OVERVIEW

*The information in this section is an overview of the key features of the transaction. This overview should be read in conjunction with the more detailed information appearing elsewhere in these Listing Particulars.*

*An index of the defined terms used in these Listing Particulars appear at the end of the Listing Particulars.*

*In these Listing Particulars, references to the "Conditions" are to the terms and conditions of the Notes as set out in these Listing Particulars, and references to a particular numbered "Condition" are to be construed accordingly.*

### **The Solar Parks**

The Issuer of the Notes will benefit from security over four leasehold solar photovoltaic array parks, each of which is accredited under the FIT Scheme to receive FIT payments at the applicable rate:

- (a) Island Site, Aylesford, Kent ME20 7DA (the "**Kent Solar Park**"). The Kent Solar Park was commissioned and became operational in July 2011.
- (b) Puriton, Bridgwater, Somerset TA7 8AD (the "**Puriton Solar Park**"). The Puriton Solar Park was originally commissioned and became operational in July 2011 with an extension commissioned and becoming operational in October 2011.
- (c) Summerway Drove, Westonzoyland Road, Bridgwater, Somerset TA7 0HY (the "**Bridgewater Solar Park**"). The Bridgewater Solar Park was originally commissioned and became operational in July 2011 with an extension commissioned and becoming operational in October 2011.
- (d) Marsh Farm, Brokenborough, Malmesbury, Wiltshire SN16 9SR (the "**Malmesbury Solar Park**"). The Malmesbury Solar Park was commissioned and became operational in July 2011.

Each of the Kent Solar Park, the Puriton Solar Park, the Bridgewater Solar Park and the Malmesbury Solar Park are referred to in these Listing Particulars as the "**Solar Parks**".

### **Structure Diagram**

*The structure diagrams on the following page are qualified in their entirety by, the remainder of these Listing Particulars. Words and expressions defined elsewhere in these Listing Particulars shall have the same meaning in these structure diagrams.*

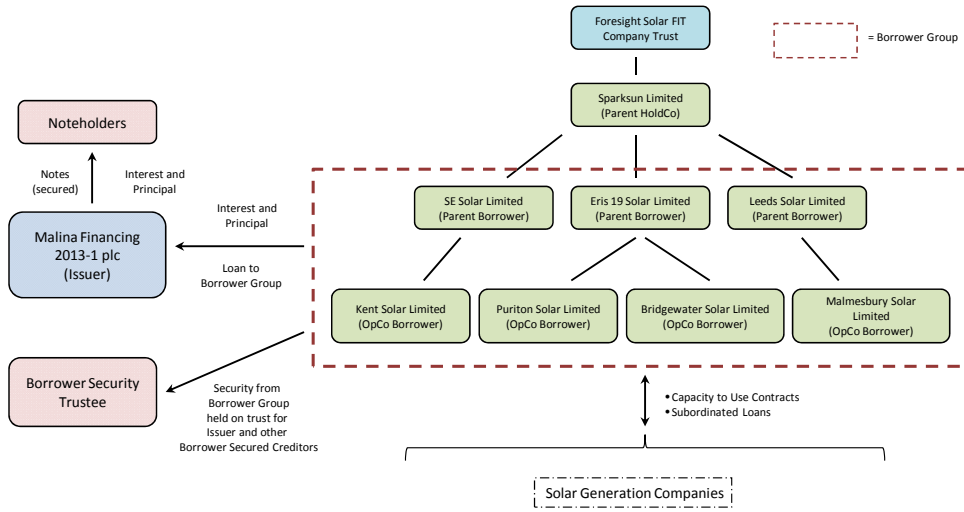


Diagram1 – Borrower Group

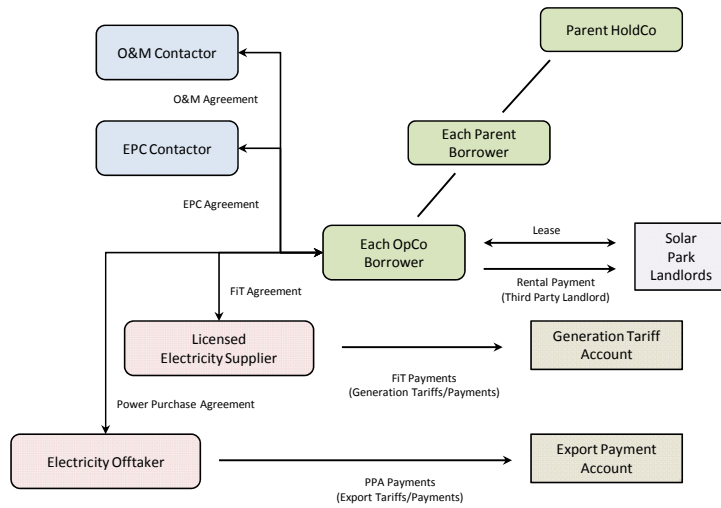


Diagram 2 – Electricity Generation Structure



## **Issue of the Notes and the Borrower Loan Agreement**

The transaction structure diagram above illustrates the transactions that will take place in connection with the issuance of the Notes. On the Closing Date, the Issuer will issue the Notes and enter into a loan agreement with, among others, the Parent Borrowers and the OpCo Borrowers (together, the "**Borrowers**") (the "**Borrower Loan Agreement**") pursuant to which it will advance a loan (the "**Borrower Loan**") to the Borrowers, on a joint and several liability basis, on or about the Closing Date, in an amount equal to the initial aggregate principal amount of the Notes less certain expenses and costs. The Parent Borrowers and the OpCo Borrowers are referred to in these Listing Particulars as the "**Borrower Group**".

The Borrowers will pay interest on the Borrower Loan at a percentage rate of 2.598 per cent per annum. Interest and principal payments in respect of the Borrower Loan are index linked to the RPI.

## **Structure of the Borrower Group**

Parent HoldCo is the 100 per cent beneficial owner of each of the Parent Borrowers, being:

- (a) SE Solar Limited (the "**SE Parent Borrower**"). The SE Parent Borrower is the 100 per cent owner of Kent Solar Limited (the "**Kent OpCo Borrower**"). The Kent OpCo Borrower is the leasehold owner of the Kent Solar Park.
- (b) Eris Solar 19 Limited (the "**Eris Parent Borrower**"). The Eris Parent Borrower is the 100 per cent owner of:
  - (i) Puriton Solar Limited (the "**Puriton OpCo Borrower**"). The Puriton OpCo Borrower is the leasehold owner of the Puriton Solar Park.
  - (ii) Bridgewater Solar Limited (the "**Bridgewater OpCo Borrower**"). The Bridgewater OpCo Borrower is the leasehold owner of the Bridgewater Solar Park.
- (c) Leeds Solar Limited (the "**Leeds Parent Borrower**"). The Leeds Parent Borrower is the 100 per cent owner of Malmesbury Solar Limited (the "**Malmesbury OpCo Borrower**"). The Malmesbury OpCo Borrower is the leasehold owner of the Malmesbury Solar Park.

The OpCo Borrowers were acquired by the Parent Borrowers pursuant to share purchase agreements which were completed as follows:

- (a) Puriton – completed 27 February 2012;
- (b) Bridgewater – completed 27 February 2012;
- (c) Malmesbury – completed 19 December 2011; and
- (d) Kent – completed 11 August 2011.

The material provisions of these share purchase agreements which remain in force are summarised in "*Summary of Principal Documents – Acquisition Agreements*" below.

The shares of Parent HoldCo are currently held by the trustees of the Foresight Solar FIT Company Trusts (the "**Trust**"). Parent HoldCo will become the legal owner of the Parent Borrowers upon the transfers of the shares of the Parent Borrowers being recorded in the Parent Borrowers' register of members once HM Revenue & Customs has provided its adjudication that no stamp duty is payable in respect of the transfers (which is anticipated to be received within a couple of months after the Closing Date). Until such time, the legal ownership of the shares of the Parent Borrowers will be held by the Trust.

The beneficiaries of the Trust are Foresight Solar VCT plc ("**Foresight Solar VCT**"), The VCT Charitable Trust (the "**Charity**"), Jenson Partners LLP and Foresight Fund Managers Limited as nominee for and on behalf of individual investors in the Foresight Solar EIS Fund (the "**Foresight EIS Fund**"). None of Foresight Solar VCT, the Charity, Jenson Partners LLP, Foresight Fund Managers Limited or the investors

in, or manager of, the Foresight Solar VCT or the Foresight EIS Fund directly or indirectly controls any member of the Borrower Group.

The trustees of the Trust are Foresight Solar VCT, the Charity and Jenson Partners LLP. None of the trustees controls any member of the Borrower Group.

### **The Solar Park Leases**

The Solar Parks are leased from the landowners by the OpCo Borrowers on the following basis:

- (a) The Kent Solar Park is leased to the Kent OpCo Borrower under a 27 year occupational lease (the "**Kent Solar Park Lease**") which will expire on 10 August 2038.
- (b) The Puriton Solar Park is leased to the Puriton OpCo Borrower under a 35 year occupational lease (the "**Puriton Solar Park Lease**") which will expire on 15 August 2046. The Puriton OpCo Borrower has the option to break the Puriton Solar Park Lease in 2037.
- (c) The Bridgewater Solar Park is leased to the Bridgewater OpCo Borrower under two 26 year occupational leases (the "**Bridgewater Solar Park Leases**") which will expire on 18 August 2037.
- (d) The Malmesbury Solar Park is leased to the Malmesbury OpCo Borrower under a 26 year occupational lease (the "**Malmesbury Solar Park Lease**") which will expire on 16 June 2037.

Each of the Kent Solar Park Lease, the Puriton Solar Park Lease, the Bridgewater Solar Park Lease and the Malmesbury Solar Park Lease are referred to in these Listing Particulars as the "**Solar Park Leases**".

Each of the Solar Park Leases is registered at the Land Registry.

Rent will be paid by each OpCo Borrower to the relevant landlord from amounts standing to the credit of the Export Payment Bank Account or the Generation Tariff Bank Account in accordance with the relevant Borrower Priorities of Payment (see "*Resources Available to the Issuer and the Borrowers – Borrower Priorities of Payments*" below).

There are no connections between the landlords of the Solar Parks and any member of the Borrower Group.

### **FiT Agreements and Power Purchase Agreements**

Each OpCo Borrower has the benefit of an agreement (each, a "**FiT Agreement**" and together, the "**FiT Agreements**") entered into with an electricity supplier that is licensed by Ofgem (each, a "**Licensed Electricity Supplier**"). Three of the OpCo Borrowers are party to long-term FiT Agreements. The remaining OpCo Borrower is currently party to a short-term FiT Agreement but it is anticipated it will enter into a long-term FiT Agreement shortly after the Closing Date. Each OpCo Borrower may enter into further such agreements with the same or other Licensed Electricity Suppliers in replacement of any expired FiT Agreement (each, also a "**FiT Agreement**"). Pursuant to its FiT Agreement, each OpCo Borrower is entitled to receive payments ("**Generation Payments**") for each unit of electricity generated by its Solar Park, pursuant to the scheme for feed-in tariffs in England and Wales introduced pursuant to section 41(1) of the Energy Act 2008 (the "**FIT Scheme**"). The Generation Payments are calculated by reference to generation tariffs set by Government under the FIT Scheme ("**Generation Tariffs**").

In addition, each OpCo Borrower has the benefit of a power purchase agreement (each, a "**Power Purchase Agreement**" and together, the "**Power Purchase Agreements**") entered into with a Licensed Electricity Supplier. Save for the long-term agreement in respect of the Kent Solar Park, the Power Purchase Agreements are currently short-term agreements of no more than one year's duration. Each OpCo Borrower may enter into further such agreements with the same or other Licensed Electricity Suppliers or other purchaser of power in replacement of any expired or terminated Power Purchase Agreement (each also, a "**Power Purchase Agreement**"). The counterparty to a Power Purchase Agreement for a particular Solar Park may be the same as the counterparty to the FiT Agreement for that Solar Park (in which case the Power Purchase Agreement may be incorporated into the FiT Agreement) or a different counterparty

(in which case the Power Purchase Agreement and the FiT Agreement will be separate documents). Under the Power Purchase Agreements, the OpCo Borrowers are entitled to receive payments for the electricity generated by the Solar Parks and then exported to the grid ("**Export Payments**"). Under the Power Purchase Agreements in place as at the date of these Listing Particulars, each OpCo Borrower has negotiated to sell exported electricity in return for payments at specified amounts per unit, as set out in the Power Purchase Agreements.

In respect of solar parks installed before November 2012, the Generation Tariffs under the FIT Scheme are adjusted annually by Ofgem, so as to reflect the change in the retail price index (all items) published by the Office of National Statistics (the "**ONS**") from time to time ("**RPI**"). The OpCo Borrowers have currently opted to receive Export Payments negotiated with the counterparties to their Power Purchase Agreement. However, when the current Power Purchase Agreements expire and are replaced, the OpCo Borrowers may elect to receive either (i) the best export payments available under a replacement Power Purchase Agreement or (ii) export payments calculated by reference to the export tariffs set by Government under the FIT Scheme ("**Export Tariffs**"), whichever is higher. The Export Tariff is essentially a floor price for electricity generated by renewable energy installations accredited under the FIT Scheme and exported to the grid and, like the Generation Tariffs, the Export Tariffs are adjusted annually by Ofgem in line with RPI.

The Solar Parks are also accredited for the Climate Change Levy ("**CCL**") scheme and entitled to Levy Exemption Certificates ("**LECs**"). LECs are also sold under the existing Power Purchase Agreements.

### **Other principal contracts**

Each OpCo Borrower has entered into a number of contracts in relation to its Solar Park, the principal ones being:

- (a) engineer, procure and construct contracts (the "**EPC Contracts**") entered into with the contractors who were originally responsible for the construction of the relevant Solar Parks. The EPC Contracts are with Solarwatt AG (Bridgewater Solar Park and Puriton Solar Park), Sunstroom Limited (Malmesbury Solar Park) and AG Renewables Limited (Kent Solar Park);
- (b) operation and maintenance contracts (the "**O&M Contracts**"). The services provided pursuant to these contracts are currently provided by the original contractors responsible for the construction of the relevant Solar Parks. However, the OpCo Borrowers have agreed commercial non-binding heads of terms with SunEdison Spain Construction, SLU or one of its affiliates ("**SunEdison**"), a reputable and larger operation and maintenance contracting group, pursuant to which the parties intend to implement new contractual arrangements so that operation and maintenance services will be provided by SunEdison for all of the Solar Parks in the future; and
- (c) agreements for the ongoing connection of the Solar Parks to the distribution network (the "**Connection Agreements**").

See "*Summary of Principal Documents – EPC Contracts*" and "*Summary of Principal Documents – O&M Contracts*" below for further details of these contracts.

### **The Solar Generation Companies**

In respect of each Solar Park, the OpCo Borrower in respect of that Solar Park has entered into sub-leases (the "**Sub-Leases**") with a number of companies (together, the "**Solar Generation Companies**") pursuant to which the majority of the relevant Solar Park is sub-divided and sub-leased to such Solar Generation Companies. The terms of the Sub-Leases for each Solar Park are substantially the same as the Solar Park Lease for that Solar Park, such that the aggregate rent payable to the OpCo Borrower by the Solar Generation Companies pursuant to the Sub-Leases in respect of a Solar Park are equal to the rent payable by the OpCo Borrower to the landlord under the relevant Solar Park Lease and all other rights and liabilities of the OpCo Borrower pursuant to the Solar Park Lease are backed off to the relevant Solar Generation Companies. To the extent that any Solar Park has not been fully sub-leased, the balance of the relevant Solar Park that is retained by the relevant OpCo Borrower represents land that was required to be

retained for cabling or substation purposes. The terms of the Sub-Leases are described in further detail in "*Summary of Principal Documents – Sub-Leases*".

Similarly, the OpCo Borrower in respect of a Solar Park has entered into other agreements with the Solar Generation Companies in respect of that Solar Park, pursuant to which the rights and liabilities of the OpCo Borrower in respect of the principal agreements entered into by the OpCo in respect of the relevant Solar Park are passed on to the Solar Generation Companies. These agreements are:

- (a) renewable power agreements ("**Renewable Power Agreements**"), pursuant to which the Solar Generation Companies sell the electricity which they generate to the OpCo Borrower, for an amount not exceeding the amounts receivable under the FiT Agreement and Power Purchase Agreement for the relevant Solar Park. The OpCo Borrower purchases electricity as principal and not as agent of the Solar Generation Companies;
- (b) technical expert services agreements (the "**TES Agreements**"), pursuant to which the Solar Generation Companies benefit from the rights the OpCo Borrower has under the O&M Contract in respect of that Solar Park; and
- (c) equipment lease agreements (the "**Equipment Lease Agreements**"), pursuant to which the OpCo Borrower provides the Solar Generation Companies with the right to use photovoltaic solar panels sited on the area of the relevant Solar Park leased to the relevant Solar Generation Company on the part of the Solar Park

(the Sub-Leases, the Renewable Power Agreements, the TES Agreements and the Equipment Lease Agreements being referred to as the "**Sale of Capacity Contracts**").

The contractual arrangements in place between the OpCo Borrowers and the Solar Generation Companies are such that the OpCo Borrowers do not make a profit or a loss from their trading activities though the OpCo Borrower is entitled to charge a fee to each Solar Generation Company for its brokerage services in relation to the negotiation of any Power Purchase Agreement. The OpCo Borrowers are registered with Ofgem as the owner and FIT generator in respect of the relevant Solar Park.

Amounts due from the OpCo Borrowers to the Solar Generation Companies pursuant to the Sale of Capacity Contracts are netted off against amounts due from the Solar Generation Companies to the OpCo Borrowers pursuant to the Netting Agreements (the terms of which are described in further detail in "*Summary of Principal Documents – Netting Agreements*") below. The remaining amounts due from the OpCo Borrowers to the Solar Generation Companies pursuant to the Sale of Capacity Contracts are subordinated to the obligations owed under the Borrower Loan pursuant to the Subordination and Default Termination Deeds. In addition, in the event of a default under the Borrower Loan Agreement, the Sale of Capacity Contracts with the Solar Generation Companies will terminate pursuant to the Subordination and Default Termination Deeds. Furthermore, on any one of certain insolvency events occurring in relation to a Solar Generation Company, the Sale of Capacity Contracts with that Solar Generation Company will terminate pursuant to the Subordination and Default Termination Deeds.

There are 42 Solar Generation Companies in total, as follows:

- (a) 14 Solar Generation Companies which sub-lease parts of the Kent Solar Park from the Kent OpCo Borrower. These are: Tethys Solar 01 Limited, Enceladus Solar 02 Limited, Rugby Solar Limited, Saturn Solar 04 Limited, Oberon Solar 05 Limited, Titania Solar 06 Limited, Umbriel Solar 07 Limited, Ariel Solar 08 Limited, Miranda Solar 09 Limited, Blyth Solar Limited, Deimos Solar 20 Limited, Callisto Solar 21 Limited, Ganymede Solar 22 Limited and Themisto Solar 31 Limited (the "**Kent Solar Generation Companies**").
- (b) 11 Solar Generation Companies which sub-lease parts of the Puriton Solar Park from the Puriton OpCo Borrower. These are: Puck Solar 10 Limited, Uranus Solar 11 Limited, Nereid Solar 12 Limited, Triton Solar 13 Limited, Proteus Solar 14 Limited, Diss Solar Limited, Deal Solar Limited, Leda Solar 32 Limited, Jupiter Solar 25 Limited, Phoebe Solar 26 Limited and Lo Solar 24 Limited (the "**Puriton Solar Generation Companies**").

- (c) 5 Solar Generation Companies which sub-lease parts of the Bridgewater Solar Park from the Bridgewater OpCo Borrower. These are: Neptune Solar 15 Limited, Charon Solar 16 Limited, Bury Solar Limited, Lapetus Solar 27 Limited and Hyperion Solar 28 Limited (the "**Bridgewater Solar Generation Companies**").
- (d) 12 Solar Generation Companies which sub-lease parts of the Malmesbury Solar Park from the Malmesbury OpCo Borrower. These are: Hull Solar Limited, Kesh Solar Limited, Liss Solar Limited, Looe Solar Limited, Sark Solar Limited, Rhyl Solar Limited, Bude Solar Limited, Bute Solar Limited, Rhea Solar 29 Limited, Dione Solar 30 Limited, Europa Solar 23 Limited and Himalia Solar 33 Limited (the "**Malmesbury Solar Generation Companies**").

The Solar Generation Companies are divided into two categories: (1) those which were financed by the Foresight Solar VCT (the "**VCT Solar Generation Companies**") and (2) those which were financed by the Foresight EIS Fund (the "**EIS Solar Generation Companies**").

The VCT Solar Generation Companies are ultimately owned by the Foresight Solar VCT (which owns 49 per cent), The VCT Charitable Trust (the "**Charity**") (which owns 49 per cent) and Jenson Partners LLP, a firm of accountants (which owns the remaining 2 per cent). None of the Foresight Solar VCT, the Charity nor Jenson Partners LLP controls any of the VCT Solar Generation Companies. Foresight Solar VCT has the right to appoint a director of the VCT Solar Generation Companies but their appointee may not act as the chairman at any board meeting. At any meeting of directors each director is entitled to one vote and in the case of an equality of votes the chairman of the meeting is entitled to a second or casting vote.

The EIS Solar Generation Companies are ultimately wholly owned by investors in the Foresight EIS Fund. No one investor in the Foresight EIS Fund controls any of the EIS Solar Generation Companies.

It is anticipated that, following the Closing Date, a reorganisation of the Solar Generation Companies will take place pursuant to which a number of direct holding companies will acquire all assets and liabilities of the existing Solar Generation Companies by way of novations of the existing Sale of Capacity Contracts and/or the entry into contracts with the OpCo Borrowers on substantially the same terms as the existing agreements, thereby taking the place of the existing Solar Generation Companies. Any subsequent acquisition of assets and liabilities will require the consent of Noteholders (either by an Extraordinary Resolution or by the consent of the Noteholder Representative, if one has been appointed).

While not essential, as it results in a substantial reduction of the number of Solar Generation Companies, this rationalisation and reorganisation is desirable to simplify (and reduce the cost of) the future administration and management associated with the Solar Generation Companies. It is anticipated that the reorganisation will be effected within the period between 2 and 6 months of the Closing Date.

#### **Use of proceeds**

The estimated gross proceeds from the issue of the Notes will be £60,000,000. On or about the Closing Date, the Issuer will, subject to and in accordance with the terms of the Borrower Loan Agreement, advance the Borrower Loan to the Borrowers. The Borrowers will apply proceeds as described in detail in "*Use of Proceeds*" section below.

#### **Repayment of Notes and Subordination and Default Termination Deeds**

The Issuer's obligation to pay interest and principal on the Notes will be primarily met from payments of interest and principal received from the Borrowers under the Borrower Loan.

The Borrowers' obligation to pay interest and principal on the Borrower Loan will be met from Generation Payments and Export Payments received under the FiT Agreements and the Power Purchase Agreements entered into by the OpCo Borrowers.

All obligations of the OpCo Borrowers to the Solar Generation Companies are subordinated to the Borrower Loan pursuant to subordination and default termination deeds (each a "**Subordination and Default Termination Deed**") entered into between the OpCo Borrowers and the Solar Generation Companies. In addition, the Subordination and Default Termination Deeds provide that, in the event of a

default under the Borrower Loan, the Sale of Capacity Contracts between the OpCo Borrowers and the Solar Generation Companies shall terminate, such that the OpCo Borrowers shall become entitled to retain all Generation Payments and Export Payments received under the FiT Agreements and Power Purchase Agreements. In such circumstances, the OpCo Borrowers shall become liable to repay to the Solar Generation Companies an amount comprising (i) a due proportion of the amount they originally paid to the OpCo Borrowers when the Sale of Capacity Contracts were first entered into (the "**Repayment Amount**"); (ii) the amount standing to the credit of the Mirror Reserve (as defined below) plus an amount equal to all arrears payable to the Solar Generation Companies pursuant to the Netting Agreements (together, the "**Arrears**"); and (iii) an amount payable by way of compensation for their loss of bargain ("**Compensation**") (such Compensation being equal to the difference between the sum of (A) the Repayment Amount and the Arrears and (B) the amount then outstanding (including interest) and owed by the Solar Generation Companies to the OpCo Borrowers pursuant to the SGC Loans) (collectively the "**Termination Payment**"). The Termination Payment will be subordinated to the Borrower Loan Agreement under the terms of each Subordination and Default Termination Deed but will be automatically set off against and settle in full all outstanding financial obligations owed by the Solar Generation Companies to the OpCo Borrowers under the SGC Loans. The Sale of Capacity Contracts between an OpCo Borrower and a Solar Generation Company will also terminate (and a Termination Payment will also be payable) if any one of certain insolvency events occur in relation to a Solar Generation Company.

The terms of the Subordination and Default Termination Deeds are summarised in greater detail in "*Summary of Principal Documents – Subordination Arrangements*" below.

### **The Borrower Security Structure**

Under a deed of charge to be dated on or about the Closing Date between the Original Borrowers, the Issuer and U.S. Bank Trustees Limited (the "**Borrower Security Trustee**") (the "**Borrower Deed of Charge**"), the obligations of the Borrowers in respect of the Borrower Loan (such obligations being joint and several) will be secured in favour of the Borrower Security Trustee (for the benefit of the Borrower Secured Creditors) by fixed and floating charges over the property, undertaking and assets of the Borrowers (which comprises, primarily, in respect of an OpCo Borrower, its rights, title and interest in the Solar Parks, the Solar Park Leases, the FiT Agreements, the Power Purchase Agreements (including Generation Payments and Export Payments), equipment and plant at the Solar Parks, the EPC Contracts and O&M Contracts (each as defined below) (collectively, the "**Borrower Security**") - see "*Summary of Principal Documents – Borrower Deed of Charge*").

Parent HoldCo is the 100 per cent beneficial owner of each of the Parent Borrowers, but will not be a borrower under the Borrower Loan Agreement. It will, however, grant security over the beneficial interest in the shares it owns in each Parent Borrower as security for the loan (and once the Parent HoldCo holds the legal interest in such shares the security will be extended to include the legal interest) (see "*Summary of Principal Documents – Parent HoldCo Share Charge*").

The Solar Generation Companies and their assets will not be the subject of security for the Borrower Loan Agreement. However, each Solar Generation Company will be party to a Subordination and Default Termination Deed, as described above.

### **The Issuer Security Structure**

Under a deed of charge to be dated on or about the Closing Date between the Issuer and U.S. Bank Trustees Limited (the "**Issuer Security Trustee**") (the "**Issuer Deed of Charge**"), the obligations of the Issuer under the Notes will be secured in favour of the Issuer Security Trustee (for the benefit of the Noteholders and certain other secured creditors of the Issuer (the "**Issuer Secured Creditors**")) by fixed and floating charges over all the property, undertaking and assets of the Issuer (which comprises, primarily, certain bank accounts and its rights in respect of the Borrower Loan and the Borrower Security) (collectively, the "**Issuer Security**") - see "*Summary of Principal Documents – Issuer Deed of Charge*").

### **Corporate administration**

Back office and management services, including but not limited to accounting, secretarial, financial reporting and production services ("**Administrative Services**") are provided to the Borrower Group by

Foresight Group LLP ("**Foresight LLP**"), which sub contracts the Administrative services to third party providers. As at the date of these Listing Particulars, the Administrative Services are being provided by a combination of two sub-contractors, Jenson Solutions Limited (the "**Outgoing Services Provider**") and Quintas Energy UK Ltd (the "**Incoming Services Provider**" and, together with the Outgoing Services Provider, the "**Borrower Corporate Administrator**"). However, a transition is underway following which all Administrative Services will be provided by the Incoming Services Provider.

The Incoming Services Provider assumed responsibility to provide all Administrative Services on 1 April 2013. However, in order to facilitate a smooth transition between providers, the Outgoing Services Provider is being retained and will continue to perform certain Administrative Services for a short period, including but not limited to the preparation of the annual accounts of the Borrower Group. It is anticipated that the Outgoing Services Provider will cease to provide Administrative Services in May 2013. To further aid continuity in the business of the Borrower Group, John Aiken, who, on behalf of the Outgoing Services Provider, is currently performing the Administrative Services provided to the Borrower Group by the Outgoing Services Provider, will be retained in a permanent role as a director of each member of the Borrower Group.

John Aiken, a partner in Jenson Solutions LLP, of which Jenson Solutions Limited is a member, is a director of each member of the Borrower and one of the Solar Generation Companies. However, neither Jenson Solutions Limited nor Jenson Solutions LLP controls any member of the Borrower Group.

### **Conflicts of interest**

Ricardo Piñeiro is a director of each Borrower, and certain Solar Generation Companies. Such cross-directorships may give rise to a conflict of interest in situations where the relevant companies have conflicting interests. Such situations might include, for example, any contracts entered into between any Borrower and a Solar Generation Company of which Mr Piñeiro is a director. The Solar Generation Companies of which Mr Piñeiro is a director benefit from an independent director who, as chairman, has a casting vote at board meetings. Under the articles of association of those Solar Generation Companies, Mr Piñeiro is prohibited from acting as chairman and is, therefore, denied the opportunity to acquire the casting vote.

Although equivalent safeguards are not found in the articles of association of the Borrowers, their interests are protected under English law in the form of the statutory duties owed by directors of companies. Should a conflict of interest arise, it will be dealt with in accordance with the provisions of the Companies Act 2006.

The position of John Aiken as a director of the Borrowers and a member of Jenson Solutions LLP may give rise to a conflict of interest in limited circumstances in respect of the indirect relationship between Jenson Solutions Limited (of which Jenson Solutions LLP is a member) and the Borrowers, relating to the supply of Administrative Services. It is anticipated that Jenson Solutions Limited will have been replaced by Quintas Energy UK Limited and ceased to provide Administrative Services by May 2013. In the meantime, Mr Aiken is unable to cast a controlling vote and will be excluded from any decision relating to the supply of Administrative Services (directly or indirectly) to the Borrowers by Jenson Solutions Limited.

Other than the directorships of John Aiken and Ricardo Piñeiro as described above, there are no other conflicts of interest in respect of any of the administrative, management or supervisory bodies of the Borrowers.

### **Intra-group loans**

Following the Closing Date, there will be the following loans owed by members of the Borrower Group to another member of the Borrower Group:

- (a) the Eris Parent Borrower will owe £2,080,380.84 and £1,410,619.49 to the Puriton OpCo Borrower and the Bridgewater OpCo Borrower respectively; and
- (b) the Leeds Parent Borrower will owe £3,476,248 to the Malmesbury OpCo Borrower.

These loans are not documented and are an inter-company loan account.

In addition, the Solar Generation Companies will owe amounts to the OpCo Borrowers pursuant to the SGC Loans. The terms of these loans are described in "*Summary of Principal Documents – SGC Loans*".



## KEY FEATURES

*The following information is a summary of the transactions and assets underlying the Notes. It has to be read as an introduction to these Listing Particulars and is qualified in its entirety by reference to the detailed information presented elsewhere in these Listing Particulars and in the Transaction Documents.*

### 1. The principal parties

<b>Issuer</b>	Malina Financing 2013-1 PLC (the " <b>Issuer</b> "), registration number 8432822, a limited liability company incorporated under the Laws of England and Wales, whose registered office is at 35 Great St. Helen's, London EC3A 6AP.
<b>Issuer Security Trustee</b>	U.S. Bank Trustees Limited will act as security trustee (the " <b>Issuer Security Trustee</b> ") and hold on trust for itself and the other Issuer Secured Creditors the security granted by the Issuer in favour of the Issuer Secured Creditors pursuant to the deed of charge (the " <b>Issuer Deed of Charge</b> ").
<b>Borrower Security Trustee</b>	U.S. Bank Trustees Limited will act as security trustee (the " <b>Borrower Security Trustee</b> ") and hold on trust for itself and the other Borrower Secured Creditors the security granted by the Borrowers in favour of the Borrower Secured Creditors pursuant to the deed of charge (the " <b>Borrower Deed of Charge</b> ").
<b>Note Trustee</b>	U.S. Bank Trustees Limited will act as trustee for and on behalf of the holders of the Notes (the " <b>Note Trustee</b> ") pursuant to a Trust Deed (the " <b>Trust Deed</b> ") to be entered into on the Closing Date between the Note Trustee and the Issuer.
<b>Issuer Cash Manager</b>	Elavon Financial Services Limited will act as cash manager (the " <b>Issuer Cash Manager</b> ") pursuant to a cash management agreement (the " <b>Issuer Cash Management Agreement</b> ") to be entered into on the Closing Date between the Issuer Cash Manager, the Note Trustee and the Issuer.
<b>Borrower Cash Manager</b>	Elavon Financial Services Limited will act as cash manager (the " <b>Borrower Cash Manager</b> ") pursuant to a cash management agreement (the " <b>Borrower Cash Management Agreement</b> ") to be entered into on the Closing Date between the Borrower Cash Manager and the Borrowers.
<b>Paying Agent</b>	Elavon Financial Services Limited will act as paying agent (the " <b>Paying Agent</b> ") pursuant to a paying agency agreement (the " <b>Agency Agreement</b> ") to be entered into on the Closing Date between the Paying Agent, the Note Trustee and the Issuer.
<b>Calculation Agent</b>	Elavon Financial Services Limited will act as calculation agent (the " <b>Calculation Agent</b> ") pursuant to the Agency Agreement.
<b>Issuer Account Bank</b>	Elavon Financial Services Limited will act as issuer account bank (the " <b>Issuer Account Bank</b> ").
<b>Borrower Account Bank</b>	Elavon Financial Services Limited will act as borrower account bank (the " <b>Borrower Account Bank</b> ").
<b>Borrower Agent</b>	Kent Solar Limited, as agent for and on behalf of all of the Borrowers pursuant to the Transaction Documents (the " <b>Borrower Agent</b> ").
<b>Corporate Services Provider</b>	Structured Finance Management Limited will act as a corporate services provider to the Issuer (the " <b>Corporate Services Provider</b> ") pursuant to a corporate services agreement (the " <b>Corporate Services Agreement</b> ") to be entered into on the Closing Date between the Corporate Services Provider and

the Issuer.

<b>Share Trustee</b>	SFM Corporate Services Limited (the " <b>Share Trustee</b> ") holds the issued share capital of the Issuer under the terms of a declaration of trust dated 22 April, 2013.
<b>Parent HoldCo</b>	SparkSun Limited, registration number 8436227, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU (the " <b>Parent HoldCo</b> ").
<b>Parent Borrowers</b>	<p>SE Solar Limited, registration number 7472592, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU (the "<b>SE Parent Borrower</b>");</p> <p>Eris Solar 19 Limited, registration number 7699638, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU (the "<b>Eris Parent Borrower</b>");</p> <p>Leeds Solar Limited, registration number 7578911, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU (the "<b>Leeds Parent Borrower</b>"); and</p> <p>(each, a "<b>Parent Borrower</b>" and together, the "<b>Parent Borrowers</b>), and in their respective capacities as borrowers under the Borrower Loan Agreement, a "<b>Borrower</b>").</p>
<b>OpCo Borrowers</b>	<p>Kent Solar Limited, registration number 7596151, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (the "<b>Kent OpCo Borrower</b>");</p> <p>Puriton Solar Limited, registration number 7426782, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (the "<b>Puriton OpCo Borrower</b>");</p> <p>Bridgewater Solar Limited, registration number 7466576, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (the "<b>Bridgewater OpCo Borrower</b>"); and</p> <p>Malmesbury Solar Limited, registration number 6007784, a limited liability company incorporated under the laws of England and Wales, whose registered office is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU (the "<b>Malmesbury OpCo Borrower</b>"),</p> <p>(each, an "<b>OpCo Borrower</b>" and together, the "<b>OpCo Borrowers</b>" and, in their respective capacities as borrowers under the Borrower Loan Agreement, also a "<b>Borrower</b>").</p>
<b>Facility Agent</b>	Elavon Financial Services Limited will act as agent for the Issuer (the " <b>Facility Agent</b> ") under the Borrower Loan Agreement.
<b>Arranger and Bookrunner</b>	Mirabaud Securities LLP, registration number OC340133, a limited liability partnership incorporated under the laws of England and Wales whose registered office is at 33 Grosvenor Place, London SW1X 7HY (acting

through its appointed representative Independent Debt Capital Markets LLP, registration number OC350101, a limited liability partnership incorporated under the Laws of England and Wales, whose registered office is at 34 Ely Place, London, EC1N 6TD (in its capacity as arranger, the "**Arranger**" and in its capacity as the bookrunner, the "**Bookrunner**").

## 2. Summary of the Notes

<b>The Notes</b>	<p>On 2 May, 2013 or such later date as the Bookrunner may agree with the Issuer (the "<b>Closing Date</b>"), the Issuer will issue £60,000,000 RPI-linked Notes due 2036.</p> <p>The Notes will constitute limited recourse obligations of the Issuer. The Notes will be governed by English Law and will be constituted by the Trust Deed.</p> <p>The Notes will be obligations solely of the Issuer and will not be obligations of, or guaranteed by, any other parties to the Transaction Documents.</p>
<b>Limited recourse nature of the Issuer's obligations under the Notes</b>	<p>The obligations of the Issuer to each of the Noteholders will be limited recourse obligations of the Issuer. The Noteholders will have a claim against the Issuer only to the extent of the Issuer's available funds, in each case subject to and as provided in the Transaction Documents.</p>
<b>Form and denomination of the Notes</b>	<p>The authorised denomination of the Notes will be £100,000 and integral multiples of £10,000 in excess thereof.</p>
<b>Interest on the Notes</b>	<p>The Notes will bear interest on their Outstanding Principal Amount from and including the Closing Date at the rate per annum equal to the Rate of Interest and such interest will be payable in sterling in arrears on each Note Interest Payment Date, subject to the applicable Priority of Payments and subject as provided in Condition 6.</p> <p><b>"Rate of Interest"</b> means 2.598 per cent. per annum.</p> <p><b>"Note Interest Payment Date"</b> means 28 August 2013 (being the first Note Interest Payment Date) and, thereafter, 28 February and 28 August in each year (or, if any such date is not a Business Day, the next following Business Day (unless such Business Day falls in the next calendar month, in which event, the immediately preceding Business Day)).</p>
<b>Indexation of Interest</b>	<p>Each payment of interest in respect of the Notes shall be in an amount that has accrued at the Rate of Interest over the relevant Interest Period, multiplied by the Index Ratio calculated in accordance with Condition 7 on the basis of the RPI.</p>
<b>Withholding tax on the Notes</b>	<p>None of the Issuer or any agent will be obliged to gross-up payments to the Noteholders if there is any withholding or deduction for or on account of taxes in respect of any payments on the Notes.</p>
<b>Security for the Notes</b>	<p>The obligations of the Issuer to the Issuer Secured Creditors will be secured by and pursuant to the Issuer Deed of Charge, governed by English law and entered into on the Closing Day.</p>
<b>Final Maturity Date of the Notes</b>	<p>Unless previously redeemed or purchased and cancelled in accordance with the Conditions, the Notes will be redeemed on the Note Interest Payment Date falling in August 2036, being the Final Maturity Date. The Notes may not be redeemed at the option of the Issuer other than in accordance with</p>

Condition 8(c).

<b>Listing of the Notes</b>	Application has been made for the Notes to be admitted to trading on the PSM of the London Stock Exchange.
<b>Governing Law</b>	The Conditions, the Notes and the Transaction Documents will be governed by English law.
<b>Selling restrictions</b>	There are restrictions on the sale of the Notes and on the distribution of information in respect thereof. See " <i>Subscription and Sale</i> " below.

### 3. The Bank Accounts

**Generation Tariff Bank Account** All monies received in respect of Generation Payments by an OpCo Borrower will be paid into an account opened in the joint names of the OpCo Borrowers under the Borrower Loan Agreement (the "**Generation Tariff Bank Account**").

**Export Payment Bank Account** All monies received in respect of Export Payments by an OpCo Borrower will be paid into an account opened in the joint names of the OpCo Borrowers under the Borrower Loan Agreement (the "**Export Payment Bank Account**").

**Debt Service Reserve Account** On or about the Closing Date, a sum of £2,250,000 will be deposited in an account in the joint names of the Parent Borrowers (the "**Debt Service Reserve Account**") from the proceeds of the Borrower Loan made to the Borrowers on such date. On each of the first ten Loan Interest Payment Dates falling after the Closing Date, the Borrowers will be required to deposit £225,000 in the Debt Service Reserve Account, in accordance with and subject to each Borrower Pre-Acceleration Priority of Payments.

Amounts standing to the credit of the Debt Service Reserve Account may only be used for payments of expenses having priority over debt service (other than reserves) and for payment of interest and principal on the Borrower Loan under and in accordance with the relevant Borrower Priority of Payments, provided that:

- (a) in certain circumstances and subject to the fulfilment of certain conditions on the 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> anniversaries of the Closing Date respectively (each, a "**Debt Service Reserve Adjustment Date**", the Borrower Cash Manager will be required to release certain amounts standing to the credit of the Debt Service Reserve Account to the Generation Tariff Bank Account on each first Loan Interest Payment Date to follow such Debt Service Reserve Adjustment Date;
- (b) in certain circumstances, including the absence of a Default that has occurred and is continuing, on the Loan Interest Payment Date falling in February 2034, the Borrower Cash Manager will be required to release 50% of the amount standing to the credit of the Debt Service Reserve Account to the Generation Tariff Bank Account; and
- (c) in certain circumstances, including the absence of a Default that has occurred and is continuing, on the Loan Interest Payment Date falling in August 2034, the Borrower Cash Manager will be required to release the entire amount remaining to the credit of the Debt Service Reserve Account to the Generation Tariff Bank Account.

(See "*Resources Available to the Issuer and the Borrowers – Release of Debt Service Reserve*" below.)

**Cash Trap Reserve Account**

The Parent Borrowers have opened an account in their joint names with the Borrower Account Bank, to which funds will be remitted upon a DSCR Trigger (as defined below) (the "**Cash Trap Reserve Account**").

Amounts standing to the credit of the Cash Trap Reserve Account may only be used for payments of expenses having priority over debt service (other than reserves) and for payment of interest and principal on the Borrower Loan under and in accordance with the relevant Borrower Priority of Payments. See "*Resources Available to the Issuer and the Borrowers – Release of Cash Trap Reserve*" below.

**Opex Reserve Account**

On or about the Closing Date, a sum of £1,010,000 will be deposited in an account in the joint names of the Parent Borrowers (the "**Opex Reserve Account**") from the proceeds of the Borrower Loan made to the Borrowers on such date. On each of the first ten Loan Interest Payment Dates falling after the Closing Date, the Borrowers will be required to deposit £26,060 in the Opex Reserve Account, in accordance with and subject to each Borrower Pre-Acceleration Priority of Payments.

Amounts standing to the credit of the Opex Reserve Account may only be used for replacement of solar panels at the Solar Parks in accordance with certain provisions of the Borrower Cash Management Agreement, provided that:

- (a) in certain circumstances and subject to the fulfilment of certain conditions on the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> or 20<sup>th</sup> anniversaries of the Closing Date respectively (each, an "**Opex Reserve Adjustment Date**"):
  - (i) the Borrowers may be required to add additional amounts to the Opex Reserve Account in equal instalments on each of the first ten Loan Interest Payment Dates to follow the relevant Opex Reserve Adjustment Date;
  - (ii) the Borrower Cash Manager will be required to release certain amounts standing to the credit of the Opex Reserve Account to the Generation Tariff Bank Account by the Borrower Cash Manager on the first Loan Interest Payment Date to follow the relevant Opex Reserve Adjustment Date; and
- (b) in the absence of a Default that has occurred and is continuing, on the Loan Interest Payment Date falling in August 2034, the Borrower Cash Manager will be required to release the entire amount remaining to the credit of the Opex Reserve Account to the Generation Tariff Bank Account.

*(See "Resources Available to the Issuer and the Borrowers – Release of Opex Reserve" below.)*

**Inverter Maintenance Reserve Account**

On each of the first 18 Loan Interest Payment Dates falling after the Closing Date, the Borrowers will be required to deposit £100,000 in an account in the joint names of the Parent Borrowers (the "**Inverter Maintenance Reserve Account**", in accordance with and subject to each Borrower Pre-Acceleration Priority of Payments.

Amounts standing to the credit of the Inverter Maintenance Reserve Account may only be used for replacement of inverters at the Solar Parks in accordance with certain provisions of the Borrower Cash Management Agreement, provided that in certain circumstances, including in the absence of a Default that has occurred and is continuing, on the Loan Payment Date

falling in August 2034, the Borrower Cash Manager will be required to release the entire amount remaining to the credit of the Inverter Maintenance Reserve Account to the Generation Tariff Bank Account (see *"Resources Available to the Issuer and the Borrowers – Release of Inverter Maintenance Reserve" below*).

**Working Capital Reserve Account**

On each Loan Interest Payment Date before a Borrower Acceleration Notice (as defined below) has been served, the Borrowers (or the Borrower Cash Manager on their behalf) will be required to deposit in an account in the joint names of the OpCo Borrowers (the "**Working Capital Reserve Account**") an amount equal to all Priority Opex Expenses (as defined below) that are due before the next following Loan Interest Payment Date in accordance with the Annual Budget (as defined below) in each case under and in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

Amounts standing to the credit of the Working Capital Reserve Account may only be used by the OpCo Borrowers or Borrower Agent to make transfers to a General Account of an OpCo Borrower on a quarterly basis for the purposes of paying quarterly Priority Opex Expenses, which include rental payments due on the Solar Park Leases, payments due under the O&M Contracts and payment due under the EPC Contracts over the following quarter.

*(See "Resources Available to the Issuer and the Borrowers – Release from Working Capital Reserve" below.)*

**Authorised Investments**

On or about the Closing Date, and from time to time thereafter, amounts standing to the credit of the Debt Service Reserve Account, the Opex Reserve Account, the Inverter Maintenance Reserve Account, the Cash Trap Reserve Account and the Malmesbury Reserve Account (together, the "**Parent Borrower Reserve Accounts**") may, upon the instruction of the relevant Parent Borrower(s) or the Borrower Agent acting on behalf of such Parent Borrower(s), be invested in Authorised Investments (as defined below (see *"Resources Available to the Issuer and the Borrowers – Authorised Investments" below*), subject to and in accordance with the provisions of the Borrower Cash Management Agreement.

With respect to amounts standing to the credit of the Debt Service Reserve Account and the Cash Trap Reserve Account, such Authorised Investment will initially be a product provided by Abbey National Treasury Services PLC pursuant to its Inflation Linked Investment Conditions (version 1) dated 21 January 2013 and the transaction confirmations delivered in connection with such product (the "**Specified Authorised Investment**"), which is intended to provide an RPI-linked return. If the Specified Authorised Investment is no longer available or if the Borrowers no longer wish amounts standing to the credit of the Debt Service Reserve Account or Cash Trap Reserve Account to be invested in the Specified Authorised Investment, such amounts may be invested in other Authorised Investments selected by the Borrowers (which are not objected to by the Controlling Party) to replace the Specified Authorised Investment, subject to and in accordance with the provisions of the Borrower Cash Management Agreement (the "**Replacement Specified Authorised Investment**").

**General Account**

Each Borrower has opened an account in its name Barclays Bank plc under the Borrower Loan Agreement, to which funds are remitted and available to such Borrower for general purposes in certain circumstances (each, a "**General Account**" and together, the "**General Accounts**").

**Issuer Transaction**

The Issuer has opened an account in its name with the Issuer Account Bank, to which funds are remitted and available to the Issuer for payment in respect

<b>Account</b>	of the Notes (the " <b>Issuer Transaction Account</b> ").
<b>Cashflows of the Issuer</b>	The priority of payments for the application of monies received by the Issuer prior to and following enforcement will be set out in the Issuer Cash Management Agreement and the Issuer Deed of Charge, respectively. Funds will be applied from the Issuer Transaction Accounts in accordance with the priority of payments set out in the Issuer Cash Management Agreement.
<b>Payments under the Notes</b>	The Paying Agent shall determine the payments under the Notes.
<b>Malmesbury Reserve Account</b>	<p>On or about the Closing Date, a sum of £1,750,000 will be deposited in an account in the name of the Leeds Parent Borrower (the "<b>Malmesbury Reserve Account</b>") from the proceeds of the Borrower Loan made to the Borrowers on such date.</p> <p>Amounts standing to the credit of the Malmesbury Reserve Account may only be used for Remedial Works (as defined below) at the Malmesbury Solar Park approved by the Technical Adviser in accordance with certain provisions of the Borrower Cash Management Agreement, provided that, in the absence of a Loan Event of Default that has occurred and is continuing, on the issuance of a Remedial Completion Certificate (as defined below) by the Technical Adviser, the Borrower Cash Manager will be required to release the entire amount remaining to the credit of the Malmesbury Reserve Account to the Malmesbury OpCo Borrower's General Account.</p> <p>(See "<i>Resources Available to the Issuer and the Borrowers – Release of Malmesbury Reserve</i>" below.)</p>

#### 4. Priority of Payments

<b>Issuer Pre-Acceleration Priority of Payments</b>	<p>Prior to the service of an Issuer Acceleration Notice, all amounts standing to the credit of the Issuer Transaction Account (other than (a) £12,500, prior to the earlier to occur of a Note Event of Default or redemption in full of all the Notes, and (b) an amount in respect of the Issuer Retained Profit (as defined below)) will be applied by the Issuer Cash Manager on behalf of the Issuer on each Note Interest Payment Date in making payments or provisions in the following order of priority (the "<b>Issuer Pre-Acceleration Priority of Payments</b>") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:</p> <p>(a) <i>first</i>, in or towards satisfaction of the fees or other remuneration then payable to the Note Trustee and the Issuer Security Trustee, together with value added tax ("<b>VAT</b>") thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by the Note Trustee or the Issuer Security Trustee under the Trust Deed or the Issuer Deed of Charge, as the case may be, together with interest thereon as provided in the Trust Deed or the Issuer Deed of Charge, as the case may be;</p> <p>(b) <i>second</i>, in or towards payment, <i>pro rata</i> according to the respective amounts thereof, of all amounts due or overdue from the Issuer to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the fee letter between the Issuer and the Issuer Account Bank, (iii) the Issuer Cash Manager under Issuer Cash Management Agreement and (iv) the Corporate Services Provider under the Corporate Services Agreement (together</p>
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with, in each case, VAT thereon, if applicable, as provided in the Agency Agreement, the fee letter between the Issuer and the Issuer Account Bank, the Cash Management Agreement or the Corporate Services Agreement, as the case may be);

- (c) *third*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of interest due or overdue in respect of the Notes;
- (d) *fourth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of principal due or overdue in respect of the Notes;
- (e) *fifth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer in respect of any other liabilities of the Issuer;
- (f) *sixth*, in or towards retention of an amount of £1,000 (the "**Issuer Retained Profit**") to remain deposited in the Issuer Transaction Account and retained as six monthly profit by the Issuer (and from which amount the Issuer shall discharge its liability to corporation tax in respect of such Issuer Retained Profit); and
- (g) *seventh*, the surplus (if any) in payment to the Borrowers by way of a rebate of fees paid by the Borrowers on the Borrower Loan.

**Issuer Post-Acceleration Priority of Payments**

Following the service of an Issuer Acceleration Notice, monies standing to the credit of the Issuer Transaction Account or otherwise available for distribution will be applied by the Issuer Security Trustee, any receiver appointed by it or the Issuer Cash Manager in or towards satisfaction of the Issuer's liabilities in the following order of priority (the "**Issuer Post-Acceleration Priority of Payments**") but, in each case, only if and to the extent that payments or provisions of a higher priority have been made in full:

- (a) *first*, in or towards satisfaction of, *pro rata* according to the respective amounts thereof (i) the fees or other remuneration then payable to the Note Trustee and the Issuer Security Trustee, together with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by the Note Trustee or the Issuer Security Trustee under the Trust Deed or the Issuer Deed of Charge, as the case may be, together with interest thereon as provided in the Trust Deed or the Issuer Deed of Charge, as the case may be and (ii) the fees or other remuneration then payable to any receiver appointed in respect of the Issuer, together with VAT thereon (if applicable) and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by such receiver under or in connection with the Issuer Deed of Charge, together with interest thereon as provided in the Issuer Deed of Charge;
- (b) *second*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the fee letter between the Issuer and the Issuer Account Bank, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement and (iv) the Corporate Services Provider under the Corporate Services Agreements (together with, in each case, VAT thereon, if applicable as provided in the Agency Agreement, the fee letter between the Issuer and the Issuer



Account Bank, the Issuer Cash Management Agreement or the Corporate Services Agreement, as the case may be);

- (c) *third*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of interest and principal due or overdue in respect of the Notes;
- (d) *fourth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer in respect of any other liabilities of the Issuer;
- (e) *fifth*, an amount equal to the Issuer Retained Profit to remain deposited in the Issuer Transaction Account (and from which amount the Issuer shall discharge its liability to corporation tax in respect of such Issuer Retained Profit); and
- (f) *sixth*, the surplus (if any) in payment to the Borrowers by way of a rebate of fees paid by the Borrowers under the Borrower Loan Agreement.

## 5. Redemption

### **Scheduled Redemption of the Notes**

Prior to the service of an Issuer Acceleration Notice, the Notes will be subject to mandatory *pro rata* redemption in part in semi-annual instalments commencing on the first Note Interest Payment Date in an aggregate amount equal to the applicable scheduled amortisation amount for the Notes as set out in Condition 8(b). The Note Interest Payment Date on which the Notes are expected to be repaid in full is the "**Expected Maturity Date**".

### **Mandatory Redemption of the Notes following Certain Events under the Borrower Loan Agreement**

Following a prepayment of the Borrower Loan as a result of:

- (a) the Borrowers voluntarily prepaying the Borrower Loan in full after the Initial Period (as defined in the "*Risk Factors*")
- (b) the Borrowers being obliged to prepay the Borrower Loan pursuant to the terms and conditions of the Borrower Loan Agreement;
- (c) a change of law pursuant to which it has become unlawful for the Issuer to make, fund or allow to remain outstanding the Borrower Loan, and prior to the acceleration of the Notes; or
- (d) the acceleration of the Borrower Loan and/or the Borrower Security being enforced prior to the Final Maturity Date,

the Issuer will be required to redeem the Notes in accordance with the Conditions together with accrued but unpaid interest thereon, provided that the price for a redemption of the Notes in the circumstances described in a) only will be calculated by reference to a spens formula as set out in Condition 8(c)(i).

### **Optional Redemption of the Notes by the Issuer**

The Issuer may, on any date and in accordance with the Conditions, redeem the whole or any part of the Notes at the price specified in the Conditions, which will be an amount calculated by reference to a spens formula as set out in Condition 8(c)(i).

### **Optional Redemption for Tax Reasons**

On any Note Interest Payment Date, the Issuer may redeem all (but not some only) of the Notes at their Outstanding Principal Amount together with accrued interest thereon in accordance with the Conditions in the event that by reason of a change in law or regulations (or the application of official interpretation thereof), which change becomes effective on or after the

Closing Date, any amount for or on account of tax will be required to be deducted or withheld from any payment due from the Issuer under the Notes

**Final Principal Redemption** Unless previously redeemed in full and cancelled as provided in Condition 8, the Notes will be redeemed at the Outstanding Principal Amount together with accrued interest on the Final Maturity Date.

#### 6. Relevant Dates and Periods

**Closing Date** 2 May, 2013 or such later date as the Bookrunner may agree with the Issuer.

**Final Maturity Date** 28 August 2036.

**Expected Maturity Date** 28 August 2034.

**Note Interest Payment Dates** 28th day of February and August commencing on 28 August 2013 or, if such day is not a Business Day, the next following Business Day (unless such Business Day falls in the next calendar month, in which event, the immediately preceding Business Day).

**Note Interest Period** The period from (and including) a Note Interest Payment Date to (but excluding) the next Note Interest Payment Date.

**Business Day** A day (other than a Saturday or Sunday) on which banks are open for business in London (a "**Business Day**").

**Calculation Date** means, in respect of any Note Interest Payment Date, the date falling three Business Days prior to the Loan Interest Payment Date (as defined in the below) immediately preceding such Note Interest Payment Date.

**Loan Interest Payment Date** 26th day of February and August commencing on 26 August 2013 or, if such day is not a Business Day, the immediately preceding Business Day.

#### 7. Transaction Documents

**Issuer Transaction Documents** Issuer Deed of Charge, Trust Deed, Issuer Cash Management Agreement, Agency Agreement, Corporate Services Agreement, the Subscription Agreement, Master Definitions Schedule and the Direct Agreements (each an "**Issuer Transaction Document**" and together, the "**Issuer Transaction Documents**").

**Borrower Transaction Documents** Borrower Loan Agreement, Borrower Deed of Charge, the Parent HoldCo Share Charge, Borrower Cash Management Agreement, the Direct Agreements and the Master Definitions Schedule (each a "**Borrower Transaction Document**" and together, the "**Borrower Transaction Documents**").

**Transaction Documents** The Issuer Transaction Documents and the Borrower Transaction Documents (each a "**Transaction Document**" and together, the "**Transaction Documents**").

#### 8. Affiliations and certain relationships and related transactions of transaction parties

**U.S. Bank Trustees Limited and Elavon Financial Services Limited** U.S. Bank Trustees Limited will perform the following roles in connection with the Notes and the Borrower Loan Agreement: Note Trustee, Issuer Security Trustee and Borrower Security Trustee.

Elavon Financial Services Limited will perform the following roles in connection with the Notes and the Borrower Loan Agreement: Issuer Cash Manager, Borrower Cash Manager, Paying Agent, Calculation Agent, Issuer Account Bank, Borrower Account Bank and Facility Agent.

U.S. Bank Trustees Limited and Elavon Financial Services Limited are affiliated.

**Parent Borrowers,  
OpCo Borrowers and  
Parent HoldCo**

The Kent OpCo Borrower is the 100% subsidiary of the SE Solar Parent Borrower.

The Puriton OpCo Borrower and the Bridgewater OpCo Borrower are each 100% subsidiaries of the Eris Parent Borrower.

The Malmesbury OpCo Borrower is the 100% subsidiary of the Leeds Parent Borrower.

The SE Solar Parent Borrower, the Eris Parent Borrower and the Leeds Parent Borrower are each 100% beneficially owned by the Parent HoldCo.

The OpCo Borrowers and the Parent Borrowers are part of the same group of companies, having the Parent HoldCo as a common parent.

Except as described in the preceding paragraphs, there are no affiliations or relationships or related transactions that are material in respect of the issuance of the Notes.

## **RISK FACTORS**

*The following is a description of the principal risks associated with an investment in the Notes. These risk factors are material to an investment in the Notes and in the Issuer. Such risk factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. If one or more of such contingencies occur, Noteholders may lose the value of their entire investment or part of it.*

*Prospective Noteholders should carefully read and consider all the information contained in these Listing Particulars, including the risk factors set out in this section, prior to making any investment decision.*

The risk factors addressed in the following discussion have been grouped into the following categories:

- (1) risk factors in relation to the Notes;
- (2) risk factors in relation to the Issuer;
- (3) risk factors in relation to the Borrowers;
- (4) risk factors in relation to the EPC Contractors & the O&M Contractors; and
- (5) risk factors in relation to the solar energy market and regulatory risks.

### **1. Risk factors in relation to the Notes**

#### **Absence of secondary market and limited liquidity**

There is, at present, no secondary market for the Notes. Although an application will be made to list the Notes on the PSM of the London Stock Exchange, there can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop in respect of any of the Notes, that it will provide the holders of such Notes with liquidity of investments or that it will continue until the final redemption or cancellation of such Notes. Illiquidity means that a Noteholder may not be able to find a buyer to buy its Notes readily or at prices that will enable the Noteholder to realise a desired yield. Illiquidity can have a severe adverse effect on the market value of the Notes. Consequently, any sale of Notes by Noteholders in any secondary market which may develop may be at a discount to the original purchase price of those Notes and/or the Outstanding Principal Amount.

Furthermore, recent and continuing events in the global financial markets have caused a significant reduction in liquidity in the secondary market for asset-backed securities and increased investor yield requirements for those loans and securities. These events include:

- the failure, acquisition or government seizure of several major financial institutions;
- the establishment of government initiatives such as the government bailout programmes for financial institutions and assistance programmes designed to increase credit availability, support economic activity and facilitate renewed consumer lending;
- problems related to subprime mortgages and other financial assets;
- the de-valuation of various assets in secondary markets;
- the forced sale of asset-backed and other securities as a result of the de-leveraging of structured investment vehicles, hedge funds, financial institutions and other entities; and
- the lowering of ratings on certain asset-backed securities.

As a result, the secondary market for asset-backed securities is experiencing limited liquidity. These conditions may continue or worsen in the future.

The limited liquidity in the secondary market for asset-backed securities has had an adverse effect on the market value of asset-backed securities. That limited liquidity in the secondary market may continue to

have a severe adverse effect on the market value of asset-backed securities generally, especially those securities that are more sensitive to credit or RPI risk and those securities that have been structured to meet the investment requirements of limited categories of investors. Consequently, investors may not be able to sell their Notes readily. As a result, the market value of the Notes may be volatile. Any of these fluctuations may be significant and could result in significant losses to Noteholders.

The liquidity of a secondary market for the Notes may be further constrained by the concentration of holdings of the Notes in a limited number of investors.

In addition, the forced sale into the market of securities and other assets held by structured investment vehicles, hedge funds, issuers of collateralised debt obligations, banks and other financial institutions and other similar entities that are currently experiencing funding difficulties would adversely affect investors' ability to sell and/or the price investors receive for, the Notes in the secondary market.

### **Denomination and trading**

The Notes have a denomination consisting of a minimum authorised denomination of £100,000 plus higher integral multiples of £10,000. Accordingly, it is possible that the Notes may be traded in amounts in excess of the minimum authorised denomination that are not integral multiples of such denomination. In such a case, if Definitive Note Certificates are required to be issued, a Noteholder who holds a principal amount of less than the minimum authorised denomination at the relevant time may not receive a Definitive Note Certificate in respect of such holding and may need to purchase a principal amount of Notes such that their holding amounts to the minimum authorised denomination. As referred to above, it may not be possible to purchase Notes on commercial terms, if at all.

If Definitive Note Certificates are issued, Noteholders should be aware that Definitive Note Certificates which have a denomination that is not an integral multiple of the minimum authorised denomination may be illiquid and difficult to trade.

Furthermore, at any meeting of Noteholders while the Notes are represented by a Global Note Certificate, any vote cast will be valid only if it is in respect of at least £100,000 in nominal amount and will be cast in respect of each £1 (or such other amount as the Note Trustee may in its absolute discretion stipulate) in Outstanding Principal Amount of the Notes held or represented by the person voting. The quorum requirements for meetings of Noteholders will also disregard any holdings to the extent that they cannot be represented by a holding of at least £100,000.

### **Yield and prepayment considerations**

The yield to maturity of the Notes will depend on, among other things, the amount and timing of payment of principal and interest by the Issuer and the price paid by the holders of the Notes. Principal on the Notes will be repayable on the basis of an amortisation schedule set out in Condition 8(b). Interest on the Notes is payable on the basis of the interest provisions described in Condition 6. However, the yield to maturity on the Notes determined on those bases may be adversely affected by prepayments by the Issuer.

The Issuer has the right to prepay the Notes in certain circumstances, including where the Borrowers have exercised their rights to prepay the Borrower Loan. Those circumstances are summarised in the next two paragraphs.

The Issuer may redeem the Notes at its own option, on giving notice to Noteholders, subject to the conditions to such optional redemption set out in Condition 8(c). The Issuer may also redeem the Notes if, by reason of a change in law or regulations (or the application or official interpretation thereof) becoming effective after the Closing Date if the Issuer, or the Paying Agent on its behalf, would be required to make a deduction or withholding for tax, subject to the conditions to such redemption set out in Condition 8(d).

Furthermore, prepayments by the Borrowers in the following circumstances will require the Issuer to make corresponding prepayments on the Notes, as described in Condition 8(b)(ii). In the event that it becomes unlawful for the Issuer to perform any of its obligations under the Borrower Loan Agreement, the Borrower Loan will be subject to mandatory prepayment in full, but not in part. In addition, at any time, in the event that a deduction or withholding for or on account of tax or a tax indemnity claim arises with

respect to the Borrower Loan or one of the events described under "*Summary of Principal Documents – Borrower Loan Agreement - Indexation - Changes in Circumstances Affecting the Index*" or "*Summary of Principal Documents – Borrower Loan Agreement - Indexation - Cessation of or Fundamental Changes to the Index*" arises with respect to the Index, the Borrowers have an option to prepay the Borrower Loan in full, but not in part. For a more detailed description of the events that will trigger a mandatory prepayment of the Borrower Loan or give rise to such a prepayment option on the part of the Borrowers, please see the section entitled "*Summary of Principal Documents – Borrower Loan Agreement – Prepayment*" below. Moreover, after the expiry of the period commencing on (and including) the Closing Date and ending on (but excluding) the date falling 24 months after the Closing Date (the "**Initial Period**"), the Borrowers are entitled to voluntarily prepay the Borrower Loan in full, but not in part. Following a voluntary prepayment of the Borrower Loan in full under clause 7.3 (*Voluntary prepayment of Loans*) of the Borrower Loan Agreement, the Notes will be redeemed in full pursuant to Condition 8(b)(ii) (*Mandatory redemption in full*). For the avoidance of doubt, the Borrowers are not entitled to voluntarily prepay the Borrower Loan during the Initial Period.

Therefore, notwithstanding the scheduled amortisation plan set out in the Conditions, investors' attention is drawn to the fact that the Notes may be subject to an accelerated rate of prepayment, in the case of mandatory prepayment in part of the Borrower Loan, or an accelerated repayment in full, in the case of prepayment in full of the Borrower Loan. Such accelerated repayment may affect the yield to maturity of the Notes.

### **Limited enforcement rights**

The protection and exercise of the Noteholders' rights and the enforcement of the Issuer Security is one of the duties of the Note Trustee or the Issuer Security Trustee. The Conditions limit the ability of individual Noteholders to commence proceedings (including proceedings for a declaration of insolvency) against the Issuer. However, the Noteholders are entitled to appoint a Noteholders' Representative, who will be entitled to give certain consents in respect of the Borrower Loan Agreement and without the Borrower Security Trustee in certain circumstances.

Remedies available for the purpose of recovering amounts owed in respect of the Notes shall be limited to the Issuer's available funds and the Note Security. In the event that the amounts recovered pursuant to such actions are insufficient, after payment of all other claims ranking in priority to or *pari passu* with amounts due under the Notes, to pay in full all principal and interest and other amounts whatsoever due in respect of the Notes, the Noteholders will have no further actions available in respect of any such unpaid amounts.

### **European Union Savings Directive**

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On April 24, 2009, the European Parliament approved an amended version of certain changes proposed by the European Commission to the EU Savings Directive which, if implemented, would broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State which is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

## **Article 122a of the Capital Requirements Directive**

Article 122a of European Union Directive 2006/48/EC (as implemented by the Member States of the European Economic Area ("EEA") (the "CRD")) applies, in general, to newly issued securitisations after 31 December 2010. Article 122a restricts an EEA regulated credit institution and consolidated group affiliates thereof (each, an "**Affected Investor**") from investing in a securitisation (as defined by the CRD) unless the originator, sponsor or original lender in respect of that securitisation has explicitly disclosed to the Affected Investor that it will retain, on an ongoing basis, a net economic interest of not less than 5% in that securitisation in the manner contemplated by Article 122a. Article 122a also requires that an Affected Investor be able to demonstrate that it has undertaken certain due diligence in respect of, amongst other things, the Notes it has acquired and the underlying exposures, and that procedures have been established for monitoring the performance of the underlying exposures on an on-going basis. Failure to comply with one or more of the requirements set out in Article 122a may result in the imposition of a penal capital charge with respect to the investment made in the securitisation by the relevant Affected Investor.

Similar requirements to those set out in Article 122a are being implemented for alternative investment fund managers under the Alternative Investment Fund Managers Directive (2011/61/EU) and for UCITS fund managers under the UCITS Directive (85/611/EEC) from mid-2013 and for insurance companies under the Solvency II Directive (2009/138/EC).

It is unclear as to whether the issue of the Notes will fall within the definition of a "securitisation" for the purposes of Article 122a and regulators in the Member States may have differing views on Article 122a and on the question of whether a particular transaction is a "securitisation" for the purposes of Article 122a.

Neither the Parent Borrowers, the OpCo Borrowers, nor any other party to this transaction intends to retain a material net economic interest in the transaction in accordance with the requirements of Article 122a or take any other action which may be required by Affected Investors for the purposes of their compliance with Article 122a. This may have a negative impact on the regulatory capital position of Affected Investors and on the value and liquidity of the Notes in the secondary market. None of the Issuer, the Borrowers, the Arranger, the Bookrunner nor any of the other transaction parties makes any representation to any prospective investor or purchaser of the Notes regarding the regulatory capital treatment of their investment in the Notes on the Closing Date or at any time in the future.

## **Change of law**

The structure of the transaction and, among other things, the issue of the Notes is based on English law and on tax and administrative practice in effect at the date hereof and has due regard to the expected tax treatment of all relevant entities under such law and practice. No assurance can be given as to any possible change to English law or tax or administrative practice after the date of these Listing Particulars.

## **Indexation Risk**

The RPI is the most familiar general purpose domestic measure of inflation in the UK. The RPI has been used as a measure of inflation since 1947 and measures the average change from month to month in the prices of the goods and services purchased by most households in the UK. The spending pattern on which the RPI is based is revised each year, mainly using information from official expenditure and food surveys.

The RPI is compiled by the ONS using a large and representative selection of approximately 650 separate goods and services for which price movements are regularly measured in approximately 150 areas around throughout the UK. Approximately 120,000 separate price quotations are used each month in compiling the RPI. The UK Government uses the RPI for its own existing inflation-linked bonds. If prices rise compared to the previous month, the RPI goes up and if prices fall compared to the previous month, the RPI goes down. It takes a couple of weeks for the ONS to compile the index, and accordingly each month's RPI figure is published during the following month (i.e. the figure relating to October will be published in November). The RPI figures used in the calculation of interest payments on the Notes and the face value of the Notes at redemption are numerical representations of where prices on a list of items bought by an average family stand at a point in time, in relation to their past values.

More information on the RPI, including past and current levels, can be found at the following website: [www.statistics.gov.uk](http://www.statistics.gov.uk). That website and the contents thereof do not form part of these Listing Particulars.

Movements in the RPI are used to measure the effect of inflation on both the interest and the face value of the Notes as described herein. The interest and the principal amount payable on the Notes are both adjusted in line with the RPI.

It is possible that the RPI will decrease during any relevant period. In this case, an interest and principal payment could be lower than the previous amounts paid. In a deflationary environment, the annual interest received and the principal instalments paid may decrease as per the change in the RPI.

As with most investments, Noteholders could get back less than they invest or lose all of their investment.

Furthermore, potential investors should be aware that:

- (a) the market price of the Notes may be more volatile than an instrument that is not RPI-linked, if the RPI is itself volatile;
- (b) fluctuations in RPI may not correlate with changes in interest rates generally or other market indices;
- (c) timing of changes in the RPI may affect the actual yield to investors in the Notes, even if the average level of the RPI is consistent with their expectations – in general, the earlier the change in the RPI, the greater effect on yield.

## **2. Risk factors in relation to the Issuer**

### **Source of payments to Noteholders**

The Notes will be limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity.

The Issuer will not have any significant assets for the purpose of meeting its obligations under this transaction other than the income from the Borrower Loan, any amounts standing to the credit of the Issuer Accounts and its rights under the Transaction Documents to which it is a party.

Accordingly, the principal source of funds available to the Issuer for the payment of interest and the repayment of principal on the Notes will be collections received in respect of the Borrower Loan, which in turn are derived from collections received by the OpCo Borrowers under the FiT Agreements in respect of Generation Payments and under the Power Purchase Agreements in respect of Export Payments.

Consequently, there is a risk that, over the life of the Notes or at the redemption date of any Notes (whether on maturity or upon redemption following service of an Issuer Acceleration Notice or otherwise), there will be insufficient funds to enable the Issuer to pay interest when due on the Notes and/or to repay the outstanding principal on the Notes in full.

### **Consequences of insufficiency of funds**

If the funds available to the Issuer are not sufficient to pay in full all principal and interest and other amounts due in respect of the Notes, then the Noteholders will have no further claims against the Issuer in respect of any such unpaid amounts. Following the service of an Issuer Acceleration Notice, the only remedy available to the Noteholders and the other Secured Creditors is the exercise by the Issuer Security Trustee of the Issuer Security.

Upon enforcement of the Issuer Security, the Issuer Security Trustee will have recourse only to the assets pledged, charged and assigned pursuant to the Issuer Deed of Charge. The Issuer Security Trustee will have no recourse to any other entity even in circumstances where the proceeds received by the Borrower Security Trustee from the enforcement of any Borrower Security are insufficient to repay in full the Borrower Loan.



If, upon default by a Borrower under the Borrower Loan, after the exercise of all usual remedies in respect of such Borrower Loan, the Issuer does not receive the full amount due from the Borrowers, then Noteholders may receive by way of principal repayment an amount less than the face value of their Notes and the Issuer may be unable to pay in full interest due on the Notes.

#### **Administration, cash management and reliance on third parties**

The Issuer has no executive management or administrative resources of its own. Accordingly, the Issuer will rely upon a number of third parties for certain executive and administrative functions. These include the Issuer Cash Manager for certain cash management functions, the Issuer Account Bank for the provision of bank accounts and the Paying Agent for the payment of amounts to Noteholders. Failure by any of these parties to perform its obligations could have a material adverse effect upon the Issuer's ability to repay the Notes. There can be no assurance that, were any of these parties to resign or its appointment be terminated, a suitable replacement service provider could be found or found in a timely manner and engaged on terms acceptable to the Borrower Security Trustee.

#### **Liquidity and credit risk**

The Issuer is exposed to the credit and performance risk of (i) the Issuer Account Bank for the balance of the Issuer Accounts from time to time held by the Issuer; and (ii) the Paying Agent for the amounts transferred by the Issuer to the Paying Agent immediately prior to each Note Interest Payment Date for distribution to the Noteholders pursuant to the Agency Agreement. The Issuer's exposure to the credit risk of the Paying Agent is partly mitigated by the fact that, under the Agency Agreement, the Issuer shall terminate the appointment of the Paying Agent if, among other things, it ceases to be (i) a financial institution with a short-term, unsecured unsubordinated and unguaranteed debt obligations rating of at least P-1 by Moody's and A-1 by Standard and Poor's (or equivalent) and (ii) an authorised institution under the Financial Services and Markets Act 2000 (an "**Eligible Institution**"). The performance by such parties of their respective obligations under the relevant Transaction Documents is dependent on the solvency of each relevant party.

#### **Delays in the Payments System**

Payments under the Borrower Loan Agreement will be made to the Issuer on each Loan Interest Payment Date each of which falls before a corresponding Note Interest Payment Date. However, delays may arise in the receipt or execution of payment instructions by any of the Borrowers, the Borrower Cash Manager, the Borrower Account Bank or any other account bank at which Borrower Accounts are held, resulting in delays in the Issuer receiving such payments under the Borrower Loan Agreement and, consequently, the Noteholders not receiving payment under the Notes until after the Note Interest Payment Date of such Notes.

#### **Risks relating to Insolvency Considerations for the Issuer**

##### *Security and insolvency considerations*

The Issuer will enter into the Issuer Deed of Charge pursuant to which it will grant the Issuer Security in respect of certain of its obligations, including its obligations under the Notes (as to which, see *Summary of Principal Documents – Issuer Deed of Charge*). In certain circumstances, including the occurrence of certain insolvency events in respect of the Issuer, the ability to realise the Issuer Security may be delayed and/or the value of the relevant security impaired. The Issuer could become insolvent and/or the subject of insolvency proceedings and, as a result, recoveries in respect of the Issuer Security, and hence proceeds available to repay the Notes, could be adversely affected by the application of insolvency laws in such proceedings.

In addition, it should be noted that, to the extent that the assets of the Issuer are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge (see "*Security over Issuer Bank Accounts*" below)), section 176A of the Insolvency Act 1986 may require a "prescribed part" of the Issuer's net available property (which would otherwise be available to satisfy the claims of secured creditors under the Issuer Deed of Charge) to be set aside (subject to a maximum prescribed part of £600,000) to satisfy any claims of unsecured creditors. While certain of the covenants given by the Issuer

in the Issuer Transaction Documents are intended to ensure they have no significant creditors other than the secured creditors under the Issuer Deed of Charge, it will be a matter of fact as to whether the Issuer have any other such creditors at any time. As a result, there is a risk that recoveries in respect of the Issuer Security, and hence proceeds available to repay the Notes, could be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Issuer Security.

#### *Administration of the Issuer*

The Insolvency Act 1986 would prohibit a secured creditor (such as the Issuer Security Trustee) from enforcing its security against the assets of the Issuer, if it were to be placed into administration, unless the consent of the administrator or the leave of the court had been obtained. In such circumstances, there would be a risk that the Issuer Security Trustee would not be able to realise value from its security over the assets of the Issuer, which might adversely impact the amount available to repay and/or timing of repayment of the Notes.

#### *Security over Issuer Bank Accounts*

The charges granted over the Issuer Accounts by virtue of the Issuer Deed of Charge will be expressed to be fixed security. However, it is possible that these charges may be held by a court to constitute floating charges and that the charges granted over the assets from which the monies paid into such accounts are derived may also be held by a court to constitute floating charges. In these circumstances, in the event of any charging company going into liquidation or administration (or there being a provisional liquidator or receiver appointed) any preferential creditors and liquidation or administration expenses in respect of such charging company would be payable in priority to the Issuer Secured Creditors. In addition, in respect of each such charging company a fund of up to £600,000 would be set aside in order to make payments due to any unsecured creditors of that company (in priority over debts secured only by a floating charge). In any such circumstance, this could reduce amounts available to make payments due in respect of the Notes.

### **3. Risks factors in relation to the Borrowers**

#### **Administration and reliance on third parties**

The Borrowers have no executive management resources of their own. The Borrowers will rely upon the Borrower Cash Manager for certain cash management functions and the Borrower Corporate Administrator for certain other executive and administrative functions. Failure by the Borrower Cash Manager to perform its obligations could have a material adverse effect upon the Issuer's ability to repay the Notes. There can be no assurance that, were the Borrower Cash Manager to resign or its appointment be terminated, a suitable replacement service provider could be found or found in a timely manner and engaged on terms acceptable to the Borrower Security Trustee.

#### **Risks relating to Insolvency Considerations for the Borrowers**

##### *Security and insolvency considerations*

The Borrowers will enter into the Borrower Deed of Charge, pursuant to which they will grant security in respect of the Borrowers' obligations, including their obligations under the Borrower Loan Agreement (as to which, see *Summary of Principal Documents – Borrower Deed of Charge*). In certain circumstances, including the occurrence of certain insolvency events in respect of a Borrower, the ability to realise the Borrower Security, respectively, may be delayed and/or the value of the relevant security impaired. Any Borrower may become insolvent and/or the subject of insolvency proceedings and, as a result, the Issuer may be adversely affected by the application of insolvency laws which may, in turn, affect the Issuer's ability to fulfil its obligations in respect of the Notes.

In addition, it should be noted that, to the extent that the assets of a Borrower are subject only to a floating charge (including any fixed charge recharacterised by the courts as a floating charge (see "*Security over Borrower bank accounts*" below)), section 176A of the Insolvency Act 1986 may require a "prescribed part" of a Borrower's net available property (which would otherwise be available to satisfy the claims of secured creditors under the Borrower Deed of Charge) to be set aside (subject to a maximum prescribed part of £600,000) to satisfy any claims of unsecured creditors. While certain of the covenants given by

each Borrower in the Borrower Transaction Documents, are intended to ensure they have no significant creditors other than the secured creditors under the Borrower Deed of Charge, it will be a matter of fact as to whether the Borrowers have any other such creditors at any time. As a result, there is a risk that the Issuer may be adversely affected by any such reduction in floating charge realisations upon the enforcement of the Borrower Security which may, in turn, affect the Issuer's ability to fulfil its obligations in respect of the Notes.

#### *Administration of a Borrower*

The Insolvency Act 1986 would prohibit a secured creditor (such as the Borrower Security Trustee) from enforcing its security against the assets of a Borrower, if it were to be placed into administration, unless the consent of the administrator or the leave of the court had been obtained.

#### *Security over Borrower's bank accounts*

The charges granted over the Borrower Accounts by virtue of the Issuer Deed of Charge and the Borrower Deed of Charge respectively will be expressed to be fixed security. However, it is possible that these charges may be held by a court to constitute floating charges and that the charges granted over the assets from which the monies paid into such accounts are derived may also be held by a court to constitute floating charges. In these circumstances, in the event of a Borrower going into liquidation or administration (or there being a provisional liquidator or receiver appointed) any preferential creditors and liquidation or administration expenses in respect of such Borrower would be payable in priority to the Borrower Secured Creditors. In addition, in respect of each such charging company a fund of up to £600,000 would be set aside in order to make payments due to any unsecured creditors of that company (in priority over debts secured only by a floating charge). In any such circumstance, this could reduce amounts available to the Issuer to make payments due in respect of the Notes.

### **Risks relating to the Solar Parks and their construction, operation and maintenance**

#### *Weather risk*

In practice, the level of irradiation at ground level at the Solar Parks may differ from any assumptions made by the Borrowers in respect of such irradiation. In particular, meteorological factors, including excessive cloud cover, may reduce the level of irradiation at ground level and hence reduce the amount of energy produced by the Solar Parks.

Variations in solar conditions may occur from year to year, and if any such variations were to occur over a longer period or to have a substantial effect on the levels of energy produced. Accordingly, there is a risk that the Solar Parks could not generate sufficient cash flow to enable the Borrowers to make payments due under the Borrower Loan. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

#### *Flood risk*

There is a risk that the Solar Parks could be affected by flooding, which could have an adverse impact on the use and operation of the Solar Parks (thereby giving rise to a risk that the Solar Parks would not generate sufficient returns to repay the Borrower Loan). In particular, the location of part of the Kent Solar Park required that a level 3 flood assessment (the "**Flood Risk Assessment**") be undertaken prior to development of the site. However, the Flood Risk Assessment concluded that the area assessed will be resilient to the level of flooding implied by the Environment Agency's 'worst case' flood levels and concluded that further flood risk mitigation (in addition to existing flood defences) is not required.

#### *Contracting to third parties*

The OpCo Borrowers own the leases in respect of the Solar Parks and are registered as the owner and FIT generator in respect of the Solar Parks but contract all activities to third parties. The Borrowers therefore rely on the creditworthiness and expertise of such third parties. If any of these persons should experience financial difficulties and could not perform their services or are otherwise in breach of their contractual obligations, this might materially impact the operation of the Solar Parks and the ability of the Borrowers

to fulfil their payment obligations under the Borrower Loan. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

*Reliance on the provider of Administrative Services*

The OpCo Borrowers contract with Foresight LLP for the provision of Administration Services, which, in turn, sub-contracts the provision of such services to third parties. Should an OpCo Borrower default under the Borrower Loan, Foresight LLP is not obliged to continue providing Administrative Services to that OpCo Borrower, in which case there is a risk that the OpCo Borrower may not be able to find a replacement provider of Administrative Services in the same or substantially similar terms to the current arrangement with Foresight LLP.

The consequence of failing to find a replacement provider of Administrative Services will be that the OpCo Borrowers are left needing to be administered by their directors or such other parties as may be appointed by or on behalf of the Borrower Secured Creditors.

*Reliance on O&M Contractors*

The OpCo Borrowers are reliant on the O&M Contractors for the ongoing operation and maintenance of the Solar Parks. If an O&M Contractor fails to perform its obligations under its O&M Contract, or becomes unable to perform such obligations (including in any situation where it becomes subject to an insolvency or bankruptcy proceeding that prevents it from performing its obligations or the contracts are terminated), the relevant OpCo Borrower will need to engage third party providers to provide such services and there can be no guarantee that the relevant OpCo Borrower will be able to secure such services on terms comparable to those offered by the defaulting O&M Contractor or at all. Failure to secure such services on commercial terms might have an adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

*Limitation on scope of O&M Contractors obligations*

The O&M Contractors' respective obligations and liabilities for such maintenance, security and surveillance, repair needed to restore proper functioning of the relevant Solar Parks and operation of the relevant Solar Parks are limited as set out in the O&M Contracts. Where, due to limitations on the liability of an O&M Contractor in its O&M Contract, the costs paid by the OpCo Borrower to the O&M Contractor do not fully cover the costs of servicing maintenance, security and surveillance, repair needed to restore proper functioning of the Solar Parks, and operating the Solar Parks, the OpCo Borrower may become liable for such costs and such costs may need to be met by different means. In such a situation, such costs might have an adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

*Property, planning and associated risks*

The Solar Park Lease terms expire between 2037 and 2038 and contain forfeiture rights for non-payment of rent and breach of tenant covenants. On or about the Closing Date, the landlords will have entered into direct agreement with the Issuer, the OpCo Borrower that is its tenant, the Issuer Security Trustee and the Borrower Security Trustee through which they will agree (a) not to forfeit the Solar Park Leases on grounds of non-payment of rent without 30 days' (in the case of the Kent Solar Park Lease, the Malmesbury Solar Park Lease and the Bridgewater Solar Park (Lease B)) or 5 Business Days' (in the case of the Bridgewater Solar Park (Lease A) and the Puriton Solar Park Lease) prior written notice and allowing the Borrower Security Trustee reasonable time to remedy and (b) not to forfeit the Solar Park Leases for any other tenant breach without 45 days' (in the case of the Kent Solar Park Lease, the Malmesbury Solar Park Lease and the Bridgewater Solar Park (Lease B)) or 5 Business Days' (in the case of the Bridgewater Solar Park (Lease A) and the Puriton Solar Park Lease) prior written notice and allowing the Borrower Security Trustee reasonable time to remedy the breach of not more than 6 months. The Solar Park Leases are summarised further under "*Summary of Principal Documents – Solar Park Leases*" below.

The planning permission for use of the Kent Solar Park as a solar park, expires on 10 August 2038 and, if the planning permission is not renewed or extended, the solar voltaic panels would be required to be removed no later than 30 June 2036. The landlord in respect of the Kent Solar Park (who owns the neighbouring land) has agreed in the Direct Agreement in respect of that Solar Park that it will not object to any application to renew or extend the duration of such planning permission, however, there is no guarantee that any such application will be granted on terms acceptable to the Borrower, or at all. Any referral to renew or extend the planning permission could have an adverse effect on the Borrower's ability to fulfil their payment obligations under the Borrower Loan. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

#### *Neighbouring Land*

There is a risk that the landlords may act in a way on their adjoining and nearby land that adversely affects the use and operation of the Solar Parks (for example, by planting trees or erecting buildings or structures which materially affect the amount of sunlight reaching the Sites). The Solar Park Leases contain various landlord obligations intended to provide protection against this (see "*Summary of Principal Documents – Solar Park Leases*" below), but there is a risk that the income of the tenant may be affected before these obligations are enforced.

#### *Component risk*

The Solar Parks contain a number of components that are subject to, amongst other things, mechanical failure, technology decline, reduced power generation and movement of foundations. Any failure or degradation of, or damage to, key parts may affect the energy production of a Solar Park and therefore the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, the Issuer's ability to fulfil its payment obligations under the Notes.

In practice, the availability and efficiency of the Solar Parks may differ from any assumptions made by the Borrowers due to, amongst other things, damage to, or degradation of, components. This may result in reduced availability and productivity, with a materially adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

#### *Non-compliance with technical specifications might cause loss or damage*

The OpCo Borrowers have various obligations under the FiT Agreements and the Power Purchase Agreements, as set out in "*Summary of Principal Contracts – Power Purchase Agreements*". If an OpCo Borrower commits a material breach of an obligation under a FiT Agreement or Power Purchase Agreement, it may be liable to the relevant counterparty for such party's losses. In addition, in these circumstances, the OpCo Borrower may be deprived of Generation Payments and/or Export Payments. Whilst compliance with some obligations under a FiT Agreement and/or Power Purchase Agreement may be contractual obligations on the part of the relevant O&M Contractor, any damages that the OpCo Borrower receives from such O&M Contractor may not be sufficient to pay for all losses incurred by the counterparty to the relevant FiT Agreement or Power Purchase Agreement. Any breach of obligation may therefore have an adverse effect on the OpCo Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

#### *Operating expenditure and taxation may exceed expectations*

The financial forecasts used by the Borrowers for the operating costs of the Solar Parks for their own budgeting purposes are based on certain assumptions. As a result of any increase in costs above the amount assumed, the Borrowers' ability to fulfil their payment obligations under the Borrower Loan, and, consequently, the Issuer's ability to fulfil its payment obligations under the Notes, may be adversely affected.

The costs of servicing maintenance, security and surveillance, repair needed to restore proper functioning of the Solar Parks, and operating the Solar Parks, are set out in the O&M Contracts, as summarised in more detail in "*Summary of Principal Documents – O&M Contracts*".

The O&M Contractors' respective liabilities for such maintenance, security and surveillance, repair needed to restore proper functioning of the relevant Solar Parks and operation of the relevant Solar Parks are limited as set out in the O&M Contracts. If an O&M Contractor fails to perform its obligations under its O&M Contract, or becomes unable to perform such obligations (including in any situation where it becomes subject to an insolvency or bankruptcy proceeding that prevents it from performing its obligations or the contracts are terminated), the relevant OpCo Borrower will need to engage third party providers to provide such services and there can be no guarantee that the relevant OpCo Borrower will be able to secure such services on terms comparable to those offered by the defaulting O&M Contractor or at all. Failure to secure such services on commercial terms might have an adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes. In addition where, due to limitations on the liability of an O&M Contractor in its O&M Contract, the costs paid by the OpCo Borrower to the O&M Contractor do not fully cover the costs of servicing maintenance, security and surveillance, repair needed to restore proper functioning of the Solar Parks, and operating the Solar Parks, the OpCo Borrower may become liable for such costs and such costs may need to be met by different means. In such a situation, such costs might have an adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

#### *Taxation*

The Borrower Group is subject to UK corporation tax on its taxable profits. The taxable profits are determined by the accounting profits of the entities within the Borrower Group, as adjusted for certain tax items. The current rate of UK corporation tax is 24%, reducing to 20% by April 2015.

Adjustments that are likely to impact the taxable profits of the Borrower Group include interest on the Notes, capital allowances on capital expenditure and payments made to the Solar Generation Companies under the Sale of Capacity Contracts. It is expected that the taxable profits of the Borrower Group will be lower than the accounting profits, primarily due to the availability of capital allowances.

The arrangements with the Solar Generation Companies have been treated as sale of capacity contracts in the financial statements of those entities. This means that the income from these contracts is spread in the Borrower Group over the life of the contract and taxed accordingly. It also means that the Borrower Group is entitled to claim capital allowances on the plant and machinery installed in the Solar Parks.

Her Majesty's Revenue & Customs can scrutinise the tax treatment, in particular where they consider that an unrealistically conservative view of income has been taken and where there is an alternative commercially acceptable treatment. The impact of a successful challenge would be that the entire income from the Sale of Capacity Contracts is recognised upfront and capital allowances may not be available to offset the taxable income. It should be noted that this would require the accounting treatment to be overturned. However, the directors of the Borrower Group have obtained an opinion and are comfortable with the treatment adopted in the accounts in relation to the Sale of Capacity Contracts.

If the Sale of Capacity Contracts were to be terminated early then the Borrower Group will have to return the unused portion of the amount paid upfront for the Sale of Capacity Contracts to the Solar Generation Companies as well as any sums owed under the contracts. This is expected to result in the Borrower Group not recognising any further income from the Sale of Capacity Contracts from that point forward. That said, any feed-in tariff income and income from the sale of electricity will accrue to the Borrower Group without corresponding payment to the Solar Generation Companies.

It should be noted that the anticipated treatment is on the basis of current accounting practice, tax laws and practices. To the extent that there is any change to the law, regulations and practices of Her Majesty's Revenue & Customs, or their interpretation, may result in additional taxes becoming payable by any Borrower. This may affect the Borrowers' ability to repay the Borrower Loan and hence affect the ability of the Issuer to repay the Notes.

#### *Insurance and co-insurance risk*

Insurance obtained by the Borrowers may not be comprehensive and sufficient in all circumstances and may be subject to certain deductibles or obligations to meet a proportion of the total liability amounts

arising from certain insured risks. Moreover, such insurance may not be available in the future on commercially reasonable terms.

An event could result in severe damage or destruction to any number of the Solar Parks, reductions in the energy output of any number of the Solar Parks or personal injury or loss of life to personnel. Insurance proceeds may not be adequate to cover lost revenues or to compensate for any injuries or loss of life.

In cases of frequent damage, insurance contracts might be amended or cancelled by the insurance company to the detriment of the Borrowers. Further, the insurance may not cover any damage or loss and/or insurance premiums may increase more than had been provided for.

In each such case, this could have a material adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes.

The OpCo Borrowers maintain the following insurance policies which cover the business of the OpCo Borrowers and the Solar Parks:

(a) Solar Energy Property Damage and Business Interruption Insurance

The OpCo Borrowers maintain their Solar Energy Property Damage and Business Interruption Insurance Policies with Royal Sun Alliance. These insurance policies cover the risks defined in the policy documents and include the costs of reinstatement of property at the level of costs applying at the inception of the period of insurance for any insured event of damage and consequential loss from interference with the policyholders' business, including the requirements of any public authority, professional fees and debris removal.

The following defined perils are covered namely fire, lightning, explosion, aircraft or other aerial devices or articles falling from them, riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances, malicious persons, earthquakes, storm, flood, escape of water from any tank apparatus or pipe, or of any oil from any fixed heating installation or impact by any mechanically propelled vehicle or rail rolling stock or animal. There is a terrorism extension included in the cover.

The insured event means any damage to property used by the policyholders at the business premises for the purpose of business, at any premises not in occupation of the policyholders where property of the policyholders is stored for the purpose of business and at any land based premises of any supply undertaking, service provider or producer from which the policyholders obtain electricity, gas, water and telecommunications services and any effluent services. The policies are renewable on an annual basis.

(b) Liability Insurance

The OpCo Borrowers maintain their Liability Insurance Policies with Royal Sun Alliance. These insurance policies cover Employers' Liability, and Public and Product Liability including legal defence costs and financial loss. These provide comprehensive cover to generally accepted insurance standards in the UK as defined in the policy documents. The policies are renewable on an annual basis.

*Manufacturer risk in relation to components*

Any OpCo Borrower's ability to claim against a module or investor manufacturer in respect of such warranties is subject to the risk of the module or investor manufacturer's financial strength, in particular the risk that such module or investor manufacturer becomes subject to insolvency or bankruptcy proceedings during the relevant warranty period. The relevant OpCo Borrower's ability to claim against the relevant module or investor manufacturer in respect of such warranties is subject to the terms of such warranties, including all exclusions, limitation and time limits stated in each warranty. The warranty period applicable to each warranty provided by the module or investor manufacturer vary and range between 5 years and 25 years typically, starting from the date of manufacture or purchase by the first purchaser of the component from the manufacturer. Please see each specific warranty for further details. As a result, and/or alternatively, the OpCo Borrower may be unable to recover under the warranties to the full extent of the loss or at all.

A number of the manufacturer or supply contracts/warranties (including those provided by the Component Contractors) are governed by laws and dispute resolution procedures of foreign jurisdiction.

As a result, it may be more difficult in practice for the relevant OpCo Borrower to enforce its remedies in respect of such warranties and it may therefore become exposed to manufacturing or other defects in the various components and would have to fund repair or replacement from other resources.

#### *Panel degradation risk*

Although ground-mounted photovoltaic installations have few moving parts and operate, generally, over long periods with minimal maintenance, photovoltaic power generation employs solar panels composed of a number of solar cells containing a photovoltaic material (crystalline silicon in the case of the solar panels used in the Solar Parks). These panels are, over time, subject to degradation since they are exposed to the elements, carry an electrical charge, and will age accordingly. In addition, the solar radiation which produces solar electricity carries heat with it that may cause the components of a photovoltaic solar panel to become altered and less able to capture irradiation effectively.

#### *Offtake risk*

Each OpCo Borrower's primary sources of revenue, and therefore its primary source of funds to repay the Borrower Loan, are the payments that it will receive in respect of Generation Payments and Export Payments for electricity generated by the Solar Parks. Those payments are received under fixed duration FiT Agreements and Power Purchase Agreements that such OpCo Borrower enters into. As such, each OpCo Borrower's ability to generate revenue, and therefore its ability to pay interest and repay principal on the Borrower Loan, will depend on its ability to enter into FiT Agreements and Power Purchase Agreements under which it is entitled to Generation Payments and Export Payments.

In respect of solar parks commissioned in the United Kingdom prior to November 2012, eligibility for Generation Payments and Export Payments is defined through the provisions of The Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010 (as amended) and associated modifications to the Standard Conditions of Electricity Supply Licences made by the Secretary of State for Energy and Climate Change under sections 41 and 42 of the Energy Act 2008. Application of these provisions is the responsibility of the Licensed Electricity Suppliers and Ofgem. The FIT Scheme is administered by Ofgem.

Under this legislation, Licensed Electricity Suppliers are required, as a condition of their licence, to make Generation Payments to owners of solar photovoltaic systems accredited by Ofgem under the FIT Scheme. In addition, the owners of such systems receive Export Payments in respect of any electricity exported to the grid. Such Export Payments are either (i) calculated by reference to the Export Tariff set by Government under the FIT Scheme or (ii) negotiated with Licensed Electricity Suppliers or other purchasers of power under Power Purchase Agreements. In the current electricity market, such privately-negotiated payments can be higher than the payments calculated by reference to the Export Tariff under the FIT Scheme. Therefore, owners of large solar power systems such as the Solar Parks will typically enter into a Power Purchase Agreement, which governs the payment of both the Generation Payments and Export Payments for a fixed duration.

Each OpCo Borrower has the benefit of a FiT Agreement and a Power Purchase Agreement. Pursuant to its FiT Agreement, each OpCo Borrower is entitled to Generation Payments. Pursuant to its Power Purchase Agreement, each OpCo Borrower has negotiated specified Export Payments.

Each Power Purchase Agreement will expire before the Final Maturity Date. Pursuant to the Borrower Loan Agreement, each OpCo Borrower will undertake that, at least one month prior to the expiry of any Power Purchase Agreement to which it is a party, it will commence negotiations with one or more Licensed Electricity Suppliers or other purchasers of power with a view to entering into a new Power Purchase Agreement with one of those Licensed Electricity Suppliers or other purchasers of power on a date falling not later than the date of such expiry on terms as to duration, price and other benefits which, in the opinion of the relevant OpCo Borrower, represent the optimum combination reasonably available to such OpCo Borrower at that time and in the circumstances then applicable to such OpCo Borrower and that are otherwise substantially the same as the terms of the Power Purchase Agreement that is due to



expire or terms which, in the opinion of such OpCo Borrower, are as favourable to such OpCo Borrower as such OpCo Borrower is reasonably able to obtain at that time and in the circumstances then applicable to such OpCo Borrower; provided that such OpCo Borrower shall not, without the consent of the Controlling Party, enter into any Power Purchase Agreement:

- (i) on terms that would result in the occurrence of the DSCR Trigger; or
- (ii) if the DSCR Trigger has already occurred and is continuing, on terms that would not result in the DSCR Trigger ceasing to occur.

There is a risk that a counterparty to a FiT Agreement or Power Purchase Agreement may not perform its obligations in full, and that any replacement FiT Agreements or Power Purchase Agreements may not be available to the OpCo Borrowers during the term of the Notes, though this risk is mitigated as regards FiT Agreements by the fact that the FIT Scheme and related legislation effectively guarantees the payment of Generation Payments to the owners of accredited solar voltaic systems accredited by Ofgem under the FiT scheme for 25 years from the date of such accreditation (if they were commissioned before 1 August 2012) or 20 years from the date of such accreditation (if they were commissioned on or after 1 August 2012). However, the Export Payments in any replacement power purchase agreement may not be equal to or more than Export Payments that the relevant OpCo Borrower currently receives.

#### **4 Risk factors in relation to the EPC Contractors and the O&M Contractors**

##### *Performance Risk under the O&M Contracts*

Under the O&M Contracts, the O&M Contractors are responsible for a variety of operational matters in relation to the Solar Parks. The O&M Contractors are liable in respect of some elements damage and non-performance which may not be fully insured or supported by an effective manufacturer warranty or other supply contracts/ appointments or sub-contracts throughout the entire period of operation of the Solar Parks. If an O&M Contractor fails to perform its obligations under an O&M Contract, or becomes unable to perform such obligations (including in any situation where it becomes subject to an insolvency or bankruptcy proceeding that prevents it from performing its obligations or the contracts are terminated), the relevant OpCo Borrower may become liable for such costs and such costs may need to be met by different means. In such a situation, such costs might have an adverse effect on the Borrowers' ability to fulfil their payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes. In addition, to the extent assumptions relating to the operation of the Solar Parks by the O&M Contractors prove to have been overly-optimistic in relation to the performance of the relevant plant, the relevant O&M Contractor will be, in certain circumstances, obliged to pay damages as specified in the contract, for performance of the Solar Parks which falls below the relevant specified levels set out in the relevant contract, subject to the limitations on its liability set out in such contract. The ability of the relevant O&M Contractor to fulfil such obligations is dependent on the continued existence and solvency of such O&M Contractor. There is a risk that the O&M Contractors may not remain in a financial position to fulfil all their respective contractual obligations throughout the term of the Notes. Similarly, there is a risk that the OpCo Borrowers may not be able to find a replacement O&M Contractor, should any O&M Contractor default or become bankrupt, on the same or substantially similar terms to the current O&M Contracts. Failure to do so could have an adverse effect on the performance of the Solar Parks and hence on the Borrowers ability to repay the Borrower Loan and so affect the Issuer's ability to repay the Notes.

##### *Performance Risk under EPC Contracts*

Under the EPC Contracts, the EPC Contractors are responsible for a variety of construction in relation to the Solar Parks. The EPC Contractors are liable in respect of some elements of defects, damage and non-performance which may not be fully insured or supported by an effective manufacturer warranty or other supply contracts/ appointments or sub-contracts throughout the entire period of operation of the Solar Parks. If an EPC Contractor fails to perform its obligations under an EPC Contract, or becomes unable to perform such obligations (including in any situation where it becomes subject to an insolvency or bankruptcy proceeding that prevents it from performing its obligations or the contracts are terminated), the relevant OpCo Borrower may become liable for such costs and such costs may need to be met by different means. In such a situation, such costs might have an adverse effect on the Borrowers' ability to fulfil their

payment obligations under the Borrower Loan and, consequently, on the Issuer's ability to fulfil its payment obligations under the Notes. In addition, to the extent assumptions relating to the operation of the Solar Parks by the EPC Contractors prove to have been overly-optimistic in relation to the performance of the relevant plant, the relevant EPC Contractor will be, in certain circumstances, obliged to pay damages as specified in the contract, for performance of the Solar Parks which falls below the relevant specified levels set out in the relevant contract, subject to the limitations on its liability set out in such contract. The ability of the relevant EPC Contractor to fulfil such obligations is dependent on the continued existence and solvency of such EPC Contractor. There is a risk that the EPC Contractors may not remain in a financial position to fulfil all their respective contractual obligations throughout the term of the Notes. Accordingly, there is a risk that a default by an EPC Contractor, or its bankruptcy, could mean that an OpCo Borrower is obliged to repair or replace equipment at a Solar Park from its own resources. Such an obligation could affect the ability of the Borrowers to repay the Borrower Loan and hence affect the Issuer's ability to repay the Notes.

## **5 Risks relating to the solar photovoltaic energy sector and regulatory risks**

### *Introduction*

The objectives the United Kingdom must achieve in terms of production of electricity from renewable sources are set at EU level and, in particular, by Directive 2009/28/EC of the European Parliament and the Council of 23 April 2009, which, among other things, set long-term, mandatory targets in terms of the proportion of energy produced from renewable sources. Those targets are binding on Union member states, including the United Kingdom.

The industry related to the generation of renewable energy in the United Kingdom depends to a large extent on the EU and British political framework. Obtaining energy from renewable sources can be more costly and expensive than generating power from coal, natural gas, oil and nuclear fuels. The British Government provides support for generators using photovoltaic installations in order to encourage the use of renewable energy sources. Support schemes include incentives for electricity generated by Solar photovoltaic plants (i.e., the FiT Scheme). Such schemes are based on national targets for renewable energy generation.

### **Change in law risk**

#### *Solar photovoltaic energy sector*

The solar photovoltaic energy sector is subject to legal and regulatory controls, and the OpCo Borrowers and each of the Solar Parks must comply with all applicable laws, regulations and regulatory standards (the "**regulations**") which, among other things, require the OpCo Borrowers to obtain and maintain certain authorisations, licences and approvals for the construction and operation of the Solar Parks (the "**authorisations**").

Although these authorisations have been obtained, there is a risk that the OpCo Borrowers may not always comply with any of the conditions of the authorisations and that the OpCo Borrowers may not be able to maintain the authorisations granted to operate the Solar Parks. However, in the view of the OpCo Borrowers, this is remote.

If the OpCo Borrowers lose authorisations granted to them, or are required to comply with additional conditions that are imposed after the Closing Date in respect of such authorisations, the OpCo Borrowers may incur additional costs, expenses or other liabilities that could affect their ability to repay the Borrower Loan and hence affect the ability of the Issuer to repay the Notes.

#### *Changes in law generally*

The OpCo Borrowers operate in a regulated sector and, therefore, the development, outflows and revenues of the Solar Parks also depend on applicable legislation and regulation. Accordingly, changes in law or regulation may have an adverse impact on the OpCo Borrowers' ability to generate income from the Solar Parks and repay the Borrower Loan and, consequently, on the Issuer's ability to meet its financial obligations under the Notes.

As described in the section above headed "Offtake risk" the legislation and regulations which govern the FIT Scheme in the United Kingdom give owners of solar photovoltaic systems accredited by Ofgem under the FIT Scheme a right to receive Generation Payments. Licensed Electricity Suppliers will pay the owners of solar photovoltaic systems who comply with the FIT Scheme Generation Payments, which are inflation-linked payments on every unit of electricity generated by such solar photovoltaic systems. The Generation Payments are calculated by reference to Generation Tariffs, the levels of which are set by legislation. The current legislation requires that Ofgem adjust the tariff levels annually by reference to the RPI, but otherwise the levels are fixed ('grandfathered') for the duration of the system's tariff entitlement (25 years for systems commissioned before 1 August 2012 or 20 years for solar parks commissioned on or after 1 August 2012). There is a remote risk that the law could be changed so as to decrease Generation Tariffs (and therefore reduce Generation Payments) for existing installations.

A reduction in Generation Tariffs could affect the OpCo Borrowers' ability to repay the Borrower Loan and hence affect the ability of the Issuer to repay the Notes. However, Ofgem currently state in their publicity for the FIT Scheme (see 'Ofgem Feed-in Tariff Scheme – Factsheet' as published on the Ofgem website as at the date of these Listing Particulars <http://www.ofgem.gov.uk/Media/FactSheets/Documents1/feed-in-tariff-scheme-FS.pdf>) that "The rates that customers receive under the FITs have been set by DECC and are listed in tariff tables published on our website [www.ofgem.gov.uk/FITs](http://www.ofgem.gov.uk/FITs). Once registered for FITs, the generation tariff received will last for the tariff lifetime (as set out in the Licence Conditions) and will be adjusted annually for inflation based on RPI." Similarly, in the FAQs document published on the DECC website as at the date of these Listing Particulars [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/48488/5902-feedin-tariffs--frequently-asked-questions.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/48488/5902-feedin-tariffs--frequently-asked-questions.pdf), in response to the question 'Will the tariff for my installation be reduced after it has been accredited for FITs?' DECC state "No. Once an installation has been accredited for FITs, it will receive the tariff that was determined at the time of accreditation for the entire tariff lifetime, subject to RPI-indexation". For the avoidance of doubt, the Ofgem website and the DECC website are referred to for information purposes only and neither form part of these Listing Particulars.

In addition, the level of Export Payments receivable by any OpCo Borrower from time-to-time is a matter for negotiation, typically in the period leading up to the expiry of each Power Purchase Agreement. Although the level of Export Payments is expected by the OpCo Borrowers to track closely the price trends for electricity in the United Kingdom, there is a risk that such price trends may not necessarily result in the Export Payments increasing at or above the rate of the RPI. There is also a risk that, as a result of commercial and/or legislative changes affecting the market for electricity or the participants in that market, the price which the OpCo Borrower is able to negotiate for Export Payments may be affected adversely. A reduction in Export Payments or the Export Tariff could affect the Borrowers' ability to repay the Borrower Loan and hence affect the ability of the Issuer to repay the Notes.

## RESOURCES AVAILABLE TO THE ISSUER AND THE BORROWERS

### Issuer Priority of Payments

#### *Issuer Pre-Acceleration Priority of Payments*

Prior to the service of an Issuer Acceleration Notice, all amounts standing to the credit of the Issuer Transaction Account (other than (a) £12,500, prior to the earlier to occur of a Note Event of Default or redemption in full of all the Notes, and (b) an amount provided for in respect of the Issuer Retained Profit) will be applied (unless otherwise paid or provided for) by the Issuer Cash Manager on behalf of the Issuer on each Note Interest Payment Date in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (such order being the "**Issuer Pre-Acceleration Priority of Payments**"):

- (a) *first*, in or towards satisfaction of the fees or other remuneration then payable to the Note Trustee and the Issuer Security Trustee, together with VAT) thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by the Note Trustee or the Issuer Security Trustee under the Trust Deed or the Issuer Deed of Charge, as the case may be, together with interest thereon as provided in the Trust Deed or the Issuer Deed of Charge, as the case may be;
- (b) *second*, in or towards payment, pro rata according to the respective amounts thereof, of all amounts due or overdue from the Issuer to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the fee letter between the Issuer and the Issuer Account Bank, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement and (iv) the Corporate Services Provider under the Corporate Services Agreements (together with, in each case, VAT thereon, if applicable, as provided in the Agency Agreement, the fee letter between the Issuer and the Issuer Account Bank, the Cash Management Agreement or the Corporate Services Agreements, as the case may be);
- (c) *third*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of interest due or overdue in respect of the Notes;
- (d) *fourth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of principal due or overdue in respect of the Notes;
- (e) *fifth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer in respect of any other liabilities of the Issuer;
- (f) *sixth*, in or towards retention of the Issuer Retained Profit to remain deposited in the Issuer Transaction Account and retained as six monthly profit by the Issuer (and from which amount the Issuer shall discharge its liability to corporation tax in respect of such Issuer Retained Profit); and
- (g) *seventh*, the surplus (if any) in payment to the Borrowers by way of a rebate of fees paid by the Borrowers on the Borrower Loan.

#### *Issuer Post-Acceleration Priority of Payments*

Following the service of an Issuer Acceleration Notice, the Issuer Security Trustee (or a receiver appointed by the Issuer Security Trustee), the Issuer Cash Manager acting under the instruction of the Issuer Security Trustee is required to apply monies standing to the credit of the Issuer Transaction Account or otherwise available for distribution, in or towards satisfaction of the Issuer's liabilities in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (such order being the "**Issuer Post-Acceleration Priority of Payments**" and, together with the Issuer Pre-Acceleration Priority of Payments, the "**Issuer Priority of Payments**"):

- (a) *first*, in or towards satisfaction of, *pro rata* according to the respective amounts thereof (i) the fees or other remuneration then payable to the Note Trustee and the Issuer Security Trustee, together

with VAT thereon (if applicable), and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by the Note Trustee or the Issuer Security Trustee under the Trust Deed or the Issuer Deed of Charge, as the case may be, together with interest thereon as provided in the Trust Deed or the Issuer Deed of Charge, as the case may be and (ii) the fees or other remuneration then payable to any receiver appointed in respect of the Issuer, together with VAT thereon (if applicable) and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by such receiver under or in connection with the Issuer Deed of Charge, together with interest thereon as provided in the Issuer Deed of Charge;

- (b) *second*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the fee letter between the Issuer and the Issuer Account Bank, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement and (iv) the Corporate Services Provider under the Corporate Services Agreements (together with, in each case, VAT thereon, if applicable as provided in the Agency Agreement, the fee letter between the Issuer and the Issuer Account Bank, the Issuer Cash Management Agreement or the Corporate Services Agreement, as the case may be);
- (c) *third*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts of interest and principal due or overdue in respect of the Notes;
- (d) *fourth*, in or towards payment, *pro rata* according to the respective amounts thereof, of all amounts due or overdue from the Issuer in respect of any other liabilities of the Issuer; and
- (e) *fifth*, an amount equal to the Issuer Retained Profit to remain deposited in the Issuer Transaction Account (and from which amount the Issuer shall discharge its liability to corporation tax in respect of such Issuer Retained Profit);
- (f) *sixth*, the surplus (if any) in payment to the Borrowers by way of a rebate of fees paid by the Borrowers under the Borrower Loan Agreement.

### **Borrower Priority of Payments**

#### ***Borrower Generation Tariff Pre-Acceleration Priority of Payments***

Prior to acceleration of the Borrower Loan, amounts standing to the credit of the Generation Tariff Bank Account as at opening of business on the applicable Calculation Date will be applied by the Borrower Cash Manager on behalf of the Borrowers on each Loan Interest Payment Date, in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (such order being the "**Borrower Generation Tariff Pre-Acceleration Priority of Payments**"):

- (a) *first*, in satisfaction of (i) the fees or other remuneration then payable by the Borrowers to the Facility Agent and the Borrower Security Trustee, together with VAT thereon (if applicable), and (ii) any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by the Facility Agent and the Borrower Security Trustee under the relevant Borrower Transaction Documents, together with interest thereon as provided in the relevant Borrower Transaction Documents;
- (b) *second*, in or towards payment to the Issuer of an amount equal to all amounts payable by the Issuer on the immediately following Note Interest Payment Date pursuant to paragraphs (a) and (b) of the then applicable Issuer Priority of Payments, payable by the Borrowers as part of a facility fee to the Issuer under the terms of the Borrower Loan Agreement;
- (c) *third*, in or towards payment of all amounts of fees and expenses, together with any applicable VAT thereon, as provided in the Borrower Cash Management Agreement payable by the Borrowers to the Borrower Cash Manager;

- (d) *fourth*, in or towards crediting to the Working Capital Reserve Account, all Priority Opex Expenses that are due for payment in accordance with the Annual Budget during the next Loan Interest Period;
- (e) *fifth*, in or towards payment of, on a *pro rata basis*, according to the respective amounts thereof:
  - (i) if such Loan Interest Payment Date falls on an Opex Reserve Accumulation Date, an amount equal to the Opex Reserve Accumulation Amount to be credited to the Opex Reserve Account on such date; and
  - (ii) if such Loan Interest Payment Date falls on an Inverter Maintenance Reserve Accumulation Date, an amount equal to the Inverter Maintenance Reserve Accumulation Amount to be credited to the Inverter Maintenance Reserve Account on such date;
- (f) *sixth*, in or towards payment of all amounts of interest due or overdue in respect of the Borrower Loan;
- (g) *seventh*, in or towards payment of all amounts of principal due or overdue in respect of the Borrower Loan;
- (h) *eighth*, in or towards payment to the Issuer equal to all amounts payable by the Issuer on the next following Note Interest Payment Date pursuant to paragraph (e) of the Issuer Pre-Acceleration Priority of Payments or paragraph (d) of the Issuer Post-Acceleration Priority of Payments, where applicable, payable by the Borrowers as part of a facility fee to the Issuer under the terms of the Borrower Loan Agreement;
- (i) *ninth*, if the balance standing to the credit of the Debt Service Reserve Account is less than the DSR Target Amount, in or towards crediting an amount to the Debt Service Reserve Account to bring the balance thereof to the DSR Target Amount;
- (j) *tenth*, if such Loan Interest Payment Date falls on a DSR Accumulation Date, in or towards transfer of a DSR Accumulation Amount to the Debt Service Reserve Account;
- (k) *eleventh*, in or towards payment of, or provision for, on a *pro rata basis* according to the respective amounts thereof, sums due or which will fall due or which properly belong to third parties under obligations incurred in the course of business of a Borrower, including the provision for, and payment of, such Borrower's auditors and such Borrower's liability (if any) to UK corporation tax, other tax, VAT and any company secretarial fees and charges but only as permitted by the Borrower Transaction Documents, in each case as determined and (if applicable) notified by such Borrower to the Borrower Cash Manager;
- (l) *twelfth*, in or towards payment to the Issuer of an amount equal to all amounts payable by the Issuer on the immediately following Note Interest Payment Date pursuant to paragraph (f) of the Issuer Pre-Acceleration Priority of Payments or, as applicable, paragraph (e) of the Issuer Post-Acceleration Priority of Payments, payable by the Borrowers as part of a facility fee to the Issuer under the terms of the Borrower Loan Agreement;
- (m) *thirteenth*, if a DSCR Trigger has occurred and is continuing, in transfer of the entire remaining balance of the Generation Tariff Bank Account to the Cash Trap Reserve Account until the related DSCR Target Condition has been met; and
- (n) *fourteenth*, the surplus (if any) in payment to one of the General Accounts or otherwise, as notified by the relevant Borrowers to the Borrower Cash Manager in advance.

For these purposes:

"**Annual Budget**" is defined in the section headed "Summary of Principal Documents – Borrower Loan Agreement – Information undertakings – Annual Budget" below.

A "**DSR Accumulation Date**" is each Loan Interest Payment Date during the period from the Closing Date to the fifth anniversary of the Closing Date.

The "**DSR Accumulation Amount**" means, in respect of any Loan Interest Payment Date (for these purposes, the "**Relevant Loan IPD**"), £225,000 less the amount, if any, of interest or other investment income that has been credited to and remains credited to the Debt Service Reserve Account (on the assumption that the most recently credited investment income is withdrawn first) during the period from, and including the Calculation Date for the Note Interest Payment Date immediately preceding the Relevant Loan IPD to, and excluding the Calculation Date for the Note Interest Payment Date immediately following the Relevant Loan IPD.

"**DSR Target Amount**" means on any date, the lesser of:

- (a) £4,500,000; and
- (b) £2,250,000 plus the sum of one DSR Accumulation Amount for each Loan Interest Payment Date that has occurred before such date,

less each DSR Authorised Release made in accordance with the Borrower Cash Management Agreement.

A "**DSCR Trigger**" occurs at any time where the Debt Service Cover Ratio (as defined in "*Description of Principal Documents – Borrower Loan Agreement*") as at the then most recent Calculation Date is less than or equal to 1.2:1 and is continuing until the related DSCR Target Condition has been met.

The "**DSCR Target Condition**" will be met in respect of a DSCR Trigger upon the earlier of:

- (a) the Debt Service Cover Ratio is greater than 1.4:1 for two consecutive Calculation Dates falling after such DSCR Trigger occurred; or
- (b) the aggregate balance standing to the credit of the Debt Service Reserve Account and the Cash Trap Reserve Account is equal to or greater than the outstanding principal amount of the Borrower Loan as adjusted by the Index Ratio (as defined in Condition 7(f) of the Notes) on the then most recent Calculation Date.

An "**Inverter Maintenance Accumulation Date**" is each Loan Interest Payment Date during the period from the Closing Date to the ninth anniversary of the Closing Date.

The "**Inverter Maintenance Reserve Accumulation Amount**" means, in respect of any Loan Interest Payment Date (for these purposes, the "**Relevant Loan IPD**"), £100,000 less the amount, if any, of interest or other investment income that has been credited to and remains credited to the Inverter Maintenance Reserve Account (on the assumption that the most recently credited investment income is withdrawn first) during the period from, and including the Calculation Date for the Note Interest Payment Date immediately preceding the Relevant Loan IPD to, and excluding the Calculation Date for the Note Interest Payment Date immediately following the Relevant Loan IPD.

"**kWp**" means kilowatt peak.

An "**Opex Reserve Accumulation Date**" is each Loan Interest Payment Date during the period from the Closing Date to the Final Maturity Date.

The "**Opex Reserve Accumulation Amount**" means:

- (a) on any Loan Interest Payment Date that falls during the period from and including the Closing Date to but excluding the first Opex Reserve Adjustment Date, £26,060;
- (b) on any Loan Interest Payment Date that falls during the period from and including an Opex Reserve Adjustment Date to but excluding the next Opex Reserve Adjustment Date,

an amount equal to one tenth of the Opex Reserve Increase on the Opex Reserve Adjustment Date occurring at the beginning of such five year period,

less the amount, if any, of interest or other investment income that has been credited to and remains credited to the Opex Reserve Account (on the assumption that the most recently credited investment income is withdrawn first) during the period from, and including the Calculation Date for the Note Interest Payment Date immediately preceding such Loan Interest Payment Date (for these purposes, the "**Relevant Loan IPD**") to, and excluding the Calculation Date for the Note Interest Payment Date immediately following the Relevant Loan IPD.

"**Opex Reserve Increase**" means, on any Opex Reserve Adjustment Date, the greater of:

- (a) zero; and
- (b) an amount equal to the Opex Reserve Target Amount less the amount standing to the credit of the Opex Reserve Account on such date.

"**Opex Reserve Adjustment Date**" means each of the 5<sup>th</sup>, 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> anniversaries of the Closing Date.

"**Opex Reserve Target Amount**" means:

- (a) on any date that falls during the period from and including the Closing Date to but excluding the first Opex Reserve Adjustment Date, the lesser of:
  - (i) £1,270,600; and
  - (ii) £1,010,000 plus the sum of one Opex Reserve Accumulation Amount for each Loan Interest Payment Date that has occurred on or before such date; or
- (b) on any date that falls during the period from and including an Opex Reserve Adjustment Date to but excluding the next Opex Reserve Adjustment Date, an amount determined by the Borrower Cash Manager in accordance with the following formula on the Opex Reserve Adjustment Date occurring at the beginning of such period:

$$PD \times 0.4 \times PP \times SS$$

where:

"**PD**" means, on an Opex Reserve Adjustment Date, the "Weighted Default Risk" shown in the table below opposite such date:

Date	Weighted Default Risk
Closing Date	39.3%
First Opex Reserve Adjustment Date	49.3%
Second Opex Reserve Adjustment Date	59.3%
Third Opex Reserve Adjustment Date	69.3%
Fourth Opex Reserve Adjustment Date	79.3%

"**PP**" means the panel price per watt, being:

- (i) on the Closing Date, £0.41 per watt; and
- (ii) on each Opex Reserve Adjustment Date, the average of three written quotes provided by reputable panel suppliers in the United Kingdom and requested by



an entity within the Borrower Group and provided no more than three months before such Opex Reserve Adjustment Date; provided that if three written quotes are not available, the PP on the previous Opex Reserve Adjustment Date (or, if such Opex Reserve Adjustment Date is the first Opex Reserve Adjustment Date, the PP on the Closing Date) shall be the applicable PP; and

"SS" means the aggregate system capacity of the Solar Parks, being 15701 kWp,

less, in each case, each Opex Authorised Release made in accordance with the Borrower Cash Management Agreement.

**"Priority Opex Expenses"** means all amounts included under the heading "Priority Opex Expenses" in the Annual Budget, including: (a) amounts due to be paid by the OpCo Borrowers in respect of rental payments under the Solar Park Leases; (b) amounts due to be paid by the OpCo Borrowers in respect of the O&M Contracts; (c) amounts due to be paid by the OpCo Borrowers in respect of EPC Contracts; (d) amounts due to be paid by the OpCo Borrowers to the Borrower Corporate Administrator; (e) amounts due to be paid by the OpCo Borrowers in respect of insurance; and (f) amounts due to be paid by the OpCo Borrowers in respect of local government taxation, provided that Priority Opex Expenses shall not include any such amounts, costs or expenses funded out of the Malmesbury Reserve Account.

#### **Borrower Export Tariff Pre-Acceleration Priority of Payments**

Prior to acceleration of the Borrower Loan, amounts standing to the credit of the Export Payment Bank Account as at opening of business on the applicable Calculation Date will be applied by the Borrower Cash Manager on behalf of the Borrowers on each Loan Interest Payment Date, in the following order of priority (in each case only if and to the extent that payments or provisions of a higher order of priority have been made in full) (such order being the "**Borrower Export Tariff Pre-Acceleration Priority of Payments**") and, together with the Borrower Generation Tariff Pre-Acceleration Priority of Payments, each being a "**Borrower Pre-Acceleration Priority of Payments**" and together, the "**Borrower Pre-Acceleration Priority of Payments**":

- (a) *first*, to the extent that there is any shortfall in amounts standing to the credit of the Generation Tariff Bank Account that are required pursuant to the Borrower Generation Tariff Pre-Acceleration Priority of Payments to pay the items referred to in paragraphs (a) to (l) (inclusive) thereof on such Loan Interest Payment Date, in or towards the transfer to the Generation Tariff Bank Account of an amount equal to such shortfall;
- (b) *second*, if a DSCR Trigger has occurred and is continuing, in transfer of the entire remaining balance of the Export Payment Bank Account to the Cash Trap Reserve Account until the related DSCR Target Condition has been met; and
- (c) *third*, the surplus (if any) in payment to one of the General Accounts or otherwise, as notified by the relevant Borrowers to the Borrower Cash Manager in advance.

#### ***Borrower Post-Acceleration Priority of Payments***

Following acceleration of the Borrower Loan (or any part thereof), the Borrower Security Trustee (or a receiver appointed by it) or, with the consent of the Noteholder Representative, if any, the Borrower Cash Manager acting on the instructions of the Borrower Security Trustee, will apply monies standing to the credit of the Borrower Accounts or towards satisfaction of the following liabilities in respect of the Borrower Loan in the following order of priority (the "**Borrower Post-Acceleration Priority of Payments**" and, together with the Borrower Pre-Acceleration Priority of Payments, the "**Borrower Priority of Payments**"), in each case only to the extent that payments of a higher order of priority have been paid in full:

- (a) *first*, in or towards payment, pro rata according to the respective amounts thereof, of (i) the fees or other remuneration then payable by the Borrowers to the Facility Agent and the Borrower Security Trustee, together with VAT thereon (if applicable), (ii) any costs, charges, liabilities and expenses

(together with VAT thereon, if applicable) then incurred by the Borrower Security Trustee under the Borrower Deed of Charge, together with interest thereon as provided in the Borrower Deed of Charge and (iii) the fees or other remuneration then payable to any receiver appointed in respect of any Obligors, together with VAT thereon (if applicable) and any costs, charges, liabilities and expenses (together with VAT thereon, if applicable) then incurred by such receiver under or in connection with the Borrower Deed of Charge, together with interest thereon as provided in the Borrower Deed of Charge;

- (b) *second*, in or towards payment to the Issuer of an amount equal to all amounts payable by the Issuer on a Note Interest Payment Date pursuant to paragraphs (a), (b), and (e) of the Issuer Pre-Acceleration Priority of Payments or, as applicable, paragraphs (a), (b) and (d) of the Issuer Post-Acceleration Priority of Payments, payable by the Borrowers as part of a facility fee to the Issuer under the terms of the Borrower Loan Agreement;
- (c) *third*, in or towards payment of all amounts of fees and expenses, together with any applicable VAT thereon, as provided in the Borrower Cash Management Agreement payable by the Borrowers to the Borrower Cash Manager;
- (d) *fourth*, in or towards payment of all amounts of interest and principal due or overdue in respect of the Borrower Loan;
- (e) *fifth*, in or towards payment to the Issuer equal to all amounts payable by the Issuer on the next following Note Interest Payment Date pursuant to paragraph (f) of the Issuer Pre-Acceleration Priority of Payments or paragraph (e) of the Issuer Post-Acceleration Priority of Payments, where applicable, payable by the Borrowers as part of a facility fee to the Issuer under the terms of the Borrower Loan Agreement;
- (f) *sixth*, in or towards payment of, or provision for, on a *pro rata* basis according to the respective amounts thereof (in each case as notified by the Borrowers to the Borrower Cash Manager), sums due or which will fall due or which properly belong to third parties in the course of the business of the Borrowers; and
- (g) *seventh*, the surplus (if any) in payment to one of the General Accounts or otherwise, as notified by the Borrowers to the Borrower Cash Manager in advance.

#### ***Release of Debt Service Reserve***

If, on any Calculation Date, there are insufficient funds standing to the credit of the Generation Tariff Bank Account (after taking the application of funds in accordance with the Borrower Export Tariff Pre-Acceleration Priority of Payments into account) to pay or provide for the items referred to in paragraphs (a) to (h) inclusive of the Borrower Generation Tariff Pre-Acceleration Priority of Payments (a "**Tariff Shortfall**"), then the Borrower Cash Manager will be entitled, to utilise funds standing to the credit of the Debt Service Reserve Account in or towards payment of items (a) to (d) (inclusive) and (f) to (h) (inclusive) in the order of priority specified in the Borrower Generation Tariff Pre-Acceleration Priority of Payments (on the assumption, for these purposes only, that no Opex Reserve Accumulation Amounts or Inverter Maintenance Reserve Accumulation Amounts are due).

On each of the tenth, 15<sup>th</sup> and 20<sup>th</sup> anniversaries of the Closing Date (or if any such anniversary is not a Business Day, the next following Business Day (unless such Business Day falls in the next calendar month, in which event, the immediately preceding Business Day) the Borrower Cash Manager will transfer £750,000 from the Debt Service Reserve Account to the Generation Tariff Bank Account for application in accordance with the applicable Borrower Priority of Payments if each of the following conditions are satisfied on such day:

- (a) the average Performance Ratio was no less than 104% of the Base Performance Ratio on the three immediately preceding anniversaries of such testing date;
- (b) no Borrower Acceleration Notice has been served; and

- (c) such transfer would not cause the Debt Service Reserve Account to fall below the DSR Target Amount.

Furthermore:

- (a) on the Loan Interest Payment Date falling in February 2034, the Borrower Cash Manager will be required to release 50% of the balance standing to the credit of the Debt Service Reserve Account on such date from such account to the OpCo Borrowers' respective General Accounts in such proportion as the Borrower Agent shall specify no later than three Business Days before such Loan Interest Payment Date; and
- (b) on the Loan Interest Payment Date falling in August 2034, the Borrower Cash Manager will be required to release the remaining balance standing to the credit of the Debt Service Reserve Account on such date from such account to the OpCo Borrowers' respective General Accounts in such proportion as the Borrower Agent shall specify no later than three Business Days before such Loan Interest Payment Date,

in each case, if and only if:

- (i) there is no Tariff Shortfall on the Calculation Date relating to such Loan Interest Payment Date; and
  - (ii) no Default has occurred and is continuing as at such Loan Interest Payment Date,
- each amount so released, also being a "**DSR Authorised Release**".

For the avoidance of doubt, each such DSR Authorised Release will be applied in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments on the Loan Interest Payment Date immediately following such transfer or, if a Borrower Acceleration Notice is served after such transfer but before such Loan Interest Payment Date, in accordance with the Borrower Post-Acceleration Priority of Payments.

The terms "Performance Ratio" and "Base Performance Ratio" are defined in the Master Definitions Schedule. However, those terms are summarised as follows:

<b>Performance Ratio</b>	the Performance Ratio is the ratio between the electricity produced by the solar park at the meter compared to the electricity theoretically generated by the solar panels.
<b>Base Performance Ratio</b>	the Base Performance Ratio is the anticipated Performance Ratio of the solar parks at each Note Payment Date and includes anticipated degradation of the solar panels over the life of the Notes. The Base Performance Ratio of the solar parks is part of the financial model and is disclosed in the Master Definitions Schedule.

### ***Release of Cash Trap Reserve***

If, on any Calculation Date, the DSCR Target Condition has been met in respect of a DSCR Trigger, and:

- (a) no other DSCR Trigger has occurred and is continuing; and
- (b) no Loan Event of Default has occurred and is continuing,

then the Borrower Cash Manager will be required, on or before the next following Loan Interest Payment Date, to transfer an amount equal to the amount of principal, interest and any other amounts due in respect of the Borrower Loan on such Loan Interest Payment Date from the Cash Trap Reserve Account to the Generation Tariff Bank Account.

For the avoidance of doubt, each such amount so transferred will be applied in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments on the Loan Interest Payment Date immediately following such transfer or, if a Borrower Acceleration Notice is served after such transfer but before such Loan Interest Payment Date, in accordance with the Borrower Post-Acceleration Priority of Payments.

Furthermore, if on any date after the occurrence of a Loan Event of Default, an administrator, administrative receiver or receiver and manager of one or more OpCo Borrowers has been appointed under the terms of the Borrower Deed of Charge and remains appointed (for these purposes, a "**Representative**"), such Representative shall be entitled to instruct the Borrower Cash Manager to use funds standing to the credit of the Cash Trap Reserve Account in or towards payment of Priority Opex Expenses, if and to the extent that such payment is required to preserve the assets of such OpCo Borrower.

### ***Release of Opex Maintenance Reserve***

If, on any Business Day, an OpCo Borrower, or the Borrower Agent on its behalf, delivers a certificate to the Borrower Cash Manager (the form of which is attached to the Borrower Cash Management Agreement) confirming:

- (a) that one or more solar panels located on one of the Solar Parks is defective and the replacement of such solar panel is covered by its manufacturer's warranty;
- (b) that the replacement of such solar panels, whether under warranty or otherwise, is desirable or necessary in accordance with prudent business practices;
- (c) that the relevant manufacturer has failed to provide a replacement solar panel under its warranty, of the same or substantially the same technical specification, within a reasonable time of being required to do so by such OpCo Borrower or the Borrower Agent on its behalf; and
- (d) the replacement cost of such solar panels (the "**Panel Replacement Cost**"),

then the Borrower Cash Manager shall release such Panel Replacement Cost from the Opex Reserve Account to the relevant OpCo Borrower's General Account, within 5 Business Days after receiving such certificate, solely for application by such OpCo Borrower, or the Borrower Agent on its behalf, in replacement of such solar panels no later than one month after the date of such release; provided that if the manufacturer settles any claim in relation such breach of warranty, the relevant OpCo Borrower will be required to assign its rights title and benefit in any such claim or settlement to the Issuer and instruct the relevant manufacturer to make any payment in respect of such settlement directly to the Issuer.

If, on any Opex Reserve Adjustment Date, the Opex Reserve Decrease is greater than zero, the Borrower Cash Manager shall, on the next Loan Interest Payment Date, transfer an amount equal to such Opex Reserve Decrease to the Generation Tariff Bank Account.

For the avoidance of doubt, such released amount will be applied in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments on the Loan Interest Payment Date immediately following such transfer or, if a Borrower Acceleration Notice is served after such transfer but before such Loan Interest Payment Date, in accordance with the Borrower Post-Acceleration Priority of Payments.

Furthermore, on the Loan Interest Payment Date falling in August 2034, the Borrower Cash Manager will be required to release the remaining balance standing to the credit of the Opex Reserve Account from such account to the Generation Tariff Bank Account, if:

- (i) there is no Tariff Shortfall on the Calculation Date relating to such Loan Interest Payment Date; and
  - (ii) no Default has occurred and is continuing as at such Loan Interest Payment Date,
- such amount, and any Opex Reserve Decrease, being an "**Opex Authorised Release**".

For these purposes:

"**Opex Reserve Decrease**" means, on any Opex Reserve Adjustment Date, the greater of:

- (a) zero; and
- (b) the amount standing to the credit of the Opex Reserve Account on such date less an amount equal to the Opex Reserve Target Amount on such date.

***Release of Inverter Maintenance Reserve***

If, on any Business Day, an OpCo Borrower, or the Borrower Agent on its behalf, delivers a certificate to the Borrower Cash Manager (the form of which is attached to the Borrower Cash Management Agreement) confirming:

- (a) that one or more inverters located on one of the Solar Parks is defective and whether the replacement of such inverter is covered by its manufacturer's warranty;
- (b) that the replacement of such inverter, whether under warranty or otherwise, is desirable or necessary in accordance with prudent business practices;
- (c) whether the relevant manufacturer has failed to provide a replacement inverter under its warranty, of the same or substantially the same technical specification, within a reasonable time of being required to do so by such OpCo Borrower or the Borrower Agent on its behalf;
- (d) the replacement cost of such inverters (the "**Inverter Replacement Cost**"),

then the Borrower Cash Manager shall release such replacement cost from the Inverter Maintenance Reserve Account to the relevant OpCo Borrower's General Account, within 5 Business Days after receiving such certificate, solely for application by such OpCo Borrower, or the Borrower Agent on its behalf, in replacement of such inverters no later than one month after the date of such release; provided that if the relevant inverter is subject to a warranty and the relevant manufacturer settles any claim in relation a breach of such warranty, the relevant OpCo Borrower will be required to assign its rights title and benefit in any such claim or settlement to the Issuer and instruct the relevant manufacturer to make any payment in respect of such settlement directly to the Issuer.

Furthermore, on the Loan Interest Payment Date falling in August 2034, the Borrower Cash Manager will be required release the remaining balance standing to the credit of the Inverter Maintenance Reserve Account from such account to the Generation Tariff Bank Account, if:

- (i) there is no Tariff Shortfall on the Calculation Date relating to such Loan Interest Payment Date; and
  - (ii) no Default has occurred and is continuing as at such Loan Interest Payment Date,
- such amount being an "**Inverter Maintenance Authorised Release**".

***Release of Working Capital Reserve***

On any Business Day during each 15 day period beginning on 26<sup>th</sup> February, 26<sup>th</sup> May, 26<sup>th</sup> August or 26<sup>th</sup> November of each calendar year (each, a "**Quarter Date**"), unless a Borrower Acceleration Notice has been served, the Borrower Agent may transfer from the Working Capital Reserve Account to one or more General Accounts of the OpCo Borrowers, an amount equal to the aggregate of the Priority Opex Expenses due before the next following Quarter Date in accordance with the Annual Budget; provided that such amounts may only be used for the purposes of paying such Priority Opex Expenses.

#### ***Release of Malmesbury Reserve***

If, on any Business Day, an OpCo Borrower, or the Borrower Agent on its behalf, delivers a certificate to the Borrower Cash Manager (the form of which is attached to the Borrower Cash Management Agreement) confirming:

- (a) that the need and design of certain Remedial Works at the Malmesbury Solar Park summarised in such certificate have previously been approved by the Technical Adviser;
- (b) that such Remedial Works are due to be commenced within 10 Business Days after the date of such certificate; and
- (c) the cost of such Remedial Works (the "**Remedial Cost**"),

then the Borrower Cash Manager shall release such Remedial Cost from the Malmesbury Reserve Account to the Malmesbury OpCo Borrower's General Account, within 5 Business Days after receiving such certificate, solely for application by the Malmesbury OpCo Borrower, or the Borrower Agent on its behalf, in such remedial works.

Furthermore, on the first Loan Interest Payment Date falling after the date that the Technical Adviser issues a Remedial Completion Certificate, the Borrower Cash Manager will be required to release the remaining balance standing to the credit of the Malmesbury Reserve Account from such account to the Malmesbury OpCo Borrower's General Account, if no Loan Event of Default has occurred and is continuing as at such Loan Interest Payment Date.

If a Loan Event of Default has occurred and is continuing on such a date, the Borrower Cash Manager shall release any such funds on the next Loan Interest Payment Date on which no Loan Event of Default is continuing.

#### ***Authorised Investments***

The Borrower Cash Manager shall, from time to time, pursuant to instructions received from the relevant Parent Borrower(s) or the Borrower Agent on behalf of such Parent Borrower(s), subject to and in accordance with the Borrower Cash Management Agreement, invest amounts standing to the credit of the Parent Borrower Reserve Accounts in Authorised Investments held for and on behalf of such Parent Borrower(s) or in the name of such Parent Borrower(s). Any income or gain on an Authorised Investment will be credited to the relevant Parent Borrower Reserve Account for application in accordance with the above or reinvested in other Authorised Investments. The Borrower Cash Manager has no liability for any losses incurred on Authorised Investments. Certain Authorised Investments may be subject to breakage costs in favour of the relevant authorised investment provider if terminated early. Such breakage costs may arise, for instance, if the Borrower Security Trustee enforces security over the Borrowers between two Loan Interest Payment Dates.

## SUMMARY OF PRINCIPAL DOCUMENTS

*This section contains a summary of the material terms of the principal documents relating to the Notes. Copies of the Issuer Deed of Charge, the Borrower Loan Agreement, the Borrower Deed of Charge, the Solar Generation Company Subordination Agreements, the Netting Agreements, the Issuer Cash Management Agreement and the Borrower Cash Management Agreement are available for inspection during normal business hours at the Specified Offices of the Paying Agent. The Noteholders are bound by, and are deemed to have notice of all the provisions of the Issuer Deed of Charge, the Borrower Loan Agreement, the Borrower Deed of Charge, the Solar Generation Company Subordination Agreements, the Netting Agreements, the Issuer Cash Management Agreement and the Borrower Cash Management Agreement.*

### 1. **Issuer Deed of Charge**

To provide security for the Issuer's obligations under the Notes and the Issuer Transaction Documents, the Issuer will, on the Closing Date, enter into the Issuer Deed of Charge with the Issuer Security Trustee, the Note Trustee, the Facility Agent and the Issuer Secured Creditors. A summary of the material terms of the Issuer Deed of Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Issuer Deed of Charge.

#### ***Issuer Security***

The Issuer will grant the following security, to be held by the Issuer Security Trustee for itself and on trust for the benefit of the Issuer Secured Creditors:

- (a) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each of the Issuer Transaction Documents;
- (b) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under the Borrower Loan Agreement, the Borrower Deed of Charge, the Direct Agreements and each other Borrower Transaction Document to which the Issuer is a party; and
- (c) a first fixed charge of all of its rights, title, benefit and interest, present and future, in, to and under each Issuer Account in which it has any right, title, benefit or interest and each other account (if any) in which the Issuer may at any time have or acquire any right, title, benefit or interest.

In addition, the Issuer will grant to the Issuer Security Trustee, for itself and on trust for the benefit of the Issuer Secured Creditors, a first floating charge over all its assets and the undertaking which are not otherwise effectively subject to a fixed charge or assignment by way of security, as described above. From and including the date when the Note Trustee delivers an Issuer Acceleration Notice (which has not been withdrawn) to the Issuer, subject to any prohibition or restriction imposed by applicable law, the floating charge granted pursuant to the Issuer Deed of Charge will crystallise so as to become fixed charges.

Security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which the secured party actually exercises such control.

#### ***Enforcement***

The Issuer Deed of Charge will set out the circumstances upon which and the procedures by which the Issuer Security Trustee may take steps to enforce the Issuer Security. The Issuer Security will become immediately enforceable, and the power of sale and other powers shall be exercisable by the Issuer Security Trustee, at any time following the delivery by the Note Trustee of an Issuer Acceleration Notice to the Issuer.

However, the Issuer Deed of Charge will provide that, for so long as the Notes are outstanding, the Issuer Security Trustee will not, and will not be bound to, take any steps to enforce the Issuer Security unless it has been directed to do so by the Note Trustee, acting in accordance with the provisions of the Trust Deed, and it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities which may be incurred by it in connection with such enforcement.

***Issuer Post-Acceleration Priority of Payments***

Following the delivery by the Note Trustee of an Issuer Acceleration Notice to the Issuer, all monies paid to or received or recovered by or on behalf of the Issuer or the Issuer Security Trustee or any receiver appointed on its behalf will (if not already received by the Issuer Security Trustee) be paid to and held by the Issuer Security Trustee on trust to apply the same (save to the extent required otherwise by applicable law) in accordance with the Issuer Post-Acceleration Priority of Payments. See further the section entitled "*Resources available to the Issuer and the Borrowers – Issuer Post-Acceleration Priority of Payments*".

***Delegation by the Issuer Security Trustee***

The Issuer Deed of Charge will provide that the Issuer Security Trustee may, whenever it thinks expedient in the interests of the Issuer Secured Creditors, delegate to any person or persons all or any of the trusts, rights, powers, duties, authorities and discretions vested in it by the Issuer Deed of Charge or any of the other Transaction Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Issuer Security Trustee may think fit in the interests of the Issuer Secured Creditors. The Issuer Security Trustee will be required to exercise reasonable care in the selection of such delegate, but will not be bound to supervise the proceedings of, or be responsible for any loss, costs, liability or expenses incurred by any misconduct or default on the part of, such delegate.

***No enforcement by Issuer Secured Creditors***

Pursuant to the terms of the Issuer Deed of Charge, each of the Issuer Secured Creditors (other than the Issuer Security Trustee and any receiver) will agree that only the Issuer Security Trustee may enforce the security created by the Issuer Deed of Charge.

***Modification and waiver***

The Issuer Deed of Charge will provide that the Issuer Security Trustee may, without the consent of any of the Issuer Secured Creditors:

- (a) concur with any person in making or sanctioning any modification or amendment to any of the Transaction Documents, provided that the Issuer Security Trustee is of the opinion that such modification would not be materially prejudicial to the interests of the Issuer Secured Creditors or which, in the Issuer Security Trustee's opinion, is made to correct a manifest error or is of a formal, minor or technical nature or an error established as such to the satisfaction of the Issuer Security Trustee; and
- (b) authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to any of the Transaction Documents.

Any such modification, authorisation or waiver will be binding on the Issuer Secured Creditors.

***Directions of Note Trustee***

The Issuer Deed of Charge will provide that, when exercising its opinion and/or rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the Issuer Deed of Charge, the other Transaction Documents or by operation of law, the Issuer Security Trustee will, for so long as there are Notes outstanding, act only at the request or in accordance with the



directions of the Note Trustee to the Issuer Security Trustee. The Issuer Deed of Charge will further provide that the Issuer Security Trustee will not be bound to act unless it is first indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all liabilities which it may incur by acting upon such request or directions.

***Fees, expenses and indemnity***

Pursuant to the Issuer Deed of Charge, the Issuer will be required:

- (a) to pay to the Issuer Security Trustee an annual fee of such amount and on such Note Interest Payment Dates as shall from time to time be agreed by the Issuer and the Issuer Security Trustee;
- (b) to pay all other costs, charges and expenses (including legal and travelling expenses) (against production of invoices) which the Issuer Security Trustee or any persons appointed by it under the Issuer Deed of Charge may properly incur in connection with the Issuer Deed of Charge; and
- (c) to indemnify the Issuer Security Trustee and any receiver, attorney, manager, agent or delegate or other person appointed by it under the Issuer Deed of Charge in respect of all liabilities incurred by it in connection with:
  - (i) investigating any event which the Issuer Security Trustee, any party permitted to instruct the Issuer Security Trustee under the Issuer Deed of Charge or the Note Trustee reasonably believes is a Note Event of Default or potential Note Event of Default;
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (iii) the execution of any of its trusts, powers, authorities and discretions hereunder or its functions in connection with its appointment under the Issuer Deed of Charge; or
  - (iv) any other matter or thing done or omitted in any way relating to the Issuer Deed of Charge and any of the other Transaction Documents to which the Issuer Security Trustee is a party,

save where the same arises as a result of the fraud, gross negligence or wilful default by such indemnified person.

***Retirement and removal***

Subject to the appointment of a successor security trustee, the Issuer Security Trustee will, pursuant to the Issuer Deed of Charge, be entitled to retire after giving three months' notice in writing to the Issuer. If within 60 days of having given notice of its intention to retire, the Issuer has failed to appoint a replacement security trustee, the outgoing Issuer Security Trustee will be entitled to appoint its successor. The Issuer may remove the Issuer Security Trustee or appoint a new Issuer Security Trustee at any time provided that it has the approval, which must not be unreasonably withheld or delayed, of the Note Trustee (who must consult with the Issuer Secured Creditors). If U.S. Bank Trustees Limited retires or is removed as Borrower Security Trustee under the Borrower Deed of Charge or if U.S. Bank Trustees Limited retires or is removed as Note Trustee under the Trust Deed, then U.S. Bank Trustees Limited, in its capacity as Issuer Security Trustee, will be required to retire at the same time as the Borrower Security Trustee or, as applicable, the Note Trustee. In each case, the successor Issuer Security Trustee, the successor Borrower Security Trustee and the successor Note Trustee will be the same person or persons. In addition, the Issuer Security Trustee may, subject to conditions specified in the Issuer Deed of Charge, appoint a co-trustee to act jointly with it.

### ***Additional provisions of the Issuer Deed of Charge***

The Issuer Deed of Charge will also contain a range of provisions limiting the scope of the Issuer Security Trustee's duties and liabilities. Without limitation, the Issuer Deed of Charge provides:

- (a) that the Issuer Security Trustee may rely on the advice of any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere, howsoever obtained;
- (b) that the Issuer Security Trustee is not responsible for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or suitability of any of the Transaction Documents or any security;
- (c) that the Issuer Security Trustee may act or rely on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (d) that the Issuer Security Trustee may assume that no Note Event of Default or potential Note Event of Default has occurred and that the Issuer is observing and performing all its obligations under the Trust Deed, unless the Issuer Security Trustee has actual knowledge or express notice to the contrary;
- (e) that the Issuer Security Trustee is not required to monitor or supervise the performance or observance by the Issuer or any other party of the provisions of the Transaction Documents;
- (f) that the Issuer Security Trustee has full power to determine all questions and doubts arising in relation to any of the provisions of the Issuer Deed of Charge and the other Transaction Documents and that every such determination shall be conclusive and binding on the Issuer Secured Creditors;
- (g) that each Issuer Secured Creditor will be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer and that the Issuer Security Trustee will not at any time have any responsibility for the same;
- (h) that the Issuer Security Trustee will not be liable or responsible for any loss, cost, damage, expense or inconvenience which may result from anything done or omitted to be done by it under the Issuer Deed of Charge or under any of the other Transaction Documents, except in the case of any gross negligence, wilful default or fraud of which the Issuer Security Trustee may be guilty in relation to its duties under the Issuer Deed of Charge or under any other Transaction Document; and
- (i) that the Issuer Security Trustee may accept without enquiry, requisition or objection such title as the Issuer may have to the Issuer Charged Property or any part and will not be required to investigate or make any enquiry into or be liable for any defect or failure in the right or title of the Issuer to the Issuer Charged Property or any part thereof.

### ***Issuer Accounts***

Save as described below, pursuant to the Issuer Deed of Charge, the Issuer Account Bank will agree not to close any or all of the Issuer Accounts or to terminate the relationship between the Issuer Account Bank and the Issuer, unless and until all Issuer Secured Obligations have been fully repaid or discharged.

The Issuer Account Bank will, however, be entitled to close any or all of the Issuer Accounts or to terminate the relationship between the Issuer Account Bank and the Issuer upon three months' prior written notice to the other parties to the Issuer Deed of Charge, provided that on the expiry of such notice:

- (a) the Issuer has opened replacement Issuer Accounts with an Eligible Institution approved by the Issuer Security Trustee; and
- (b) the Issuer Security Trustee is satisfied that security has been created over such new Issuer Accounts in favour of the Issuer Security Trustee for the benefit of the Issuer Secured Creditors, such that such new Issuer Accounts are subject to security equivalent to the security granted over the Issuer Accounts that are in existence on the Closing Date.

***Governing law***

The Issuer Deed of Charge and any non-contractual obligations arising out of it will be governed by and construed in accordance with English law.

**2. Borrower Loan Agreement**

On the Closing Date, the Borrowers will enter into the Borrower Loan Agreement with the Issuer, the Borrower Security Trustee, the Note Trustee and the Facility Agent, pursuant to which the Issuer will make available to the Borrowers a term loan facility in an initial amount equal to £60,000,000. A summary of the material terms of the Borrower Loan Agreement is set out below. The summary does not purport to be complete and is subject to the provisions of the Borrower Loan Agreement.

***Purpose of Borrower Loan***

On or about the Closing Date, the Borrowers will borrow the entire amount of the facility for the purposes described under "*Use of Proceeds*" below.

***Conditions precedent to drawdown***

Drawdown of the Borrower Loan will be subject to satisfaction of certain conditions precedent, including delivery of the following documents, in form and substance satisfactory to the Issuer:

- (a) a copy of the constitutional documents of each Borrower and Parent HoldCo;
- (b) a copy of a resolution of the board of directors of each Borrower and Parent HoldCo authorising the matters described in these Listing Particulars;
- (c) a certificate of each Borrower certifying that the borrowing of the Borrower Loan will not cause any borrowing or similar limit binding on it to be exceeded and confirming that no Borrower has incurred any Financial Indebtedness other than Permitted Financial Indebtedness;
- (d) legal opinions addressed to, among others, the Borrower Security Trustee, the Issuer Security Trustee and the Issuer;
- (e) certificates of title relating to the Solar Parks (the "**Certificates of Title**");
- (f) copies of the executed Transaction Documents;
- (g) copies of the executed Material Contracts;
- (g) copies of the executed mandates relating to the Borrower Accounts;
- (g) copies of applicable insurance policies and evidence of payment of premia; and
- (f) a copy of Annual Budget for the period to the Calculation Date falling in August 2014.

Furthermore, the Issuer will only be obliged to advance the Borrower Loan if:

- (a) no Default is continuing or would result from the proposed Borrower Loan; and

- (b) the representations made by each Borrower, described under "*Representations*" below, are true in all material respects

### ***Interest***

With respect to each Loan Interest Period, the Borrowers will be required to pay interest on the Borrower Loan on the Loan Interest Payment Date falling within such Loan Interest Period.

The rate of interest on the Borrower Loan for each Loan Interest Period is 2.598 per cent per annum. For the purposes of calculating the interest payable on the Borrower Loan with respect to the first Loan Interest Period, the Borrower Loan will be deemed to have been drawn in full on the Closing Date, notwithstanding that such drawing may in fact be made after the Closing Date.

**"Loan Interest Payment Date"** means 26 February and 26 August in each year (provided that the first Loan Interest Payment Date will fall on 26 August 2013). If a Loan Interest Payment Date would otherwise fall on a day which is not a Business Day, that Loan Interest Payment Date will instead occur on the immediately preceding Business Day.

In the context of a Borrower Loan, each **"Loan Interest Period"** will be aligned with the corresponding interest period applicable to the Notes, as described in Condition 6.

### ***Repayment***

Subject to the circumstances in which the Borrower Loan may be prepaid (as described under "*Prepayment*" below), the Borrowers will be required to repay the Borrower Loan on each Loan Interest Payment Date by instalments, in an amount equal to the applicable scheduled amortisation amount for the Notes determined in accordance with Condition 8(b)(i). The final such scheduled instalment will fall due on the Loan Interest Payment Date falling in August 2034 (the **"Repayment Date"**). No Borrower may re-borrow any amount which is repaid.

### ***Prepayment***

#### *Mandatory prepayment*

In the event that it becomes unlawful for the Issuer to perform any of its obligations under the Borrower Loan Agreement or unlawful for the Issuer to fund or maintain its participation in the Borrower Loan, the Borrowers will be required to repay the Borrower Loan.

Any such prepayment will be in an amount equal to the then outstanding principal amount of the Borrower Loan, together with accrued and unpaid interest thereon up to but excluding the date of prepayment.

#### *Voluntary prepayment – taxation or indexation events*

The Borrower Agent has the option, upon notice to the Issuer, the Controlling Party and the Facility Agent, to prepay the Borrower Loan on any Loan Interest Payment Date if:

- (a) any sum payable to the Issuer by a Borrower under the Borrower Loan Agreement is required to be grossed up as a result of a deduction or withholding for or on account of tax;
- (b) the Issuer makes an indemnity claim against the Borrowers under the Borrower Loan Agreement with respect to a tax liability that it incurs; or
- (c) the Borrower Agent does not consent or agree to any of the matters requiring its consent or agreement described under "*Indexation - Changes in Circumstances Affecting the Index*" or "*Indexation - Cessation of or Fundamental Changes to the Index*" below.

Any such prepayment will be in an amount equal to the then outstanding principal amount of the Borrower Loan, together with accrued and unpaid interest thereon up to but excluding the date of prepayment.

*Voluntary prepayment*

On any date after the second anniversary of the Closing Date, the Borrowers may, if the Borrower Agent gives the Facility Agent not less than seven Business Days' (or such shorter period as the Facility Agent may agree) prior notice, prepay the whole (but not part) of the Borrower Loan.

Any such voluntary prepayment of the Borrower Loan will be in an amount equal to the then outstanding principal amount thereof, multiplied by the Prepayment Percentage (rounding the resulting figure to the nearest penny, half a penny being rounded upwards) together with accrued and unpaid interest on the then outstanding principal amount of the Borrower Loan, up to but excluding the date of prepayment.

For these purposes:

**"Gross Prepayment Yield"** means a yield calculated on the basis indicated by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae "Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (third edition published 16 March 2005) or on such other basis as the Controlling Party may agree with the Borrower Agent.

**"Prepayment Percentage"** means the greater of:

- (a) 100 per cent.; and
- (b) that price (as reported in writing by the Indexation Advisor) expressed as a percentage (and rounded, if necessary, to three decimal places (0.0005 being rounded upwards)) at which the Gross Prepayment Yield on the Borrower Loan on the Relevant Calculation Date is equal to the Prepayment Rate on the Relevant Calculation Date.

**"Prepayment Rate"** means:

- (a) the Gross Prepayment Yield at 11.00 a.m. (London time) on the Relevant Calculation Date of the Reference Gilt on the basis of the arithmetic mean (rounded, if necessary, to three decimal places (0.0005 being rounded upwards)) of the offered prices of the Reference Gilt quoted by the Reference Market Makers (on a dealing basis for settlement on the next following dealing day in London) at or about 11.00 a.m. (London time) on the Relevant Date; or
- (b) if such yield is not able to be determined, such other rate as may be agreed between the Controlling Party and the Borrower Agent.

**"Reference Gilt"** means the 0.125 per cent. Index-Linked Treasury Stock due March 2024 so long as such stock is in issue, and thereafter, such issue of index-linked Treasury stock as determined to be appropriate by the Indexation Adviser and agreed to by the Borrower Agent.

**"Reference Market Makers"** means three brokers and/or London gilt-edged market makers approved in writing by the Controlling Party and the Borrower Agent.

**"Relevant Calculation Date"** means the date which is two Business Days prior to the delivery of the date on which the Borrower Agent gives notice of prepayment to the Facility Agent.

*Default interest*

The Borrower Loan Agreement will provide that, if the Borrowers fail to pay any amount payable by it under a Transaction Document on its due date, interest will accrue on the overdue amount

from the due date up to the date of actual payment at a rate which is 1.25 per cent. higher than the rate which would have been payable if the overdue amount had, during the period of non-payment, constituted a Loan.

### **Indexation**

#### *Application of the Index Ratio*

Each amount of interest and principal payable by the Borrowers in respect of Borrower Loan will be multiplied by the Index Ratio applicable to the Loan Interest Payment Date on which such payment falls to be made (or, in the case of a prepayment in the circumstances described in paragraph (c) under "*Prepayment - Voluntary prepayment – taxation or indexation events*" above, applicable to the last Loan Interest Payment Date before the circumstances giving rise to such prepayment arose) and rounded, if necessary, to five decimal places (with 0.000005 being rounded upwards).

For these purposes:

"**Base Index Figure**" means (subject as described below under "*Changes in Circumstances Affecting the Index*") 247.63548 if closing takes place on 2 May, 2013 otherwise, it will be the figure shown in the first Investor Report.

"**Index Ratio**", in relation to any Loan Interest Payment Date, means the Index Figure applicable to the Calculation Date for such Loan Interest Payment Date, divided by the Base Index Figure.

"**Index**" or "**Index Figure**" means, in relation to any relevant calculation month (as defined below under "*Changes in Circumstances Affecting the Index*"), subject as described under "*Changes in Circumstances Affecting the Index*" below, the U.K. Retail Price Index (RPI) (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the U.K. Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt. The "**Index Figure**" applicable to a Calculation Date shall, subject as provided under "*Changes in Circumstances Affecting the Index*" and "*Cessation of or Fundamental Changes to the Index*", be determined in accordance with the following formula:

$$\text{IFA} = \text{RPI}_{m-3} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (\text{RPI}_{m-2} - \text{RPI}_{m-3})$$

and rounded to the nearest fifth decimal place. For the purposes of this formula:

"**IFA**" means the Index Figure for the applicable Calculation Date;

"**RPI<sub>m-3</sub>**" means the Index Figure for the first day of the calendar month that is three months prior to the calendar month in which the applicable Calculation Date falls; and

"**RPI<sub>m-2</sub>**" means the Index Figure for the first day of the calendar month that is two months prior to the calendar month in which the Calculation Date falls.

#### *Changes in circumstances affecting the Index*

If at any time the Index is changed by the substitution of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be, (1) the definition of "Index" and "Index Figure" above will be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure will be the product of the existing Base Index Figure and the Index Figure for the date on which such substitution takes effect, divided by the Index Figure for the date immediately preceding the date on which such substitution takes effect.

If the Index Figure relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Figure for any Loan Interest Payment Date is not published on or before the fourteenth business day before the Loan Interest Payment Date on which such payment is due (the "**date for payment**"), the Controlling Party will be entitled to appoint an Indexation Adviser (provided that the identity of such Indexation Adviser has been approved by the Borrower Agent) and the Index Figure applicable for the relevant calculation month will be (1) such substitute index figure (if any) as the Controlling Party considers (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Controlling Party (acting solely on the advice of the Indexation Adviser)) (provided that, in all cases, such substitute index figure has been approved by the Borrower Agent) or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published before the date for payment (the "**Last-Published Index Figure**").

#### *Application of changes*

Where the circumstances described under "*Changes in Circumstances Affecting the Index*" apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall, in the absence of manifest error, be conclusive and binding. If, the Last-Published Index Figure having been applied, as described above, the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while the Borrower Loan is still outstanding, then:

- (a) in relation to a payment of principal or interest in respect of the Borrower Loan other than upon final repayment of the Borrower Loan, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Last-Published Index Figure below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (b) in relation to a payment of principal or interest upon final repayment, no subsequent adjustment to amounts paid will be made.

#### *Cessation of or fundamental changes to the Index*

If (1) the Index has ceased to be published or (2) any change is made to the coverage or the calculation of the Index which constitutes a fundamental change which would, in the reasonable opinion of the Controlling Party (acting solely on the advice of the Indexation Adviser) be materially prejudicial to the interests of the Issuer, the Facility Agent will give written notice of such occurrence to the Borrower Agent, and the Borrower Agent and the Controlling Party (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Borrower Loan one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer in no better and no worse position than it would have been had the Index not ceased to be published or the relevant fundamental change not been made.

If the Borrower Agent and the Controlling Party (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in the previous paragraph, a bank or other person in London shall be appointed by the Borrower Agent and the Facility Agent or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the initial 20 Business Day period referred to above, by the Controlling Party (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Borrower Loan one or more adjustments to the Index or a

substitute index (with or without adjustments) with the intention that the same should leave the Issuer in no better and no worse position than it would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all reasonable fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Facility Agent in connection with such appointment shall be borne by the Borrower Agent.

If the Index is adjusted or replaced by a substitute index as agreed by the Borrower Agent and the Controlling Party (acting solely on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, references in these Listing Particulars to the Index and to any Index Figure will be deemed amended in such manner as the Controlling Party (acting solely on the advice of the Indexation Adviser) and the Borrower Agent agree are appropriate to give effect to such adjustment or replacement.

If the circumstances described in this section apply, the Controlling Party shall be entitled to appoint an Indexation Adviser, provided that the identity of such Indexation Adviser has been approved by the Borrower Agent.

#### ***Initial Fee and Periodic Fee***

The Borrowers will, pursuant to the Borrower Loan Agreement, agree to pay to the Issuer:

- (a) on or about the Closing Date, a one-off fee (the "**Initial Fee**") in an agreed amount equal to certain amounts falling due to be paid by the Issuer on or about the Closing Date, including (without limitation) fees, costs, charges, liabilities and other amounts due to the Bookrunner, the Issuer Security Trustee, the Note Trustee and the Paying Agent; and
- (b) on each Loan Interest Payment Date, a periodic fee (the "**Periodic Fee**") in an agreed amount equal to certain amounts falling due to be paid by the Issuer on the corresponding Note Interest Payment Date, including but not limited to fees, costs, charges, liabilities and other amounts due to the Issuer Security Trustee, the Note Trustee and the Paying Agent, together with an amount which will result in the Issuer retaining a small profit.

#### ***Representations and warranties***

Neither the Issuer, the Facility Agent nor the Borrower Security Trustee will make any independent investigation with respect to the matters represented and warranted in the Borrower Loan Agreement. In relation to such matters, the Issuer, the Facility Agent and the Borrower Security Trustee will rely entirely on the representations and warranties given by each Borrower. These include representations and warranties given by each Borrower on the Closing Date, many of which are qualified (including, without limitation, as to materiality and/or knowledge), as to the following and other matters:

- (a) due incorporation of such Borrower;
- (b) such Borrower and each of its Subsidiaries having power to own its assets and carry on its business as it is being conducted;
- (c) the obligations expressed to be assumed by such Borrower in each Transaction Document and Material Contract being legal, valid and binding obligations, enforceable in accordance with their terms;
- (d) entry by such Borrower into and performance of transactions contemplated by Transaction Documents not conflicting with any law or regulation applicable to it, its constitutional documents or any agreement or instrument binding on it;
- (e) there being no Security Interests (other than Permitted Security Interests) over all or any of such Borrower's present or future revenues, undertakings or assets;



- (f) such Borrower not having incurred any Financial Indebtedness (other than Permitted Financial Indebtedness) or other material liabilities (whether actual or contingent) other than as permitted by the terms of the Transaction Documents;
- (g) such Borrower having power and authority to enter into, perform and deliver the Transaction Documents to which it is a party;
- (h) all authorisations, consents, approvals, resolutions, licences, exemptions, filings, notarisations or registrations required: (i) to enable such Borrower lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party; (ii) to enable it to grant the Security Interests purported to be granted by it pursuant to the Borrower Deed of Charge (subject to certain perfection requirements); and (iii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation, having been obtained or effected and being in full force and effect (subject to certain perfection requirements);
- (i) such Borrower not being required to make any deduction for or on account of Tax from any payment it may make under any Transaction Document to the Issuer;
- (j) there being no Default continuing or which is reasonably likely to result from any borrowing under the Borrower Loan Agreement;
- (k) there being any other event or circumstance outstanding which constitutes a default under any other agreement or instrument which is binding on such Borrower or any of its Subsidiaries or to which its or any of its Subsidiaries' assets are subject;
- (l) truth and accuracy of certain factual information provided in writing to the Issuer by a Group Entity in connection with the financing described in these Listing Particulars;
- (m) *pari passu* ranking of such Borrower's payment obligations under the Transaction Documents with the claims of all its other secured and unsubordinated creditors;
- (n) no litigation, arbitration or administrative proceeding having been started or threatened against such Borrower or any of its Subsidiaries;
- (o) compliance with all applicable environmental laws and environmental approvals necessary for the ownership and operation of such Borrower's facilities and businesses as presently owned and operated and there being no environmental claim pending or threatened against it;
- (p) each of the applicable insurance policies being in full force and effect and there being no outstanding claims thereunder;
- (q) no Material Contract (other than the FiT Agreements, Power Purchase Agreements or Connection Agreements) containing any provision permitting the counterparty to terminate, or which results in the automatic termination of, the relevant contract, agreement or arrangement upon the appointment of an administrative receiver;
- (r) compliance by the EPC Contractors with the terms of the EPC Contracts and the O&M Contractors with the O&M Contracts;
- (s) its "centre of main interests" (as that expression is used in the EU Insolvency Regulation) being in the United Kingdom;
- (t) except as disclosed in the Certificates of Title, there being no breaches of any law, regulation or covenant which is reasonably likely to adversely affect the use of the Solar Parks, no other rights in existence over the Solar Parks which is reasonably likely to affect the Solar Parks (other than those contemplated by the Sale of Capacity Agreements) and all facilities necessary for the unrestricted use and enjoyment of the Solar Parks being present (subject to the terms of the Sale of Capacity Agreements); and

- (u) such Borrower not being aware of any arrangements currently in place the operation of which may at a subsequent date result in a change of control of such Borrower.

Certain of the above representations and warranties will also be repeated on the date on which any drawing is made and on each Loan Interest Payment Date.

For these purposes:

**"Financial Indebtedness"** means any indebtedness for or in respect of:

- (a) moneys borrowed;
- (b) any amount raised by acceptance under any acceptance credit facility or dematerialised equivalent;
- (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
- (d) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (e) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (f) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
- (g) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and
- (h) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (g) above.

**"Group "** means the Parent Borrowers, each other Borrower or each of their respective subsidiaries from time to time.

**"Group Entity"** means a member of the Group.

**"Permitted Financial Indebtedness"** means:

- (a) Financial Indebtedness outstanding pursuant to the Borrower Loan Agreement;
- (b) Financial Indebtedness incurred with the consent of the Controlling Party;
- (c) Financial Indebtedness incurred pursuant to the agreements relating to the SGC Loans;
- (d) any other Financial Indebtedness permitted or envisaged by the Transaction Documents; and
- (e) Financial Indebtedness owed by a Borrower to another Borrower.

**"Permitted Security Interests"** means:

- (a) liens arising solely by operation of law (or by agreement having substantially the same effect) and in the ordinary course of any Borrower's business securing obligations not more than 6 months overdue;
- (b) any netting or rights of set off existing in the ordinary course of business between any Group Entity and its respective Solar Generation Companies, suppliers or customers or otherwise in connection with a transaction relating to Permitted Financial Indebtedness;
- (c) the Security Interest constituted by the rent deposit deed relating to the Puriton Solar Park dated 22 February 2012 in favour of BAE Systems (Property Investments) Limited;
- (d) the Security Interest constituted by the rent deposit deed relating to the Bridgewater Solar Park dated on or about the Closing Date in favour of Element Power Northern Europe Developments Limited;
- (e) a Security Interest arising under the Borrower Deed of Charge or the Parent HoldCo Share Charge; and
- (f) any other Security Interest created with the prior written consent of the Controlling Party.

**"Security Interest"** includes any mortgage, standard security, charge (whether legal or equitable), sub-charge (whether legal or equitable), assignment, assignation in security, right of set-off, pledge, lien, hypothecation or other encumbrance or security interest securing any obligation of any person (including, without limitation, title transfer and retention arrangements (other than those entered into in the ordinary course of business), sale and leaseback, sale and repurchase arrangements or any other agreement, trust or arrangement having the effect of providing security).

### ***Information undertakings***

#### *Financial statements*

Pursuant to the Borrower Loan Agreement, the Parent Borrowers will agree to supply to the Facility Agent, the Issuer Cash Manager, the Borrower Security Trustee and the Issuer:

- (a) as soon as the same become available, but in any event within 180 days after the end of each of its financial years:
  - (i) the audited financial statements of each Borrower for that financial year; and
- (b) as soon as the same become available, but in any event within 90 days after the end of each half of each of its financial years:
  - (i) the financial statements of each Borrower for that financial half year.

#### *Annual Budget*

The Parent Borrowers will further agree to supply to the Facility Agent and the Controlling Party, not later than 10 February and 10 August of each year for the year commencing on the next following Calculation Date in each case, a proposed income and costs budget for the Group (with supporting material and calculations) (the "**Annual Budget**"), such budget to include: (i) Projected Cash Flow and (ii) Projected Debt Service (in each case as defined below under "*Financial covenants*").

The final form of Annual Budget will be subject to the written approval of the Controlling Party. Pending such approval, the Parent Borrower will agree to meet with the Controlling Party and the other Finance Parties to discuss the proposed Annual Budget and assist the Controlling Party and

the other Finance Parties with any questions that they may have and to provide such further information as the Controlling Party may reasonably require.

If a proposed Annual Budget is not approved by the Controlling Party, the existing Annual Budget will be deemed to continue to apply to the following year, save that:

- (a) all figures therein will be adjusted by reference to the then prevailing Index; and
- (b) any exceptional or one-off items in the existing Annual Budget will not apply to the following year.

*Notification of default*

Each Borrower will further agree to notify the Issuer, the Facility Agent, the Borrower Security Trustee and the Controlling Party of any Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence (unless that Borrower is aware that a notification has already been provided by another Borrower).

Promptly upon a request by the Facility Agent or the Borrower Security Trustee, the Parent Borrower shall supply to the Facility Agent or, as applicable, the Borrower Security Trustee a certificate signed by two of its directors or senior officers on its behalf certifying that no Default is continuing (or if a Default is continuing, specifying the Default and the steps, if any, being taken to remedy it).

*Access*

Each Borrower will further, upon reasonable notice and at reasonable times within business hours, ensure that any one or more representatives of the Issuer, the Facility Agent, the Controlling Party or the Borrower Security Trustee, or any nominee of or financial adviser appointed by the Issuer, the Facility Agent, the Controlling Party or the Borrower Security Trustee, will be allowed to:

- (a) have access to the assets, books and accounts of each Group Entity and to inspect the same;
- (b) request and attend update meetings with management of the Borrowers; and
- (c) attend the annual general meetings of the Borrowers.

***Financial covenants***

The Borrowers will, in the Borrower Loan Agreement, covenant to ensure that, from and including the Closing Date, no Debt Service Cover Ratio as at each Calculation Date will be less than 1.10:1.

With each set of financial statements delivered as described above under "*Information undertakings - Financial statements*" above, the Parent Borrower will supply to the Facility Agent, the Borrower Security Trustee and the Issuer a compliance certificate setting out (in reasonable detail) computations as to compliance with the covenant set out above as at the Calculation Date falling immediately prior to the date as at which those financial statements were drawn up.

"**Cashflow**" means, in respect of any specified period:

- (a) the aggregate Generation Payments received by the OpCo Borrowers; plus
- (b) the aggregate Export Payments received by the OpCo Borrowers; plus
- (c) the aggregate of any Opex Authorised Releases and Inverter Maintenance Authorised Releases made in accordance with the Borrower Cash Management Agreement; plus

- (d) the aggregate of all loss of revenue insurance proceeds received by any Borrower and credited to the Generation Tariff Bank Account; less
- (e) the aggregate of all Priority Opex Expenses paid by the OpCo Borrowers; less
- (f) the aggregate of any sums paid into the Opex Reserve Account or the Inverter Maintenance Reserve Account,

**"Debt Service"** means, in respect of any specified period, the aggregate of:

- (a) all accrued interest, commissions, fees, discounts, prepayment fees, premiums or charges and other finance payments in respect of the Borrower Loan (excluding any amounts payable by the Borrowers on or about the Closing Date out of the proceeds of the Loan); and
- (b) all scheduled and mandatory repayments the Borrower Loan falling due and any voluntary prepayments made,

in each case during such specified period (and, for the avoidance of doubt, taking into account any indexation, as described above under "*Indexation*").

**"Debt Service Cover Ratio"** means the lowest of, as applicable, in relation to any Calculation Date:

- (a) the ratio of Cashflow to Debt Service in respect of the 12 month period ended on such Calculation Date, by reference to the Source Reports relating to such period; and
- (b) the ratio of Projected Cashflow to Projected Debt Service, in respect of the 12 months commencing on such Calculation Date, calculated by reference to the Annual Budget.

**"Projected Cashflow"** means, with respect to each Annual Budget, the Cashflow projected in such Annual Budget with respect to the annual period to which such Annual Budget relates.

**"Projected Debt Service"** means, with respect to each Annual Budget, the Debt Service projected in such Annual Budget with respect to the annual period to which such Annual Budget relates.

***Restrictions on activities***

The Borrowers will, pursuant to the terms of the Borrower Loan Agreement, be restricted from carrying on certain activities including the following:

- (a) creating, permitting to subsist or otherwise being subject to any Security Interest over all or any of its present or future revenues or assets or undertaking, other than a Permitted Security Interest;
- (b) save for Permitted Financial Indebtedness, incurring, creating or permitting to subsist or otherwise having outstanding any Financial Indebtedness;
- (c) applying, paying, making or declaring any dividend, return on capital, repayment of capital contributions or other distribution or making any distribution of assets or other payment whatsoever in respect of share capital, except (if no Loan Event of Default is continuing and, from and including the Loan Interest Payment Date falling in August 2013, the Borrowers have complied with their obligation to complete all actions set out in the list of actions set out in the document entitled "Final Report – Action Punch List" (the "**Punch List**")) if it is:
  - (i) by way of a distribution to by an OpCo Borrower to the Parent Borrower that is its holding company by way of dividend made from Released Funds and paid directly into the relevant General Account of the relevant Parent Borrower; or

- (ii) by way of a Permitted Distribution made out of Released Funds; or
  - (iii) by way of a payment out of Released Funds which is permitted under the SGC Loans, the Netting Agreements and the Subordination and Default Termination Deed;
- (d) issuing or redeeming or repurchasing, purchasing, defeasing or retiring any shares or altering any rights attaching to its issued shares in existence (including preference shares) at the date hereof, save that an OpCo Borrower may issue further shares to its Parent Borrower, provided that (i) such Parent Borrower holds all of the issued share capital in such OpCo Borrower; and (ii) such further shares carry the same rights and so form part of an existing class of shares already issued by such OpCo Borrower; and (iii) such shares are the subject of a first ranking security interest in favour of the Borrower Security Trustee pursuant to the Borrower Deed of Charge;
- (e) making or permitting any disposal of:
- (i) fixed tangible assets by a Group Entity if the value of the aggregate net consideration received by such Group Entity in respect of such disposal and all other such disposals by the Group over the immediately preceding twelve month period would exceed £500,000; and
  - (ii) any single asset, a fixed tangible asset or a cash generating asset where the proceeds of such sale would exceed £250,000,
- save for:
- (A) any disposal of any worn out, excess to requirements or obsolete assets provided that such are not required for the efficient operation of its business; or
  - (B) any disposal of stock in trade or fixtures and fittings by a Group Entity in its ordinary course of trade,
- provided further that any such permitted disposal is on arm's length terms;
- (f) purchasing, subscribing for or otherwise acquiring any shares (or other securities or any interest therein) or incorporating any other company, or agreeing to do any of the foregoing or purchasing or otherwise acquiring any assets (other than in the ordinary course of trading) or revenues or (without limitation to any of the foregoing) acquiring any business or interest therein or any ordinary shares in limited liability companies or forming, or entering into, any partnership, consortium, joint venture or other like arrangement or agreeing to do so other than:
- (i) (in the case of a Parent Borrower) acquiring shares issued by an OpCo Borrower as contemplated in paragraph (e) above; or
  - (ii) (in the case of an OpCo Borrower) any acquisition or reversion of assets or right of use of assets upon any termination of any *Equipment Lease Agreement* or any of the other *Sale of Capacity Contracts*;
- (g) entering into an arrangement or contract (including where such arrangement or contract consists of more than one arrangement or contract) other than as permitted or contemplated under the Transaction Documents, the SGC Loans, the Material Contracts (including, for the avoidance of doubt, any FiT Agreements, Power Purchase Agreements or O&M Contracts that may be entered into after the Closing Date) and any other contract expressly contemplated by the Transaction Documents:
- (i) where such arrangement or contract (either individually or, taken in aggregate with all other such arrangements and contracts) has a material adverse effect; or

- (ii) where the total consideration payable by the relevant Borrower under such arrangement or contract exceeds £250,000 or results in the aggregate consideration payable by the Borrowers under all such arrangements or contracts exceeding £500,000; or
  - (iii) where the subject matter of such arrangement or contract is not a technical matter relating to one or more of the Solar Parks; or
  - (iv) where such arrangement or contract is entered into with an entity which is not a Borrower and is not on arm's length terms; or
  - (v) where such arrangement or contract is with an Affiliate of such Borrower which is not itself a Borrower, other than in relation to asset management and administrative matters; or
  - (vi) where the terms of such arrangement or contract are such that they would result in or are reasonably likely to result in a breach of the covenant described above under "*Financial Covenants*" (for these purposes, having regard only to item (b) of the definition of Debt Service Cover Ratio).
- (h) making any payment to its members, affiliates, directors or employees, by way of management fee, royalty fee or otherwise, save (if no Loan Event of Default is continuing and, from and including the Loan Interest Payment Date falling in August 2013, the Borrowers have complied with their obligation to complete all actions set out in the Punch List) to the extent that such payment:
- (i) is a distribution to a Parent Borrower by an OpCo Borrower by way of dividend made from Released Funds and paid directly into the General Account of the relevant Parent Borrower; or
  - (ii) is a Permitted Distribution made out of Released Funds; or
  - (iii) is a payment out of Released Funds which is permitted under the SGC Loans, the Netting Agreements and a Subordination and Default Termination Deed.
- (i) waiving or varying the terms of any of the documents relating to or affecting its freehold, heritable or leasehold property;
- (j) engaging in any activity whatsoever which is not incidental to or necessary in connection with any of the activities which the Transaction Documents provide or envisage that the relevant Borrower will engage;
- (k) maintaining an "establishment" (as that expression is used in the EU Insolvency Regulation) in any jurisdiction other than the United Kingdom; or
- (l) following a Default, advancing any loans to any Affiliates or repaying any Financial Indebtedness owing to another Borrower or, in either case, entering into any other transaction or perform another action having an equivalent effect.

For these purposes:

**"Permitted Distribution"** means a distribution to the Parent HoldCo by one or more Parent Borrowers from its General Account, by way of dividend, made at any time when:

- (i) the amount standing to the credit of the Debt Service Reserve Account is equal to or more than the DSR Target Amount at such time;
- (ii) no DSCR Trigger has occurred and being continuing; and
- (iii) no Loan Event of Default has occurred and is continuing.

**"Released Funds"** means amounts released to the relevant Borrower's General Account, on any Loan Interest Payment Date, after payment of items (a) to (b) of the Borrower Export Tariff Pre-Acceleration Priority of Payments or items (a) to (m) of the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

***Other undertakings***

Each Borrower will give certain other positive and negative covenants (many of which are qualified by reference to, among other things, materiality), including, without limitation:

- (a) to obtain, comply with and maintain in full force and effect any authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required to enable it to operate the Solar Farms, perform its obligations under the Transaction Documents and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of any Transaction Document;
- (b) to comply with all laws to which it may be subject;
- (c) not to enter into any amalgamation, demerger, merger or corporate reconstruction;
- (d) to ensure that no substantial change is made to the general nature of the business of the Parent Borrowers or the Group from that carried on at the Closing Date;
- (e) to comply with the terms of the Material Contracts, use its reasonable endeavours to enforce the covenants, obligations and conditions on the part of the other parties to the Material Contracts (save where demonstrably not in its interests and/or those of the Finance Parties for it to do so, in which case it shall: (i) promptly notify the Finance Parties of its decision not so to enforce; and (ii) nevertheless, enforce the same if instructed to do so by the Controlling Party) and promptly notify the Facility Agent and the Borrower Security Trustee of: (i) any termination of the Material Contracts; (ii) any Material Contract otherwise ceasing to be in full force and effect; or (iii) any breach of or amendment made to the Material Contracts;
- (f) without prejudice and subject to the terms of the Subordination and Termination Deed, to comply with the terms of the Sale of Capacity Contracts and the SGC Loans, use its reasonable endeavours to enforce the covenants, obligations and conditions on the part of the other parties to the Sale of Capacity Contracts and the SGC Loans (save where demonstrably not in its interests and/or those of the Finance Parties for it to do so, in which case it shall: (i) promptly notify the Finance Parties of its decision not so to enforce; and (ii) nevertheless, enforce the same if instructed to do so by the Controlling Party) and promptly notify the Facility Agent and the Borrower Security Trustee of: (i) any termination of the Sale of Capacity Contracts or SGC Loans; (ii) any Sale of Capacity Contract or SGC Loan otherwise ceasing to be in full force and effect; or (iii) any material breach of or amendment made to the Sale of Capacity Contracts or SGC Loan;
- (g) to comply with all applicable environmental laws and environmental approvals necessary for the ownership and operation of its facilities and businesses as owned and operated from time to time;
- (h) to ensure that the O&M Contractors are, all times, contractually obliged to keep the Solar Parks in a good state of maintenance, repair and preservation (fair wear and tear excepted) and to renew and replace all buildings, structures, fixtures, fittings, plant, machinery and equipment belonging to it; and
- (i) to ensure that all actions listed in the Punch List are completed prior to the Loan Interest Payment Date falling in August 2013.

In addition, each OpCo Borrower will further undertake, among other things:



- (a) to maintain appropriate insurance policies;
- (b) at least one month prior to the expiry of any FiT Agreement or Power Purchase Agreement to which it is a party, to commence negotiations with one or more Licensed Electricity Suppliers with a view to entering into a new FiT Agreement or Power Purchase Agreement, as the case may be, with one of those Licensed Electricity Suppliers on a date falling not later than the date of such expiry (A) on terms as to duration, price and other benefits which, in the opinion of such OpCo Borrower (acting reasonably), represent the optimum combination reasonably available to such OpCo Borrower at that time and in the circumstances then applicable to such OpCo Borrower and (B)(i) that are otherwise substantially the same as the terms of the Power Purchase Agreement that is due to expire or (ii) terms which, in the opinion of such OpCo Borrower (acting reasonably), are as favourable to such OpCo Borrower as such OpCo Borrower is reasonably able to obtain at that time and in the circumstances then applicable to such OpCo Borrower; provided that, in each case, the relevant OpCo Borrower shall not, without the consent of the Controlling Party, enter into any Power Purchase Agreement:
  - (i) on terms that would result in the occurrence of the DSCR Trigger; or
  - (ii) if the DSCR Trigger has already occurred and is continuing, on terms that would not result in the DSCR Trigger ceasing to occur;
- (c) at least one month prior to the expiry of any O&M Contract to which it is a party, to commence negotiations with one or more O&M contractor with a view to entering into a new O&M Contract, as the case may be, with one of those O&M Contractors on a date falling not later than the date of such expiry (A) on terms as to duration, price and other benefits which, in the opinion of such OpCo Borrower (acting reasonably), represent the optimum combination reasonably available to such OpCo Borrower at that time and in the circumstances then applicable to such OpCo Borrower and (B)(i) that are otherwise substantially the same as the terms of the O&M Contract that is due to expire or (ii) terms which, in the opinion of such OpCo Borrower (acting reasonably), are as favourable to such OpCo Borrower as such OpCo Borrower is reasonably able to obtain at that time and in the circumstances then applicable to such OpCo Borrower; provided that, in each case, the relevant OpCo Borrower shall not, without the consent of the Controlling Party, enter into any O&M Contract:
  - (i) on terms that would result in the occurrence of the DSCR Trigger; or
  - (ii) if the DSCR Trigger has already occurred and is continuing, on terms that would not result in the DSCR Trigger ceasing to occur; and
- (d) to:
  - (i) comply in all material respects with its covenants, obligations and conditions; and
  - (ii) use its reasonable endeavours to enforce the covenants, obligations and conditions on the part of the lessor contained in each case in the Solar Park Leases (save where demonstrably not in its interests and/or those of the Finance Parties for it to do so, in which case it shall: (i) promptly notify the Finance Parties of its decision not so to enforce; and (ii) nevertheless, enforce the same if instructed to do so by the Controlling Party).

***Borrower Accounts***

The OpCo Borrowers have established and will, pursuant to the Borrower Loan Agreement, agree to maintain the following bank accounts in all cases at the Borrower Account Bank:

- (a) a generation payment bank account in their joint names (the "**Generation Tariff Bank Account**"); and
- (b) an export payment bank account in their joint names (the "**Export Payment Bank Account**").

The OpCo Borrowers have established and will, pursuant to the Borrower Loan Agreement, agree to maintain a working capital reserve account in their joint names (the "**Working Capital Reserve Account**").

The Parent Borrowers have established and will, pursuant to the Borrower Loan Agreement, agree to maintain, in all cases at the Borrower Account Bank:

- (a) a debt service reserve account in their joint names (the "**Debt Service Reserve Account**");
- (b) a cash trap reserve account in their joint names (the "**Cash Trap Reserve Account**");
- (c) an operating expenditure reserve account in their joint names (the "**Opex Reserve Account**"); and
- (d) an inverter maintenance reserve account in their joint names (the "**Inverter Maintenance Reserve Account**").

The Leeds Parent Borrower has established and will, pursuant to the Borrower Loan Agreement, agree to maintain a current account, in its own name (the "**Malmesbury Reserve Account**") with the Borrower Account Bank.

Each Borrower has established and will, pursuant to the Borrower Loan Agreement, agree to maintain a current account in its own name (each, a "**General Account**").

The above bank accounts are referred to in these Listing Particulars as the "**Borrower Accounts**".

*Generation Tariff Bank Account*

Each OpCo Borrower will agree to ensure that all monies received by it in respect of a Generation Tariff from a Licensed Electricity Supplier are paid directly by such Licensed Electricity Supplier into the Generation Tariff Bank Account, provided that if any such monies are not directly so paid, such OpCo Borrower shall:

- (a) ensure that such monies are paid into the Generation Tariff Bank Account within five Business Days of receipt (and will hold such funds on trust for the Borrower Security Trustee, pending such payment); and
- (b) promptly instruct the relevant Licensed Electricity Supplier to pay all such monies directly into the Generation Tariff Bank Account in future; and
- (c) if any further monies received in respect of a Generation Payment from such Licensed Electricity Supplier are not paid directly into the Generation Tariff Bank Account, notify the Borrower Security Trustee, Facility Agent, Controlling Party and Lender of the same.

The Borrower Cash Manager has sole signing rights in relation to the Generation Tariff Bank Accounts.

On each Loan Interest Payment Date prior to acceleration of the Borrower Loan, the Borrower Cash Manager will withdraw any amounts credited to the Generation Tariff Bank Accounts as at the immediately preceding Calculation Date to apply those amounts in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

*Export Payment Bank Accounts*

Each OpCo Borrower will agree to ensure that all monies received by it in respect of an Export Payment from a Licensed Electricity Supplier or other purchaser of power are paid directly by such Licensed Electricity Supplier or other purchaser into the Export Payment Bank Account, provided that if any such monies are not directly so paid, such OpCo Borrower shall:

- (a) ensure that such monies are paid into its Export Payment Bank Account within five Business Days of receipt (and will hold such funds on trust for the Borrower Security Trustee, pending such payment); and
- (b) promptly instruct the relevant Licensed Electricity Supplier or other such purchaser to pay all such monies directly into its Export Payment Bank Account in future; and
- (c) if any further monies received in respect of an Export Payment from such Licensed Electricity Supplier or other such purchaser are not paid directly into its Export Payment Bank Account, notify the Borrower Security Trustee, Facility Agent, Controlling Party and Lender of the same.

The Borrower Cash Manager has sole signing rights in relation to the Export Payment Bank Accounts.

On each Loan Interest Payment Date prior to acceleration of the Borrower Loan, the Borrower Cash Manager will withdraw any amounts credited to the Export Payment Bank Accounts as at the immediately preceding Calculation Date to apply those amounts in accordance with the Borrower Export Payment Pre-Acceleration Priority of Payments.

#### *General Account*

Each Borrower will agree to ensure that any amount received by it, other than an amount required to be paid into any other Borrower Account under the Borrower Loan Agreement, is paid into its General Account.

If no Loan Event of Default is continuing (and without prejudice to the other restrictions on the Borrowers contained in the Transaction Documents), each Borrower may withdraw any amount from its General Account.

If a Loan Event of Default is continuing:

- (a) no Borrower may withdraw or request the withdrawal of any amount from its General Account; and
- (b) the Borrower Security Trustee (or the Borrower Cash Manager acting on its behalf) may make withdrawals from, and apply amounts standing to the credit of, a General Account for any purpose for which moneys in any Borrower Account may be applied.

#### *Debt Service Reserve Account*

On or about the Closing Date, the Parent Borrowers will deposit £2,250,000 in the Debt Service Reserve Account, out of the proceeds of the Borrower Loan made to the Borrowers on such date.

On each DSR Accumulation Date, an amount equal to the DSR Accumulation Amount will, to the extent of available funds, be transferred by the Borrower Cash Manager from the Generation Tariff Bank Account to the Debt Service Reserve Account in accordance with and subject to the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

The Borrower Cash Manager has sole signing rights in relation to the Debt Service Reserve Account.

On each Loan Interest Payment Date prior to acceleration of the Borrower Loan:

- (a) the Borrower Cash Manager will withdraw amounts credited to the Debt Service Reserve Account in the event of any Tariff Shortfall, together with amounts standing to the credit of the Generation Tariff Bank Accounts, to be applied in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments on such Loan Interest Payment Date; and
- (b) the Borrower Cash Manager will credit to the Debt Service Reserve Account amounts referred to in paragraphs (i) and (j)] of the Borrower Generation Tariff Pre-Acceleration Priority of Payments,

in each case subject to and in accordance with the terms of the Borrower Cash Management Agreement.

On or about the Closing Date, the Borrower Cash Manager will invest amounts standing to the credit of the Debt Service Reserve Account in the Specified Authorised Investment.

In certain other circumstances, on the Loan Interest Payment Dates immediately following the 10<sup>th</sup>, 15<sup>th</sup> and 20<sup>th</sup> anniversaries of the Closing Date and also on the Loan Interest Payment Dates falling in February 2034 and August 2034, the Borrower Cash Manager will be required to release funds from the Debt Service Reserve Account to the Generation Tariff Bank Account. (See "*Resources Available to the Issuer and the Borrowers – Release of Debt Service Reserve*" above.)

#### *Cash Trap Reserve Account*

The Borrower Cash Manager has sole signing rights in relation to the Cash Trap Reserve Account.

On each Loan Interest Payment Date prior to acceleration of the Borrower Loan the Borrower Cash Manager will credit to the Cash Trap Reserve Account all amounts referred to in:

- (a) paragraph (k) of the Borrower Generation Tariff Pre-Acceleration Priority of Payments; and
- (b) paragraph (c) of the Borrower Export Tariff Pre-Acceleration Priority of Payments,

in each case subject to and in accordance with the terms of the Borrower Cash Management Agreement.

If, on any Calculation Date, the DSCR Target Condition has been met in respect of a DSCR Trigger, and:

- (a) no other DSCR Trigger has occurred and is continuing; and
- (b) no Loan Event of Default has occurred and is continuing,

then the Borrower Cash Manager will be required, on or before the next following Loan Interest Payment Date, to transfer an amount equal to the amount of principal, interest and any other amounts due in respect of the Borrower Loan on such Loan Interest Payment Date from the Cash Trap Reserve Account to the Generation Tariff Bank Account.

For the avoidance of doubt, each such amount so transferred will be applied in accordance with the Borrower Generation Tariff Pre-Acceleration Priority of Payments on the Loan Interest Payment Date immediately following such transfer or, if a Borrower Acceleration Notice is served after such transfer but before such Loan Interest Payment Date, in accordance with the Borrower Post-Acceleration Priority of Payments.

Furthermore, if on any date after the occurrence of a Loan Event of Default, an administrator, administrative receiver or receiver and manager of one or more OpCo Borrowers has been appointed under the terms of the Borrower Deed of Charge and remains appointed (for these purposes, a "**Representative**"), such Representative shall be entitled to instruct the Borrower Cash Manager to use funds standing to the credit of the Cash Trap Reserve Account in or towards

payment of Priority Opex Expenses, if and to the extent that such payment is required to preserve the assets of such OpCo Borrower.

#### *Opex Reserve Account*

On or about the Closing Date, the Parent Borrowers will deposit £1,010,000 in the Opex Reserve Account, out of proceeds of the Borrower Loan made to the Borrowers on such date.

On each Opex Reserve Accumulation Date, an amount equal to the Opex Accumulation Amount will, to the extent of available funds, be transferred by the Borrower Cash Manager from the Generation Tariff Bank Account to the Opex Reserve Account in accordance with and subject to the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

Furthermore, on each Opex Reserve Adjustment Date, an amount equal to any Opex Reserve Increase will, to the extent of available funds, be transferred by the Borrower Cash Manager from the Generation Tariff Bank Account to the Opex Reserve Account. Also, any amount equal to any Opex Reserve Decrease will be released from the Opex Reserve Account to the Generation Tariff Bank Account on such date.

In certain circumstances, on the Loan Interest Payment Date falling in August 2034, the amount standing to the credit of the Opex Reserve Account will be released to Generation Tariff Bank Account.

Otherwise, amounts standing to the credit of the Opex Reserve Account may only be applied in or towards paying the Panel Replacement Cost.

For each of the above releases, see "*Resources Available to the Issuer and the Borrowers – Release of Opex Reserve*" above.

#### *Inverter Maintenance Reserve Account*

On each Inverter Maintenance Reserve Accumulation Date, an amount equal to the Inverter Maintenance Accumulation Amount will, to the extent of available funds, be transferred by the Borrower Cash Manager from the Generation Tariff Bank Account to the Inverter Maintenance Reserve Account in accordance with and subject to the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

In certain circumstances, on the Loan Interest Payment Date falling in August 2034, the amount standing to the credit of the Inverter Maintenance Reserve Account will be released to Generation Tariff Bank Account.

Otherwise, amounts standing to the credit of the Inverter Maintenance Reserve Account may only be applied in or towards paying the Inverter Replacement Cost.

For each of the above releases, see "*Resources Available to the Issuer and the Borrowers – Release of Inverter Maintenance Reserve*" above.

#### *Working Capital Reserve Account*

On each Loan Interest Payment Date before a Borrower Acceleration Notice has been served, the Borrowers will be required to deposit (or procure that the Borrower Cash Manager so deposits) in to the Working Capital Reserve Account an amount equal to all Priority Opex Expenses that are due before the next following Loan Interest Payment Date in accordance with the Annual Budget, in each case subject to the Borrower Generation Tariff Pre-Acceleration Priority of Payments.

On any Business Day during each 15 day period beginning on each Quarter Date, but before a Borrower Acceleration Notice has been served, the OpCo Borrowers or the Borrower Agent may transfer from the Working Capital Reserve Account to one or more General Accounts of the OpCo Borrowers an amount equal to the aggregate of the Priority Opex Expenses due before the next

following Quarter Date in accordance with the Annual Budget for and only for payment of such Priority Opex Expenses.

*Malmesbury Reserve Account*

On or about the Closing Date, the Leeds Parent Borrower will deposit £1,750,000 in the Malmesbury Reserve Account, out of proceeds of the Borrower Loan made to the Borrowers on such date.

In certain circumstances, on first the Loan Interest Payment Date falling after the date that the Technical Adviser issues a Remedial Completion Certificate, the amount standing to the credit of the Malmesbury Reserve Account will be released to Malmesbury OpCo Borrower's General Account.

Otherwise, amounts standing to the credit of the Malmesbury Reserve Account may only be applied in or towards paying the Remedial Costs.

For each of the above releases, see "*Resources Available to the Issuer and the Borrowers – Release of Malmesbury Reserve*" above.

*Technical Adviser*

The Borrowers have appointed GL Garrad Hassan (the "**Technical Adviser**") to approve a schedule of remedial works in respect of support frames for solar panels ("**Remedial Works**") at the Malmesbury Solar Park. The Borrowers are required to obtain the Technical Adviser's written approval (not to be unnecessarily withheld or delayed) of the Remedial Works before the Loan Interest Payment Date falling in August 2013. The Borrowers are also required to complete such Remedial Works, to acceptable industry standards, and obtain the Technical Adviser's written approval (not to be unnecessarily withheld or delayed) of completion of the works to acceptable industry standards (the "**Remedial Completion Certificate**")

In the event that the Technical Adviser (or any replacement) ceases to carry out its role as Technical Adviser (whether as a result of its insolvency otherwise), the Borrowers shall be obliged to appoint a replacement Technical Adviser which adviser must have a reasonable reputation in the United Kingdom for the provision of technical advice in the solar photovoltaic sector.

*Authorised Investments*

From time to time, the Borrower Cash Manager shall, pursuant to instructions from:

- (a) in the case of amounts standing to the credit of the Malmesbury Reserve Account, the Leeds Parent Borrower; or
- (b) in the case of amounts standing to the credit of any other Parent Borrower Reserve Account, the Parent Borrowers; or
- (c) in each case, the Borrower Agent acting on behalf of the relevant Parent Borrower(s),

invest amounts standing to the credit of the Debt Service Reserve Account, the Opex Reserve Account, the Inverter Maintenance Reserve Account, the Cash Trap Reserve Account and the Malmesbury Reserve Account in Authorised Investments.

**"Authorised Investment"** means:

- (a) the Specified Authorised Investment and Replacement Specified Authorised Investments;
- (b) sterling gilt edged securities; or
- (c) sterling demand or time deposits, certificates of deposit and short term debt obligations (including commercial paper),

provided that:

- (i) in the case of Authorised Investments to be made using amounts standing to the credit of the Debt Service Reserve Account or the Cash Trap Reserve Account, such investments have a maturity date falling no later than the next following Loan Interest Payment Date (provided that where such investment is to be made by a Borrower from moneys standing to the credit of a Borrower Account, such investments may mature, and the proceeds in relation thereto may be credited to the relevant Borrower Account, on a date falling after the next succeeding Loan Interest Payment Date but not more than six months from the date on which such investment is made, where immediately following the making of such investment the aggregate of the cash balance of the relevant Borrower Account and the proceeds scheduled to be repaid pursuant to any Authorised Investments made using monies standing to the credit of such Borrower Account which mature on or before the next succeeding Loan Interest Payment Date would be greater than or equal to such amount as is due and payable from such Borrower Account on the next succeeding Loan Interest Payment Date);
- (ii) in the case of Authorised Investments to be made using amounts standing to the credit of the Opex Reserve Account, Inverter Maintenance Reserve Account or Malmesbury Reserve Account, such investments may be redeemed at the option of the relevant Borrower upon not more than five Business Days' notice without the incurrence by such Borrower of any additional cost or penalty;
- (iii) in all cases, the short-term unsecured, unguaranteed and unsubordinated debt obligations of the issuing or guaranteeing entity or the entity with which the demand or time deposits are made (being an authorised institution under the Financial Services and Markets Act 2000) are rated at the time of investment at least P-1 by Moody's; and
- (iv) in all cases, interest thereon is payable without withholding or deduction for or on account of tax.

#### ***Loan Events of Default***

The Borrower Loan Agreement will contain standard events for a full recourse facility that may lead to a default and acceleration of amounts outstanding (each a "**Loan Event of Default**").

These will include, among others:

- (a) non-payment by a Borrower on the due date any amount payable pursuant to a Transaction Document at the place and in the currency in which it is expressed to be payable unless:
  - (i) its failure to pay is caused by:
    - (A) administrative or technical error; or
    - (B) a Disruption Event; and
  - (ii) payment is made within:

- (A) (in the case of paragraph (a)(i)(A) above) 5 Business Days of its due date; or
  - (B) (in the case of paragraph (a)(i)(B) above) 10 Business Days of its due date;
- (b) failure by a Borrower to comply with any provision of the Transaction Documents (other than those referred to in paragraph (a) above and the Borrowers' obligation to ensure that all actions listed in the Punch List are completed prior to the Loan Interest Payment Date falling in August 2013), unless such failure to comply is capable of remedy and is remedied within 15 Business Days of the earlier of (i) the Controlling Party giving notice to the Parent Borrowers and (ii) any Parent Borrower becoming aware of the failure to comply;
- (c) any representation made by a Borrower in the Transaction Documents or any other document delivered by or on behalf of any Borrower under or in connection with any Transaction Document being or proving to have been incorrect or misleading in any material respect when made, unless the circumstances resulting in breach of the relevant representation are capable of remedy and are remedied within 15 Business Days of the earlier of (A) the Controlling Party giving notice of such breach to the Parent Borrowers and (B) any Parent Borrower becoming aware of the breach;
- (d) any Financial Indebtedness equal to or greater than £500,000 (or its equivalent in any other currency or currencies) owed by any Group Entity not being paid when due, nor within any originally applicable grace period, or being declared to be or otherwise becoming due and payable prior to its specified maturity as a result of an event of default (however described), unless such Financial Indebtedness falls within paragraphs (c) or (d) of the definition of Permitted Financial Indebtedness;
- (e) any Borrower becoming subject to insolvency proceedings or being unable to pay its debts as they fall due unless such proceedings are, in the opinion of the Controlling Party, frivolous, vexatious or being contested in good faith and discharged within 21 days;
- (f) a Borrower not being or ceasing to be a fully-owned Subsidiary of either a Parent Borrower or Parent HoldCo;
- (g) it becoming unlawful for a Borrower to perform any of its obligations under the Transaction Documents;
- (h) any material part of any one of the Solar Parks is compulsorily purchased or the applicable local authority makes an order for the compulsory purchase of all or any material part of any Solar Park; and
- (i) any part of any Solar Park being destroyed or damaged.

The occurrence of certain Loan Events of Default (including those described in paragraphs (h) and (i) above) are, in certain circumstances, limited by a materiality provision.

If a Loan Event of Default occurs and is continuing, the Facility Agent may, and shall, if so directed by the Controlling Party, by notice to the Borrower Agent (copied to the other Finance Parties) (a "**Borrower Acceleration Notice**") declare that all or part of the Borrower Loan, together with accrued interest, and all other amounts accrued or outstanding under the Transaction Documents, be immediately due and payable, whereupon they shall become immediately due and payable.

In each of these circumstances, there will not be an automatic event of default under the Notes.

In the Borrower Loan Agreement, and these Listing Particulars, a "**Default**" is a Loan Event of Default or any event or circumstance specified in Clause 22 of the Borrower Loan Agreement which would (with the expiry of a grace period, the giving of notice, the making of any



determination under the Transaction Documents or any combination of the foregoing) be a Loan Event of Default (provided that, where such Loan Event of Default or such event or circumstance is subject to a materiality condition or threshold, no Default will be deemed to have occurred unless such materiality condition is satisfied or such threshold is reached).

### ***Facility Agent***

Pursuant to the Borrower Loan Agreement, each of Issuer, the Borrower Security Trustee and the Controlling Party will appoint the Facility Agent to act as its agent under and in connection with the Transaction Documents. Each such party will authorise the Facility Agent to exercise the rights, powers, authorities and discretions specifically given to the Facility Agent under or in connection with the Transaction Documents, together with any other incidental rights, powers, authorities and discretions.

The Borrower Loan Agreement will provide that, unless a contrary indication appears in a Transaction Document, the Facility Agent will:

- (a) exercise any right, power, authority or discretion vested in it as Facility Agent in accordance with any instructions given to it by the Note Trustee (or, if so instructed by the Note Trustee, refrain from exercising any right, power, authority or discretion vested in it as Facility Agent); and
- (b) not be liable for any act (or omission) if it acts (or refrains from taking any action) in accordance with an instruction of the Note Trustee.

The Facility Agent will not be liable for any action taken by it under or in connection with any Transaction Document, unless directly caused by its gross negligence or wilful misconduct.

Nothing in the Borrower Loan Agreement will constitute the Facility Agent as a trustee or fiduciary of any other person.

### ***Governing law***

The Borrower Loan Agreement and any non-contractual obligations arising out of it will be governed by English law.

## **3. Borrower Deed of Charge**

To provide security for the Borrowers' obligations under the Borrower Loan Agreement and the other Borrower Transaction Documents, the Borrowers will, on the Closing Date, enter into the Borrower Deed of Charge with the Borrower Security Trustee, the Issuer Security Trustee, the Facility Agent, the Borrower Agent and the Borrower Secured Creditors. A summary of the material terms of the Borrower Deed of Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Borrower Deed of Charge.

The "**Borrower Secured Creditors**" are the Issuer, the Borrower Security Trustee, the Facility Agent, any receiver appointed by the Borrower Security Trustee pursuant to the Borrower Security Documents, the Borrower Account Bank, the Borrower Cash Manager and any party that accedes to the Borrower Deed of Charge as a secured creditor pursuant to the provisions thereof).

### ***Borrower Security***

Each Borrower will grant the following security, to be held by the Borrower Security Trustee for itself and on trust for the benefit of the Borrower Secured Creditors:

- (a) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under each of the Transaction Documents to which it is a party;

- (b) a first fixed charge of all of its rights, title, benefit and interest, present and future, in, to and under each Borrower Account in which it has any right, title, benefit or interest and each other bank account (if any) in which such Borrower may at any time have or acquire any right, title, benefit or interest (in respect of which it should be noted that such charges over the General Accounts are likely to take effect as floating charges, since the relevant Borrowers will have the ability to withdraw funds from such accounts in the absence of, among other things, a Loan Event of Default);
- (c) a first fixed charge of all of all of its right, title, benefit and interest, present and future in, to and under any Authorised Investment (including, without limitation, the Specified Authorised Investment and any Replacement Specified Authorised Investment) purchased using monies standing to the credit of the Parent Borrower Reserve Accounts; and
- (d) a first fixed charge of all other investments (including, in the case of each Parent Borrower, its shares in an OpCo Borrower).

Each OpCo Borrower will also grant the following security, to be held by the Borrower Security Trustee for itself and on trust for the benefit of the Borrower Secured Creditors:

- (a) a first fixed charge of all its right, title, interest and benefit from time to time, present and future, in and to the Leasehold Property;
- (b) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under the EPC Contracts, the O&M Contracts, the FiT Agreements, the Power Purchase Agreements, the Solar Park Leases, the Connection Agreements and the Direct Agreements (the "**Material Contracts**");
- (c) an assignment by way of first fixed security of all of its right, title, benefit and interest, present and future, in, to and under the Sale of Capacity Contracts;
- (d) an assignment by way of first fixed security of all its right, title, benefit and interest, present and future, in, to and under its equipment; and
- (e) an assignment by way of first fixed security of all its right, title, benefit and interest, present and future, in, to and under its insurance policies.

In addition, each Borrower will grant to the Borrower Security Trustee, for itself and on trust for the benefit of the Borrower Secured Creditors, a first floating charge over all its assets and the undertaking which are not otherwise effectively subject to a fixed charge or assignment by way of security, as described above. From and including the date when the Facility Agent delivers a Borrower Acceleration Notice (which has not been withdrawn) to the Borrowers, subject to any prohibition or restriction imposed by applicable law, the floating charge granted pursuant to the Borrower Deed of Charge will crystallise so as to become fixed charges.

Security which is expressed to be fixed in nature may take effect as floating security depending on the degree of control which the secured party is given over the relevant assets and the degree to which the secured party actually exercises such control.

### ***Enforcement***

The Borrower Deed of Charge will set out the circumstances upon which and the procedures by which the Borrower Security Trustee may take steps to enforce the Borrower Security. The Borrower Security will become immediately enforceable, and the power of sale and other powers shall be exercisable by the Borrower Security Trustee, at any time following the delivery by the Facility Agent of a Borrower Acceleration Notice to the Borrowers.

However, the Borrower Deed of Charge will provide that, for so long as the Borrower Loan is outstanding, the Borrower Security Trustee will not, and will not be bound to, take any steps to enforce the Borrower Security unless it has been directed to do so by the Issuer Security Trustee,

acting in accordance with the provisions of the Issuer Deed of Charge, and it has been indemnified and/or secured and/or prefunded to its satisfaction against all liabilities which may be incurred by it in connection with such enforcement.

***Borrower Post-Acceleration Priority of Payments***

Following the delivery by the Controlling Party of a Borrower Acceleration Notice to the Borrowers, all monies paid to or received or recovered by or on behalf of the Borrowers or the Borrower Security Trustee or any receiver appointed on its behalf will (if not already received by the Borrower Security Trustee) be paid to and held by the Borrower Security Trustee on trust to apply the same (save to the extent required otherwise by applicable law) in accordance with the Borrower Post-Acceleration Priority of Payments. See further "*Resources available to the Issuer and the Borrowers - Borrower Post-Acceleration Priority of Payments*".

***Delegation by the Borrower Security Trustee***

The Borrower Deed of Charge will provide that the Borrower Security Trustee may, whenever it thinks expedient in the interests of the Borrower Secured Creditors, delegate to any person or persons all or any of the trusts, rights, powers, duties, authorities and discretions vested in it by the Borrower Deed of Charge or any of the other Transaction Documents. Any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Borrower Security Trustee may think fit in the interests of the Borrower Secured Creditors. The Borrower Security Trustee will be required to exercise reasonable care in the selection of such delegate, but will not be bound to supervise the proceedings of, or be responsible for any loss, costs, liability or expenses incurred by any misconduct or default on the part of, such delegate.

***No enforcement by Borrower Secured Creditors***

Pursuant to the terms of the Borrower Deed of Charge, each of the Borrower Secured Creditors (other than the Borrower Security Trustee and any receiver) will agree that only the Borrower Security Trustee may enforce the security created by the Borrower Deed of Charge.

***Modification and waiver***

The Borrower Deed of Charge will provide that the Borrower Security Trustee may, without the consent of any of the Borrower Secured Creditors:

- (a) concur with any person in making or sanctioning any modification or amendment to any of the Transaction Documents, provided that the Borrower Security Trustee is of the opinion that such modification would not be materially prejudicial to the interests of the Borrower Secured Creditors or which, in the Borrower Security Trustee's opinion, is made to correct a manifest error or is of a formal, minor or technical nature or an error established as such to the satisfaction of the Borrower Security Trustee; and
- (b) authorise or waive, on such terms and conditions (if any) as shall seem expedient to it, any proposed or actual breach of any of the covenants or provisions contained in or arising pursuant to any of the Transaction Documents.

Any such modification, authorisation or waiver will be binding on the Borrower Secured Creditors.

***Directions of Issuer Security Trustee***

The Borrower Deed of Charge will provide that, when exercising its opinion and/or rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the Borrower Deed of Charge, the other Transaction Documents or by operation of law, the Borrower Security Trustee will, for so long as the Borrower Loan is outstanding, act only at the request or in accordance with the directions of the Issuer Security Trustee to the Borrower Security Trustee.

The Borrower Deed of Charge will further provide that the Borrower Security Trustee will not be bound to act unless it is first indemnified and/or secured and/or prefunded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all liabilities which it may incur by acting upon such request or directions.

***Fees, expenses and indemnity***

Pursuant to the Borrower Deed of Charge, the Borrowers will be required:

- (a) to pay to the Borrower Security Trustee an annual fee of such amount and on such Loan Interest Payment Dates as shall from time to time be agreed by the Borrowers and the Borrower Security Trustee;
- (b) to pay all other costs, charges and expenses (including legal and travelling expenses) (against production of invoices) which the Borrower Security Trustee or any persons appointed by it under the Borrower Deed of Charge may properly incur in connection with the Borrower Deed of Charge; and
- (c) to indemnify the Borrower Security Trustee and any receiver, attorney, manager, agent or delegate or other person appointed by it under the Borrower Deed of Charge in respect of all liabilities incurred by it in connection with:
  - (i) investigating any event which the Borrower Security Trustee, any party permitted to instruct the Borrower Security Trustee under the Borrower Deed of Charge or the Controlling Party reasonably believes is a Loan Event of Default or potential Loan Event of Default;
  - (ii) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
  - (iii) the execution of any of its trusts, powers, authorities and discretions hereunder or its functions in connection with its appointment under the Borrower Deed of Charge; or
  - (iv) any other matter or thing done or omitted in any way relating to the Borrower Deed of Charge and any of the other Transaction Documents to which the Borrower Security Trustee is a party,

save where the same arises as a result of the fraud, gross negligence or wilful default by such indemnified person.

***Retirement and removal***

Subject to the appointment of a successor security trustee, the Borrower Security Trustee will, pursuant to the Borrower Deed of Charge, be entitled to retire after giving three months' notice in writing to the Borrowers. If within 60 days of having given notice of its intention to retire, the Borrower Agent has failed to appoint a replacement security trustee, the outgoing Borrower Security Trustee will be entitled to appoint its successor. The Borrower Agent may remove the Borrower Security Trustee or appoint a new Borrower Security Trustee at any time provided that it has the approval, which must not be unreasonably withheld or delayed, of the Issuer Security Trustee (who must consult with the Borrower Secured Creditors). If U.S. Bank Trustees Limited retires or is removed as Issuer Security Trustee under the Issuer Deed of Charge or if U.S. Bank Trustees Limited retires or is removed as Note Trustee under the Trust Deed, then U.S. Bank Trustees Limited, in its capacity as Borrower Security Trustee, will be required to retire at the same time as the Issuer Security Trustee or, as applicable, the Note Trustee. In each case, the successor Borrower Security Trustee, the successor Issuer Security Trustee and the successor Note Trustee will be the same person or persons. In addition, the Borrower Security Trustee may, subject to conditions specified in the Borrower Deed of Charge, appoint a co-trustee to act jointly with it.

### ***Additional provisions of the Borrower Deed of Charge***

The Borrower Deed of Charge will also contain a range of provisions limiting the scope of the Borrower Security Trustee's duties and liabilities. Without limitation, the Borrower Deed of Charge provides:

- (a) that the Borrower Security Trustee may rely on the advice of any lawyer, banker, valuer, surveyor, securities company, broker, auctioneer, accountant or other expert in the United Kingdom or elsewhere, howsoever obtained;
- (b) that the Borrower Security Trustee is not responsible for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or suitability of any of the Transaction Documents or any security;
- (c) that the Borrower Security Trustee may act or rely on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (d) that the Borrower Security Trustee may assume that no Loan Event of Default or potential Loan Event of Default has occurred and that each Borrower is observing and performing all its obligations under the Borrower Loan Agreement, unless the Borrower Security Trustee has actual knowledge or express notice to the contrary;
- (e) that the Borrower Security Trustee is not required to monitor or supervise the performance or observance by any Borrower or any other party of the provisions of the Transaction Documents;
- (f) that the Borrower Security Trustee has full power to determine all questions and doubts arising in relation to any of the provisions of the Borrower Deed of Charge and the other Transaction Documents and that every such determination shall be conclusive and binding on the Borrower Secured Creditors;
- (g) that each Borrower Secured Creditor will be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of any Borrower and that the Borrower Security Trustee will not at any time have any responsibility for the same;
- (h) that the Borrower Security Trustee will not be liable or responsible for any loss, cost, damage, expense or inconvenience which may result from anything done or omitted to be done by it under the Borrower Deed of Charge or under any of the other Transaction Documents, except in the case of any gross negligence, wilful default or fraud of which the Borrower Security Trustee may be guilty in relation to its duties under the Borrower Deed of Charge or under any other Transaction Document; and
- (i) that the Borrower Security Trustee may accept without enquiry, requisition or objection such title as a Borrower may have to the Borrower Charged Property or any part and will not be required to investigate or make any enquiry into or be liable for any defect or failure in the right or title of such Borrower to the Borrower Charged Property or any part thereof.

### ***Borrower Accounts***

Save as described below, pursuant to the Borrower Deed of Charge, the Borrower Account Bank will agree not to close any or all of the Borrower Accounts or to terminate the relationship between the Borrower Account Bank and the Borrowers, unless and until all Borrower Secured Obligations have been fully repaid or discharged.

The Borrower Account Bank will, however, be entitled to close any or all of the Borrower Accounts or to terminate the relationship between the Borrower Account Bank and the Borrowers

upon three months' prior written notice to the other parties to the Borrower Deed of Charge, provided that on the expiry of such notice:

- (a) the Borrowers have opened replacement Borrower Accounts with an Eligible Institution approved by the Borrower Security Trustee; and
- (b) the Borrower Security Trustee is satisfied that security has been created over such new Borrower Accounts in favour of the Borrower Security Trustee for the benefit of the Borrower Secured Creditors, such that such new Borrower Accounts are subject to security equivalent to the security granted over the Borrower Accounts that are in existence on the Closing Date.

### ***Governing law***

The Borrower Deed of Charge and any non-contractual obligations arising out of it will be governed by and construed in accordance with English law.

#### **4. FiT Agreements and Power Purchase Agreements**

Under the FiT Agreements, the OpCo Borrowers are entitled to receive Generation Payments from Licensed Electricity Suppliers. The FiT Agreements incorporate the minimum conditions required under the feed-in tariff arrangements set out in Schedule A to Standard Condition 33 of the Electricity Supply Licence, which Licensed Electricity Suppliers are obliged to operate.

Under the Power Purchase Agreements (which may be incorporated into the FiT Agreements if entered into with the same counterparty), the OpCo Borrowers are entitled to receive Export Payments which may be either (i) calculated by reference to the Export Tariff or (ii) negotiated with the counterparties to the Power Purchase Agreements.

The Power Purchase Agreements also deal with the purchase by the relevant counterparties of ancillary benefits including LECs, Renewable Energy Guarantee of Origin certificates ("**REGOs**") and so-called embedded benefits. LECs are issued by Ofgem to accredited generators of renewable electricity and serve as evidence to HMRC that such electricity was generated from renewable sources for the purposes of the CCL (General) Regulations 2001 (as amended). LECs are purchased by Licensed Electricity Suppliers in order to exempt them from the CCL, which is a tax levied on energy suppliers with respect to energy used by non-domestic consumers. REGOs are certificates issued by Ofgem under the Electricity (Guarantees of Origin of Electricity Produced from Renewable Energy Sources) Regulations 2003 (as amended) to certify that the electricity in respect of which they were issued was produced from eligible renewable energy sources. They are used by Licensed Electricity Suppliers to comply with fuel mix disclosure requirements, under which they must disclose to their customers the mix of fuels used to generate the electricity supplied annually. Embedded benefits are available to Licensed Electricity Suppliers by virtue of generators being 'embedded' in the electricity distribution network and thereby avoiding the charges associated with being connected to the electricity transmission network.

### ***Kent Solar Park***

The Kent OpCo Borrower is currently party to a long-term FiT Agreement with SSE Energy Supply Limited ("**SSE**"), a Licensed Electricity Supplier. Under the FiT Agreement, SSE is obliged to make Generation Payments to the Kent OpCo Borrower.

The Kent OpCo Borrower is currently party to a long-term Power Purchase Agreement with Smartest Energy Limited ("**SmartestEnergy**") pursuant to which SmartestEnergy is obliged to make Export Payments to the Kent OpCo Borrower. The rate of the Export Payments has been negotiated with SmartestEnergy and for the period from 1 October 2012 to 31 March 2013 (inclusive) is fixed at £55.94/MWh and for the period from 1 April 2013 to 30 September 2013 (inclusive) at £56.39/MWh.

### ***Puriton Solar Park***

The Puriton OpCo Borrower is currently party to a FiT Agreement (incorporating a Power Purchase Agreement) with SmartestEnergy. The FiT Agreement expires on 30 September 2013, subject to renewal or earlier termination. Under the FiT Agreement, SmartestEnergy is obliged to make Generation Payments to the Puriton OpCo Borrower. It is intended that the Puriton OpCo Borrower will enter into a new long-term FiT Agreement with SSE shortly after the Closing Date. Under the Power Purchase Agreement, SmartestEnergy is obliged to make Export Payments to the Puriton OpCo Borrower. The rate of the Export Payments has been negotiated with SmartestEnergy and for the period from 1 October 2012 to 31 March 2013 (inclusive) is fixed at £52.19/MWh and for the period from 1 April 2013 to 30 September 2013 (inclusive) at £52.58/MWh.

### ***Bridgewater Solar Park***

The Bridgewater OpCo Borrower is currently party to a long-term FiT Agreement with SSE, a Licensed Electricity Supplier. Under the FiT Agreement, SSE is obliged to make Generation Payments to the Bridgewater OpCo Borrower.

The Bridgewater OpCo Borrower is currently party to a Power Purchase Agreement with SmartestEnergy, pursuant to which SmartestEnergy is obliged to make Export Payments to the Bridgewater OpCo Borrower. The rate of the Export Payments has been negotiated with SmartestEnergy and for the period from 1 October 2012 to 31 March 2013 (inclusive) is fixed at £55.38/MWh and for the period from 1 April 2013 to 30 September 2013 (inclusive) at £55.77/MWh.

### ***Malmesbury Solar Park***

The Malmesbury OpCo Borrower is currently party to a long-term FiT Agreement with SSE, a Licensed Electricity Supplier. Under the FiT Agreement, SSE is obliged to make Generation Payments to the Malmesbury OpCo Borrower.

The Malmesbury OpCo Borrower is currently party to a Power Purchase Agreement with SmartestEnergy. The Power Purchase Agreement expires on 31 July 2013, subject to renewal or earlier termination. Under the Power Purchase Agreement, SmartestEnergy is obliged to make Export Payments to the Malmesbury OpCo Borrower. The rate of Export Payments has been negotiated with SmartestEnergy and for the period from 6 August 2012 to 31 August 2012 (inclusive) was fixed at £40.27/MWh, for the period from 1 September 2012 to 30 September 2012 (inclusive) at £44.11/MWh, for the period from 1 October 2012 to 31 March 2013 (inclusive) is fixed at £45.73/MWh, for the period from 1 April 2013 to 30 June 2013 (inclusive) at £46.09/MWh and for the period from 1 July 2013 to 31 July 2013 (inclusive) at £46.29/MWh.

### ***SmartestEnergy***

Under the FiT Agreements and Power Purchase Agreements with SmartestEnergy, the OpCo Borrowers are obliged to (among other things):

- (a) inform SmartestEnergy of any changes to the Solar Parks (including changes in capacity);
- (b) ensure that each Solar Park is operated in accordance with 'good industry practice' (as defined in the SmartestEnergy general terms and conditions) and all applicable laws and directives;
- (c) maintain the capacity of each Solar Park at the contracted level;
- (d) generate electricity from each Solar Park on a continuous basis, subject to necessary outages, the prevailing weather conditions from time to time and such reductions as are necessary in order to operate the Solar Park in accordance with 'good industry practice';

- (e) keep an appropriate operations and maintenance agreement in place and comply with its obligations and enforce its rights under such agreement; and
- (f) provide periodic forecasts of the anticipated level of generation from each Solar Park.

Failure to adhere to these or any other material obligations under a FiT Agreement or Power Purchase Agreement will entitle SmartestEnergy to terminate the relevant FiT Agreement or Power Purchase Agreement and to claim for any losses suffered as a consequence.

### **SSE**

Under the FiT Agreements with SSE, the OpCo Borrowers are obliged to (amongst other things) inform SSE of any changes to the Solar Parks (including changes in capacity).

### **Connection agreements**

#### ***Malmesbury Solar Park***

The Malmesbury Solar Park was connected to the national grid and the connection was energised pursuant to a connection agreement (the "**Malmesbury Connection Agreement**") between Southern Electric Power Distribution plc ("**SE Power**") and the Malmesbury OpCo Borrower dated 15 July 2011. The Malmesbury Connection Agreement delineates responsibility for the generating equipment and identifies the point from which the system has been adopted by SE Power. The Malmesbury Connection Agreement sets out the basis of the right of the Malmesbury OpCo Borrower to keep the Malmesbury Solar Park connected and energised. The terms include provisions confirming the statutory right of SE Power to de-energise the connections in certain circumstances, including emergencies; on health and safety grounds; or as a consequence of certain counterparty breaches. The Malmesbury Connection Agreement continues in force until terminated. SE Power is able to terminate the Malmesbury Connection Agreement for material breaches by (including non-payment of sums due) and in the event of insolvency of the Malmesbury OpCo Borrower, including receivership or administration.

#### ***Puriton and Bridgewater Solar Parks***

The Bridgewater Solar Park and the Puriton Solar Park were connected to the national grid and their connections were energised pursuant to connection agreements (the "**WPD Connection Agreements**") between Western Power Distribution (South West) plc ("**WPD**") and each of the Bridgewater OpCo Borrower and the Puriton OpCo Borrower in WPD's standard form and incorporating the National Terms of Connection. The WPD Connection Agreements delineate responsibility for the generating equipment and identify the point from which the system has been adopted by WPD. The National Terms of Connection set out the basis of the right of the Bridgewater OpCo Borrower and the Puriton OpCo Borrower to keep their respective installations connected and energised. Subject as follows, the WPD Connection Agreements will remain in force for so long as the Bridgewater Solar Park and the Puriton Solar Park remain connected to the distribution system operated by WPD, unless and until replaced by new agreements. The terms include provisions confirming the statutory right of WPD to de-energise the connections in certain circumstances, including emergencies; on health and safety grounds; or as a consequence of certain counterparty breaches. The WPD Connection Agreements may be terminated by WPD for material breach (including non-payment of sums due) and in the event of insolvency of the Bridgewater OpCo Borrower or the Puriton OpCo Borrower (as applicable), including receivership or administration.

#### ***Kent Solar Park***

The Kent Solar Park was connected to the national grid and the connection was energised pursuant to a notice of acceptance from the Kent OpCo Borrower of UK Power Networks (Operations) Limited's ("**UKPN**") offer of connection, which is subject to UKPD's standard terms and conditions (together the "**Kent Connection Agreement**"). The Kent Connection Agreement incorporates the National Terms of Connection. The Kent Connection Agreement states that the



works carried out in relation to the connection of the Kent Solar Park are owned, operated and maintained by UKPN. The National Terms of Connection set out the basis of the right of the Kent OpCo Borrower to keep the Kent Solar Park connected and energised. Subject as follows, the Kent Connection Agreement will remain in force for so long as the Kent Solar Park remains connected to the distribution system operated by UKPD, unless and until replaced by a new agreement. The terms include provisions confirming the statutory right of UKPD to de-energise the connection in certain circumstances, including emergencies; on health and safety grounds; or as a consequence of certain counterparty breaches. The Kent Connection Agreement may be terminated by UKPD for material breach (including non-payment of sums due) and in the event of insolvency of the Kent OpCo Borrower, including receivership of administration.

#### *Governing law*

The FiT Agreements, Power Purchase Agreements and Connection Agreements are each governed by and construed in accordance with English law.

### 5. **Acquisition Agreements**

#### *Kent Acquisition Agreement*

The Kent OpCo Borrower was acquired by the SE Parent Borrower pursuant to a share purchase agreement which completed on 11 August 2011 (the "**Kent Acquisition Agreement**"). The consideration payable under the Kent Acquisition Agreement was satisfied on completion and no material provisions remain outstanding.

#### *Puriton Acquisition Agreement*

The Puriton OpCo Borrower was acquired by the Eris Parent Borrower pursuant to a share purchase agreement which completed on 27 February 2012 (the "**Puriton Acquisition Agreement**"). All amounts payable under the Puriton Acquisition Agreement have been satisfied and no further material provisions remain outstanding.

#### *Bridgewater Acquisition Agreement*

The Bridgewater OpCo Borrower was acquired by the Eris Parent Borrower pursuant to a share purchase agreement which completed on 27 February 2012 (the "**Bridgewater Acquisition Agreement**"). All amounts payable under the Bridgewater Acquisition Agreement have been satisfied and no further material provisions remain outstanding.

#### *Malmesbury Acquisition Agreement*

The Malmesbury OpCo Borrower was acquired by the Leeds Parent Borrower pursuant to a share purchase agreement which completed on 19 December 2011 (the "**Malmesbury Acquisition Agreement**").

Deferred consideration remains payable under the Malmesbury Acquisition Agreement. However, an amount equal to the maximum deferred consideration payable under the Malmesbury Acquisition Agreement was paid into a retention account with Burges Salmon LLP (the "**Malmesbury Escrow**") at completion.

In addition, further amounts of the consideration (in the amount of £993,750) are currently held on retention in the Malmesbury Escrow and which will be released to the seller of the Malmesbury OpCo Borrower in 2014 to the extent that there are no claims against the seller pursuant to the Malmesbury Acquisition Agreement.

No further material provisions of the Malmesbury Acquisition Agreement remain outstanding.

## 6. **EPC Contracts**

### ***Kent EPC Contract***

#### ***Background***

The design, procure or manufacture, deliver, erect, test, execute, carry out and complete contract relating to the Kent Solar Park entered into by the Kent OpCo Borrower and Kent Solar Services Limited (now known as AGRenewables Limited) (the "**Kent EPC Contractor**") dated 10 August 2011 (the "**Kent EPC Contract**"), sets out the terms pursuant to which the Kent EPC Contractor agrees to design, execute and complete the construction of and remedy certain defects in relation to the Kent Solar Park on behalf of the Kent OpCo Borrower. The Kent EPC Contract is based on an amended form of the MF/1 form of contract.

#### ***Contract price***

In relation to the Kent Solar Park, the Kent OpCo Borrower has agreed to pay the Kent EPC Contractor a fee of £15,500,000 plus VAT for the provision of such services, payable in accordance with the Kent EPC Contract. Such sum may be adjusted by adding or deducting amounts in accordance with the Kent EPC Contract. A proportion of the fee payable was retained in an escrow account (the "**Kent Escrow**"), to be released to the Kent EPC Contractor on satisfactory completion of the PAC, MAC and FAC performance tests referred to below. At the date of these Listing Particulars, 10% of the fee remains to be paid. Of this £1,342,484 is held in the Kent Escrow, with the balance to be paid into the Kent Escrow using a VAT rebate expected to be received shortly after the date of these Listing Particulars. The remaining fee shall be released to the Kent EPC Contractor when the FAC performance test is passed which is expected to occur in the first quarter of 2014.

#### ***Current position***

The Kent Solar Park passed the G59 connection test, the relevant completion tests, and PAC and MAC performance tests. In accordance with the terms of the Kent EPC Contract, a taking over certificate was issued on 31 July 2011. Accordingly the Kent Solar Park is now in the defects liability period which will expire on the later of 24 months after the date of the taking over certificate and the date of the final acceptance certificate. During such period the Kent EPC Contractor remains responsible for making good by repair or replacement with all possible speed at its expense systemic defects (subject to a maximum liability of £250,000 in relation to rectifying systemic defects) and any defect in or damage to any part of the Kent Solar Park which may appear during such period which arises either due to defective materials, workmanship or design or any act or omission of the Kent EPC Contractor.

#### ***Guaranteed performance***

Under the Kent EPC Contract, the Kent EPC Contractor guarantees to the Kent OpCo Borrower that the design of the Kent Solar Park during each of the following test periods will achieve a guaranteed performance ratio of 80.4% over a period of 2 years and 30 days from the date of the taking over certificate, subject to making allowances in accordance with the Kent EPC Contract for degradation.

#### ***Provisional, mid-term and final acceptance tests***

The Kent EPC Contract provides for provisional mid-term and final performance tests to be undertaken during the following periods, with a provisional, intermediate and final acceptance certificate being issued if the performance tests are passed in accordance with the Kent EPC Contract and certain other conditions are met.

- (a) Performance Test (PAC) is conducted during the period of 30 days from the date of issue of the taking over certificate referred to above under "Current position".

- (b) Performance Test (MAC) is conducted during the 1 year period from the date of issue of the provisional acceptance certificate.
- (c) Performance Test (FAC) is conducted during the 2 year period from the date of issue of the provisional acceptance certificate.

The works have passed performance tests PAC and performance tests MAC.

If the works fail to achieve the guaranteed performance ratio during the final performance test, FAC, then where:

- (a) the results are within acceptable limits the Kent EPC Contractor must pay to the Kent OpCo Borrower performance related liquidated damages in accordance with the Kent EPC Contract; or
- (b) the final performance test is failed the Kent OpCo Borrower may accept the Kent Solar Park subject to a price reduction to be agreed between the parties (or failing such agreement determined under the dispute provisions of the Kent EPC Contract) or reject the works, in which case the Kent EPC Contract will terminate, the Kent EPC Contractor must refund the contract price and upon doing so title to the works will transfer back to the Kent EPC Contractor, which shall be obliged to remove the works from the site and make good any damage caused.

If the final performance tests are passed in accordance with the Kent EPC Contract, the final documentation has been approved by the Kent OpCo Borrower and all third party warranties that extend beyond the defects liability period have been assigned to the Kent OpCo Borrower then the parties shall sign the final acceptance certificate.

#### ***Defects liability period***

The Kent EPC Contract provides for the parties to undertake an inspection of the Kent Solar Park at the end of the defects liability period referred to above under "Current position". The Kent EPC Contractor is required to remedy any defects identified by the inspection.

#### ***Indemnities and liability of Kent EPC Contractor***

The Kent EPC Contractor is required to indemnify the Kent OpCo Borrower in respect of:

- (a) injury or death, loss or damage to any property which arises out of or in consequence of the execution of the works under the Kent EPC Contract whilst the Kent EPC Contractor was responsible for the care thereof, unless the injury, death, loss or damage was caused by any of the risks for which the Kent OpCo Borrower is responsible under the Kent EPC Contract;
- (b) injury or death, loss or damage to any property (other than the works under the Kent EPC Contract) after responsibility for the works has passed to the Kent OpCo Borrower, to the extent caused by negligence or breach of statutory duty by the Kent EPC Contractor or any of its subcontractors or servants or agents or by defective design, materials or workmanship; and
- (c) liabilities in connection with death or personal injury of persons employed by the Kent EPC Contractor or any of its subcontractors for the purposes of works under the Kent EPC Contract, save to the extent the death or personal injury results from acts or omissions for which the Kent OpCo Borrower is responsible.

Except in relation to certain limited circumstances, the liability of the Kent EPC Contractor under the Kent EPC Contract, including in relation to any performance related liquidated damages, is subject to a limit of 30 per cent of the contract price.

No actions or proceedings may be commenced against the Kent EPC Contractor following the expiry of 5 years from the date of the provisional acceptance certificate.

Subject to some specific exceptions, neither party is liable to the other for loss of profits, loss of use, third party claims for loss of power or production or any indirect or consequential damages that may be suffered by the other party.

### ***Term and termination***

The Kent EPC Contract came into force on 10 August 2011.

Either party may give notice to the other to terminate the Kent EPC Contract if an event of force majeure is not capable of remedy or prevents the performance of an obligation under the Kent EPC Contract to be provided under the Kent EPC Contract for more than 120 consecutive days.

The Kent OpCo Borrower may terminate the Kent EPC Contract on certain specified events occurring including, but not limited to, the assignment of the Kent EPC Contract or subletting of the works by the Kent EPC Contractor without the consent of the Kent OpCo Borrower, the Kent EPC Contractor abandoning the Kent EPC Contract, suspending the progress of works for 30 days without reasonable excuse, or where the Kent EPC Contractor has failed to proceed with works or neglected to carry out its obligations under the Kent EPC Contract so as to adversely affect the carrying out of works despite previous written warning.

The Kent OpCo Borrower may terminate the Kent EPC Contract by rejecting the plant in certain circumstances specified in the Kent EPC Contract, including due to the Kent Solar Park failing the final performance tests.

The Kent OpCo Borrower may also terminate the Kent EPC Contract forthwith in the event of insolvency, as defined in the Kent EPC Contract, affecting the Kent EPC Contractor.

In the event of termination by the Kent OpCo Borrower for the listed contractor defaults, the Kent EPC Contract provides for a valuation of works carried out to date and sums due to the Kent EPC Contractor to be carried out and certified, together with the costs of completing the works. If the certified costs of completing the works, when added to the total amounts already paid to the Kent EPC Contractor, exceeds the total amount certified which would have been due to the Kent EPC Contractor for the execution of the works, then the Kent EPC Contractor is liable to pay the Kent OpCo Borrower the excess. If there is no such excess, the Kent EPC Contractor is entitled to receive the difference, if any, between the certified value of works carried out to date and the total of all payments received by the Kent EPC Contractor as at the date of termination.

The Kent EPC Contractor may terminate the Kent EPC Contract in certain circumstances specified therein, including in the event of the Kent OpCo Borrower failing to pay a sum payable under the Kent EPC Contract within 60 days or in the case of an event of insolvency, as defined in the Kent EPC Contract, affecting the Kent OpCo Borrower.

Upon termination of the Kent EPC Contract by the Kent EPC Contractor, the Kent EPC Contractor must remove all its equipment from the site. A termination value of the works carried out to date by the Kent EPC Contractor shall be certified, together with the amount of any additional expenditure reasonably incurred by the Kent EPC Contractor in expectation of the performance of, or in consequence of the termination of, the Kent EPC Contract. To the extent the certified termination value and additional expenditure exceeds the sums already paid to the Kent EPC Contractor, the Kent OpCo Borrower is liable to pay such excess to the Kent EPC Contractor within 30 days of the issue of such certificate.

### ***Governing Law***

The Kent EPC Contract is governed by and to be construed in accordance with the laws of England.

### ***Bridgewater EPC Contract***

#### ***Background***

The design, installation, construction, testing and commissioning contract relating to the Bridgewater Solar Park of up to 1.9 MW installed capacity (except as set out in the next paragraph) entered into by the Bridgewater OpCo Borrower and Solarwatt AG (the "**Bridgewater EPC Contractor**") dated 25 August 2011 (the "**Bridgewater EPC Contract**"), sets out the terms pursuant to which the Bridgewater EPC Contractor agrees to design, execute and complete the construction of, and remedy certain defects in relation to, the Bridgewater Solar Park on behalf of the Bridgewater OpCo Borrower. The Bridgewater EPC Contract is an amended version of the FIDIC Yellow Book form of contract.

The Bridgewater EPC Contract excluded certain works in relation to the Bridgewater Solar Park including site clearance works, provision of transformers, installation of fencing, security, grid connection works and cabling the "**Bridgewater Ancillary Works**"). These works were procured by Bridgewater OpCo Borrower under separate contracts with different contractors (the "**Bridgewater Ancillary Contracts**").

Unless otherwise stated, this report relates to the Bridgewater EPC Contract.

#### ***Contract price***

In relation to the Bridgewater Solar Park, the Bridgewater OpCo Borrower has agreed to pay the Bridgewater EPC Contractor a fee of €4,239,480 (four million, two hundred and thirty nine thousand, four hundred and eighty euros) plus VAT for the provision of such services, payable in accordance with the Bridgewater EPC Contract. Such sum may be adjusted by adding or deducting amounts in accordance with the Bridgewater EPC Contract.

The Bridgewater EPC Contractor procured an on-demand performance bond from Euler Hermes Kreditversicherungs-AG in favour of the Bridgewater OpCo Borrower for an amount equal to €427,899 (four hundred and twenty seven thousand pounds eight hundred and ninety nine euros). In consideration of such bond the Bridgewater OpCo Borrower paid the remaining part of the contract price to the Bridgewater EPC Contractor.

#### ***Current position***

The Bridgewater Solar Park passed the relevant completion tests, and PAC performance tests and achieved a performance ratio of at least 82% per cent. In accordance with the terms of the Bridgewater EPC Contract, a final taking over certificate was issued on 17 October 2011 and the performance ratio during the initial performance test period was 94.6%. The Bridgewater Solar Park is now in the defects notification period, which will expire 2 years from the date of taking-over in relation to all of the Bridgewater EPC Contractor's works except the solar PV modules in respect of which the defects notification period is 5 years. During such defects notification period, the Bridgewater EPC Contractor must remedy at its risk and cost any defect or damage attributable to:

- (a) the design of the works;
- (b) plant materials or workmanship not being in accordance with the contract;
- (c) improper maintenance attributable to matters for which the Bridgewater EPC Contractor is responsible; or

- (d) failure by the Bridgewater EPC Contractor to comply with any other obligation under the Bridgewater EPC Contract.

The Bridgewater OpCo Borrower has agreed that the Bridgewater EPC Contractor will have no liability for defects where they have arisen due to fair wear and tear.

***Guaranteed performance***

Under the Bridgewater EPC Contract, the Bridgewater EPC Contractor guarantees to the Bridgewater OpCo Borrower that the Bridgewater Solar Park, during the 22 month period from the date of issue of the taking over certificate referred to above under "Current position", shall achieve a performance ratio without temperature correction measured at the medium voltage of the inverter of:

- (a) 82 per cent in the initial test period, being the first 30 day period from the date of issue of the taking over certificate;
- (b) 82 per cent in the interim test period, the first 12 month period from the date of issue of the taking over certificate; and
- (c) 82 percent in the final test period, being the 10 month period commencing on the expiry of the interim performance test period.

***Initial, Interim and Final Acceptance Tests***

**Initial**

The Bridgewater EPC Contract provides for initial performance tests to be undertaken at the end of the 30 day period following the date of issue of the taking over certificate, with an initial acceptance certificate being issued if the performance tests are passed in accordance with the Bridgewater EPC Contract.

If the works fail the initial performance test, the Bridgewater EPC Contractor must carry out repairs or modifications required to ensure the works pass the initial performance test and then repeat the initial performance test.

**Interim**

The Bridgewater EPC Contract provides for interim performance tests to be undertaken at the end of the 12 month period commencing on the date of issue of the taking over certificate, with an interim acceptance certificate being issued if the performance tests are passed in accordance with the Bridgewater EPC Contract.

If the works fail the interim performance test, the Bridgewater EPC Contractor must pay performance related damages calculated in accordance with the Bridgewater EPC Contract. The Bridgewater EPC Contractor is also entitled to carry out repairs or modifications to improve performance.

**Final**

The Bridgewater EPC Contract provides for final performance tests to be undertaken at the end of the 10 month period commencing on the expiry of the interim performance test period.

If the works pass the final performance tests the on-demand bond referred to above under "Contract price" is released.

If the works fail the final performance tests, then:

- (a) the Bridgewater EPC Contractor must pay to the Bridgewater OpCo Borrower liquidated damages calculated in accordance with the Bridgewater EPC Contract; and

- (b) at the Bridgewater OpCo Borrower's discretion either:
- (i) the Bridgewater EPC Contractor shall pay to the Bridgewater OpCo Borrower the amount of €11,000 (one hundred and eleven thousand euros) for every 1% that the performance ratio is less than 82% (without temperature correction measured at the medium voltage of the inverter);
  - (ii) the performance ratio to be achieved under the Bridgewater O&M Contract shall be 82%; or
  - (iii) the Bridgewater EPC Contractor shall continue to make adjustments to the works and further performance tests are carried out over a further 12 month period.

If further performance tests are carried out the on-demand bond is extended for a further 12 months. The consequences on failing such further performance tests are similar to those described in (b)(i) and (b)(ii) above.

***Indemnities and Liability of Bridgewater EPC Contractor***

The Bridgewater EPC Contractor is required to indemnify the Bridgewater OpCo Borrower from all claims and expenses in respect of:

- (a) loss or damage to any property, real or personal (other than the works), to the extent that such damages or loss:
  - (i) arises out of or in the course of or by reason of the design, execution and completion of the works and the remedying of any defects; and
  - (ii) is attributable to any negligence, wilful act or breach of the Bridgewater EPC Contract by the Bridgewater EPC Contractor; and
- (b) bodily injury, sickness, disease or death of any person arising out of or in the course of or by reason of the design, execution or completion of the works under the Bridgewater EPC Contract unless attributable to any negligence, wilful act or breach of contract by the Bridgewater OpCo Borrower.

Except in relation to the indemnities referred to above, and in the case of fraud, deliberate default or reckless misconduct, the liability of the Bridgewater EPC Contractor under the Bridgewater EPC Contract is subject to a limit of 100 per cent of the contract price. This includes any performance and delay related liquidated damages the Bridgewater EPC Contractor is obliged to pay, which are also subject to separate sub-caps of 20 per cent and 10 per cent of the contract price respectively.

Subject to some specific exceptions, neither party is liable to the other for loss of profit, loss of contract or any indirect or consequential damages that may be suffered by the other party.

***Term and termination***

The Bridgewater EPC Contract came into force on 25 August 2011.

Either party may give notice to the other to terminate the Bridgewater EPC Contract if an event of force majeure prevents execution of the works under the Bridgewater EPC Contract for more than 84 consecutive days or for multiple periods which total more than 140 days.

The Bridgewater OpCo Borrower may terminate the Bridgewater EPC Contract on certain specified events occurring including, but not limited to, failure to make good any failure notified to the Bridgewater EPC Contractor within a specified reasonable time, the assignment of the Bridgewater EPC Contract or subletting of the works by the Bridgewater EPC Contractor without the consent of the Bridgewater OpCo Borrower, the Bridgewater EPC Contractor's failure to obtain the consent of the Bridgewater OpCo Borrower to a change of control as required under the

Bridgewater EPC Contract, the Bridgewater EPC Contractor abandoning the Bridgewater EPC Contract or where the Bridgewater EPC Contractor has failed to proceed with works.

The Bridgewater OpCo Borrower may terminate the Bridgewater EPC Contract if the level of performance-related or delay related liquidated damages due to the Bridgewater OpCo Borrower under the Bridgewater EPC Contract exceeds 20 per cent of the contract price in relation to performance related liquidated damages and 10 per cent of the contract price in relation to delay related liquidated damages.

The Bridgewater OpCo Borrower may also terminate the Bridgewater EPC Contract immediately in the event of insolvency, as defined in the Bridgewater EPC Contract, affecting the Bridgewater EPC Contractor.

In the event of termination by the Bridgewater OpCo Borrower for the listed contractor defaults, the Bridgewater EPC Contract provides for a valuation of works carried out to date. The Bridgewater OpCo Borrower may then submit a claim for the amount it considers to be due from the Bridgewater EPC Contractor, withhold further payments from the Bridgewater EPC Contractor until such time as the cost of completing and remedying the works has been established and recover from the Bridgewater EPC Contractor any losses or damages it suffers after allowing for any sum due to the Bridgewater EPC Contractor in respect of the valuation of the works on termination.

The Bridgewater EPC Contractor may terminate the Bridgewater EPC Contract in certain circumstances specified therein, including but not limited to, in the event of the Bridgewater OpCo Borrower failing to pay a sum payable under the Bridgewater EPC Contract within 28 days or in the case of an event of insolvency, as defined in the Bridgewater EPC Contract, affecting the Bridgewater OpCo Borrower or the Bridgewater OpCo Borrower failing to obtain the consent of the Bridgewater EPC Contractor to any change in control in accordance with the Bridgewater EPC Contract.

Upon termination of the Bridgewater EPC Contract by the Bridgewater EPC Contractor, a termination value of the works carried out to date shall be determined. The Bridgewater OpCo Borrower is liable for any loss of profit or other loss or damage sustained by the Bridgewater EPC Contractor and the Bridgewater EPC Contractor is entitled to recover other costs in accordance with the terms of the Bridgewater EPC Contract.

### ***Governing Law***

The Bridgewater EPC Contract is governed by and to be construed in accordance with the laws of England.

### ***Puriton EPC Contract***

The engineer, procure and construct contract relating to the Puriton Site was entered into between (1) BNRG Element Power Limited; (2) Solarwatt AG (the "**Puriton EPC Contractor**"); and (3) the Puriton OpCo Borrower on 25 August 2011 and was subsequently novated to (1) the Puriton OpCo Borrower; and (2) the Puriton EPC Contractor on 8 November 2011 (the "**Puriton EPC Contract**"), and is in substantially the same form as the Bridgewater EPC Contract, save for:

- (a) the installed capacity of the Puriton Solar Park is 3.968MW;
- (b) the contract price is €1,192,498 (nine million, one hundred and ninety two thousand four hundred and ninety eight euros);
- (c) the performance ratio during the initial performance test period was 88.8%; and
- (d) the on-demand performance bond provided in favour of the Puriton OpCo Borrower is from Commerzbank in favour of the Bridgewater OpCo Borrower for an amount equal to €21,388 (nine hundred and twenty one thousand pounds three hundred and eighty eight euros).



## ***Malmesbury EPC Contract***

### ***Background***

The design, construction and testing contract relating to the Solar Park on the Malmesbury Site (the "**Malmesbury Solar Park**") entered into by the Malmesbury OpCo Borrower and Sunstroom Limited (the "**Malmesbury EPC Contractor**") dated 19 December 2011 (the "**Malmesbury EPC Contract**"), sets out the terms pursuant to which the Malmesbury EPC Contractor agrees to design, execute and complete the construction of and remedy certain defects in relation to the Malmesbury Solar Park on behalf of the Malmesbury OpCo Borrower.

### ***Contract price***

In relation to the Malmesbury Solar Park, the Malmesbury OpCo Borrower has agreed to pay the Malmesbury EPC Contractor no price for the provision of such services. It was agreed that monies payable in relation to such services shall be paid in accordance with the Malmesbury Acquisition Agreement.

### ***Current position***

The Malmesbury Solar Park passed the G59 connection test, the completion tests and the provisional acceptance tests prior to the date of the Malmesbury EPC Contract. The Malmesbury Solar Park is now in the defects liability period which will expire 2 years from 19 December 2011 and during such period the Malmesbury EPC Contractor warrants that the Malmesbury Solar Park will be free from defects in materials and workmanship under normal operating conditions and shall comply with the as-built design.

In March 2013, the Malmesbury Solar Park passed the intermediate performance tests.

### ***Guaranteed performance***

Under the Malmesbury EPC Contract, the Malmesbury EPC Contractor guarantees to the Malmesbury OpCo Borrower that the electricity generation of the Malmesbury Solar Park during the two year period from 19 December 2011 shall be 100% or more of the PVsyst plant electricity production estimate (including transformer and transmission losses) for the relevant testing period using the same irradiance data as measured in accordance with the Malmesbury EPC Contract.

The total amount of performance-related liquidated damages payable by the Malmesbury EPC Contractor under the Malmesbury EPC Contract shall not exceed 15 per cent of £13,250,000.

### ***Intermediate and final acceptance tests***

The Malmesbury EPC Contract provides for final performance tests to be undertaken at the end of the second anniversary from 19 December, with a final acceptance certificate being issued if the final performance tests are passed in accordance with the Malmesbury EPC Contract.

If the plant fails the final acceptance tests, the Malmesbury OpCo Borrower is entitled to deduct performance liquidated damages from the deferred consideration under the Malmesbury Acquisition Agreement.

### ***Defects Liability Period***

The Malmesbury EPC Contract provides for the Malmesbury EPC Contractor to rectify any systemic defects or defects appearing during the 2 year defects liability period from 19 December 2011.

Any repaired or replaced components supplied by Asea Brown Boveri S.A. and solar modules provided by Helios Energy Europe S.L. will be covered by the Malmesbury EPC Contractor's defects liabilities up to the later of the defects liability period and 24 months from the date of repair or replacement subject to a long stop date of 48 months from 19 December 2011.

In or around August 2013 the parties will jointly appoint an independent third party to inspect the Malmesbury Solar Park for defects and to carry out certain defects expiration tests in accordance with the Malmesbury EPC Contract. If defects are found then the Malmesbury EPC Contractor must rectify them. If no defects are found (or, if defects are found, following a later inspection once all defects have been rectified) then the independent certifier will issue a defect warranty expiration certificate.

***Indemnities and liability of Malmesbury EPC Contractor***

The Malmesbury EPC Contractor is required to indemnify the Malmesbury OpCo Borrower in respect of injury or death, loss or damage to any property including the property of any third party to the extent caused by any actions, negligence, non-performance, breach, negligence or fault of the Malmesbury EPC Contractor.

After the date of issue of the defects warranty expiration certificate (and without prejudice to any liabilities he incurs before that date), the Malmesbury EPC Contractor has no further liability to the Malmesbury OpCo Borrower except:

- (a) in respect of any latent defects (as defined in the Malmesbury EPC Contract) in the civil works or design of the plant for a period of 4 years from the date of the defects warranty expiration certificate; and
- (b) in respect of any other latent defect (as defined in the Malmesbury EPC Contract) for a period equivalent to the relevant manufacturer's warranty attached to the Malmesbury EPC Contract provided that the Malmesbury EPC Contractor does not have any greater liability to the Malmesbury OpCo Borrower than the relevant manufacturer owes to the Malmesbury EPC Contractor.

No actions or proceedings may be commenced against the Malmesbury EPC Contractor after a period of 6 years from 19 December 2011.

The liability of the Malmesbury EPC Contractor under the Malmesbury EPC Contract, including in relation to any performance related liquidated damages, is generally subject to a limit of £13,250,000.

***Term and termination***

The Malmesbury EPC Contract came into force on 19 December 2011.

Either party may give notice to the other to terminate the Malmesbury EPC Contract if an event of force majeure impedes performance of the works for more than 180 consecutive days.

The Malmesbury OpCo Borrower may terminate the Malmesbury EPC on certain specified events occurring including, but not limited to, the Malmesbury EPC Contractor's aggregate cap on liability of its performance damages related cap on liability being attained, the subletting of the whole of the works by the Malmesbury EPC Contractor without the consent of the Malmesbury OpCo Borrower, the Malmesbury EPC Contractor abandoning the Malmesbury EPC Contract for more than 14 consecutive days, or where the Malmesbury EPC Contractor has failed to carry out its obligations under the Malmesbury EPC Contract and fails to remedy such failure despite notification from the Malmesbury OpCo Borrower.

The Malmesbury OpCo Borrower may also terminate the Malmesbury EPC Contract in the event of insolvency, as defined in the Malmesbury EPC Contract, affecting the Malmesbury EPC Contractor.

The Malmesbury EPC Contractor may terminate the Malmesbury EPC Contract in certain circumstances specified therein, including in the event of the Malmesbury OpCo Borrower failing to perform its obligations under the Malmesbury EPC Contract or in the case of an event of insolvency, as defined in the Malmesbury EPC Contract, affecting the Malmesbury OpCo Borrower.

### ***Governing Law***

The Malmesbury EPC Contract is governed by and to be construed in accordance with the laws of England.

## **7. O&M Contracts**

### ***Kent O&M Contract***

#### ***Background***

The operation and maintenance contract relating to the Kent Solar Park entered into between Kent OpCo Borrower and AGRenewables Limited (previously named Kent Solar Services Limited) (the "**Kent O&M Contractor**") on 10 August 2011 (the "**Kent O&M Contract**"), sets out the terms pursuant to which the Kent O&M Contractor agrees to provide the Kent OpCo Borrower with certain operation and maintenance services including, but not limited to, maintenance, security and surveillance, repair needed to restore proper functioning of the Kent Solar Park, maintenance and replenishment of a stock of spare parts and taking out and maintaining third party liability insurance with a combined limit of not less than £6,500,000 per occurrence and in aggregate and employer's liability insurance cover for £10,000,000, and any other insurance required by applicable law in relation to the Kent Solar Park.

The Kent OpCo Borrower has agreed to provide the Kent O&M Contractor with access to the Kent Solar Park for the purposes of performing the services contemplated by the Kent O&M Contract.

#### ***Service fee***

The Kent OpCo Borrower has agreed to pay the Kent O&M Contractor a fee of £40,000 plus the product of the actual peak power of the Kent Solar Park multiplied by a rate of £17/kWp (exclusive of VAT) for certain services under the Kent O&M Contract commencing from the date of issue of the first taking over certificate under the Kent EPC Contract. The fee shall be adjusted on each anniversary of the date of issue of the provisional acceptance certificate under the Kent EPC Contract to reflect the percentage increase or decrease in the Retail Prices Index. The fee is subject to certain limited exceptions such as the removal of contamination not caused by the Kent O&M Contractor or the Kent EPC Contractor and such as the Kent OpCo Borrower being obliged to purchase the stock of spare parts maintained by the Kent O&M Contractor if the Kent O&M Contract is terminated.

#### ***Guaranteed performance***

The Kent O&M Contractor guarantees to the Kent OpCo Borrower that, during each 12 month period following delivery of the final acceptance certificate under the Kent EPC Contract and each anniversary thereafter, the Kent Solar Park will achieve an agreed performance ratio as stipulated in the Kent O&M Contract. In the event that the performance of the Kent Solar Park falls below such level, the Kent O&M Contractor agrees to pay the Kent OpCo Borrower liquidated damages calculated in accordance with the Kent O&M Contract.

Subject to certain exceptions described under "Representations, warranties, undertakings and indemnity" below, the liquidated damages payable by the Kent O&M Contractor in relation to the guaranteed performance ratio are subject to an annual limit of 100 per cent of the then applicable service fee for that year.

#### ***Representations, warranties, undertakings and indemnity***

The Kent O&M Contract contains certain representations and warranties given by the Kent O&M Contractor to the Kent OpCo Borrower regarding, among other things, its degree of skill, care and experience, corporate existence and authority and financial condition.

The Kent O&M Contractor undertakes to comply with all applicable laws, the O&M manual, the Power Purchase Agreement and the manufacturers' requirements.

The Kent O&M Contractor is required to indemnify the Kent OpCo Borrower in respect of injury or death, loss or damage to any property, including property of any third party to any extent caused by the Kent O&M Contractor or any of its employees or subcontractors arising out of the non-compliance of such parties with applicable laws, non-performance, breach, negligence or fault of the Kent O&M Contractor.

The liability of the Kent O&M Contractor under the Kent O&M Contract is generally subject to an annual limit of 100 per cent of the then applicable service fee for that year. Subject to some specific exceptions, neither party is liable to the other by way of indemnity or by reason of breach of the Kent O&M Contract, or statutory duty or in tort for loss of profit, loss of use, loss of power or production or any indirect or consequential damages that may be suffered by the other party.

### ***Term and termination***

The services commenced under the Kent O&M Contract on the date of the first taking over certificate under the Kent EPC Contract and will continue for a term of 15 years from that date unless terminated earlier. The Kent OpCo Borrower may terminate the Kent O&M Contract upon 90 business days' prior notice at any time after the final acceptance certificate has been issued.

In the event that the Kent EPC Contract is terminated, the Kent O&M Contract is terminable immediately on notice by the Kent O&M Contractor or the Kent OpCo Borrower.

The Kent OpCo Borrower may terminate the Kent O&M Contract upon certain specified events occurring including, but not limited to, the giving of bribes or other inducements, an event of insolvency as defined in the Kent O&M Contract affecting the Kent O&M Contractor, assignment or transfer of the Kent O&M Contract or the subcontracts or the subcontracting of the whole or part of the services to be provided under the Kent O&M Contract otherwise than in accordance with its terms or the Kent O&M Contractor's insurances ceasing to be effective for any reason and replacement insurances not being taken out within ten business days.

The Kent OpCo Borrower may also terminate the Kent O&M Contract upon the abandonment of the Kent Solar Park by the Kent O&M Contractor for 14 business days without the prior consent of the Kent OpCo Borrower, material breach of the Kent O&M Contract by the Kent O&M Contractor or failure by the Kent O&M Contractor to meet the guaranteed performance ratio for two consecutive years or where the maximum liability cap of the Kent O&M Contractor is reached.

The Kent O&M Contractor may terminate the Kent O&M Contract in the event of the Kent OpCo Borrower failing to pay a sum overdue under the Kent O&M Contract for 60 days or in the case of an event of insolvency, as defined in the Kent O&M Contract, affecting the Kent OpCo Borrower.

Either party may request termination of the Kent O&M Contract if an event of force majeure is not capable of remedy or prevents the continuance of the services to be provided under the Kent O&M Contract, for more than 60 consecutive days.

### ***Governing Law***

The Kent O&M Contract is governed by and to be interpreted in accordance with the laws of England.

### ***Bridgewater O&M Contract***

#### ***Background***

The operation and maintenance contract relating to the Bridgewater Solar Park entered into between (1) the Bridgewater OpCo Borrower; (2) BNRG Element Power Limited (the

"**Bridgewater Developer**") and (3) Solarwatt AG (the "**Bridgewater O&M Contractor**") dated 27 February 2012 (the "**Bridgewater O&M Contract**"), sets out the terms pursuant to which:

- (a) the Bridgewater Developer performed certain interim services between 17 October 2011 and 27 February 2012; and
- (b) the Bridgewater O&M Contractor agrees to provide the Bridgewater OpCo Borrower with certain operation and maintenance services with effect from 27 February 2012 including, but not limited to, maintenance, security and surveillance, repair needed to restore proper functioning of the Bridgewater Solar Park, maintenance and replenishment of equipment and components, reporting on system performance, provision of services and utilities and taking and maintaining third party liability insurance with a limitation on indemnity of not less than £6,500,00 per occurrence and in aggregate and employer's liability insurance cover with a limitation on indemnity of not less than £10,000,000 and any other insurance the Bridgewater O&M Contractor is obliged to maintain under law.

The Bridgewater OpCo Borrower has agreed to provide the Bridgewater O&M Contractor with access to the Bridgewater Solar Park for the purposes of performing the services contemplated by the Bridgewater O&M Contract.

#### *Service fee*

The Bridgewater OpCo Borrower has agreed to pay the Bridgewater O&M Contractor a fee of £25.50 per kWp of installed capacity in respect of preventative maintenance and other services plus a sum of £3,199 in respect of the transformers and AC related equipment per annum (the "**Bridgewater Services Fee**") commencing on 27 February 2012. The kWp rate element of the Bridgewater Services Fee shall be adjusted on each anniversary of 27 February 2012 to reflect the percentage increase or decrease in the RPI. In addition, the Bridgewater Services Fee may be adjusted to take account of increases or decreases in costs resulting from changes in applicable laws (except where, in the case of increases, the increased cost is less than 5% of the Bridgewater Services Fee), all call-out charges in relation to the security services and the cost of various repairs that were agreed not to be at the risk of the Bridgewater O&M Contractor.

#### *Guaranteed availability*

The Bridgewater O&M Contractor guarantees to the Bridgewater OpCo Borrower that, during each 12 month period following 24 months after the date of the last taking-over certificate under the Bridgewater EPC Contract until the expiry of the term, the Bridgewater Solar Park will achieve an agreed level of availability as stipulated in the Bridgewater O&M Contract. In the event that the availability of the Bridgewater Solar Park falls below such level, the Bridgewater O&M Contractor agrees to pay the Bridgewater OpCo Borrower liquidated damages calculated in accordance with the Bridgewater O&M Contract.

Subject to the overall limit of liability of the O&M Contractor under the Bridgewater O&M Contract described under "Obligations of the Bridgewater O&M Contractor, indemnity and limitations" below, the liquidated damages payable by the Bridgewater O&M Contractor in relation to guaranteed availability are subject to the following limits:

- (a) a maximum limit of £24,186 in any 12 month test period (adjusted to take into account RPI increases or decreases) in the event that the failure to achieve the guaranteed availability is due to a failure of any transformers or AC related equipment; and
- (b) an aggregate limit of 100 per cent of the Bridgewater Services Fee (as adjusted in accordance with the terms of the Bridgewater O&M Contract).

#### *Obligations of the Bridgewater O&M Contractor, indemnity and limitations*

The Bridgewater O&M Contractor undertakes to comply with all applicable laws, the O&M manual, the applicable permits and the requirements of the module and inverter manufacturers.

The Bridgewater O&M Contractor is required to indemnify the Bridgewater OpCo Borrower in respect of injury or death, loss or damage to property, including property of any third party to any extent caused by the Bridgewater O&M Contractor or any of its employees or subcontractors (or its employees) arising out of the non-compliance of such parties with applicable laws, non-performance, breach, negligence or fault under the Bridgewater O&M Contract provided that the Bridgewater OpCo Borrower's ability to recover under the indemnity in relation to any matter concerning the security sub-contractors is subject to and conditional on the Bridgewater O&M Contractor's recovery of equivalent losses from the security sub-contractors.

The liability of the Bridgewater O&M Contractor under the Bridgewater O&M Contract is generally subject to an annual limit of 100 per cent of the Bridgewater Services Fee (as adjusted in accordance with the terms of the Bridgewater O&M Contract) for that year. Subject to some specific exceptions, neither party is liable to the other by way of indemnity or by reason of breach of the Bridgewater O&M Contract, or of statutory duty or in tort for any loss of profit, loss of use, loss of power or production or for any indirect or consequential damages that may be suffered by the other party.

### ***Term and termination***

The Bridgewater O&M Contract came into force on 27 February 2012 and is for a fixed term expiring on 27 February 2017 (subject to any extension instructed in accordance with the Bridgewater O&M Contract) and is terminable on 6 months' notice by the Bridgewater OpCo Borrower at any time after 27 February 2014.

In the event that the Bridgewater EPC Contract is terminated, the Bridgewater O&M Contract is terminable immediately on notice by the Bridgewater O&M Contractor or the Bridgewater OpCo Borrower.

The Bridgewater OpCo Borrower may terminate the Bridgewater O&M Contract upon certain specified events occurring including, but not limited to, the giving of bribes or other inducements, an event of insolvency (as defined in the Bridgewater O&M Contract) affecting the Bridgewater O&M Contractor, the Bridgewater O&M Contractor incurring liability to the Bridgewater OpCo Borrower in excess of the maximum liability referred to above (not counting any liability of the Bridgewater O&M Contractor for any AC liquidated damages), or the Bridgewater O&M Contractor's failure to maintain the required insurances for a period in excess of ten working days.

The Bridgewater OpCo Borrower may also terminate the Bridgewater O&M Contract upon the abandonment of the Bridgewater Solar Park by the Bridgewater O&M Contractor for 14 working days without the prior consent of the Bridgewater OpCo Borrower, material breach of the Bridgewater O&M Contract or in the event that the Bridgewater O&M Contractor fails to achieve the guaranteed availability in respect of the Bridgewater Solar Park for two consecutive years.

The Bridgewater O&M Contractor may terminate the Bridgewater O&M Contract in the event of the Bridgewater OpCo Borrower failing to pay a sum payable under the Bridgewater O&M Contract within 60 days of the final date for payment, in the case of an event of insolvency (as defined in the Bridgewater O&M Contract) affecting the Bridgewater OpCo Borrower or where the Bridgewater OpCo Borrower undergoes a change of control within a period of 2 years from the date the of the last taking-over certificate issued under the Bridgewater EPC Contract without the consent of the Bridgewater O&M Contractor.

Either party may request termination of the Bridgewater O&M Contract if an event of force majeure is not capable of remedy or prevents the continuance of the services to be provided under the Bridgewater O&M Contract for more than 60 consecutive days.

### ***Governing Law***

The Bridgewater O&M Contract is governed by and is to be interpreted in accordance with the laws of England.

### ***Puriton O&M Contract***

The operation and maintenance contract relating to the Puriton Solar Park was entered into between (1) the Bridgewater OpCo Borrower; (2) Solarwatt AG (the "**Puriton O&M Contractor**"); and (3) BNRG Element Power Limited (the "**Puriton Developer**") on 27 February 2012, and is in substantially the same form as the Bridgewater O&M Contract, save for:

- (a) the installed capacity of the Puriton Solar Park is 3.968MW;
- (b) the fee payable in relation to services relating to transformers and AC equipment is £6,782;
- (c) the rates of availability related liquidated damages differ; and
- (d) the AC liquidated damages cap is £51,293.

### ***Malmesbury O&M Contract***

#### ***Background***

The operation and maintenance contract relating to the Malmesbury Solar Park entered into by the Malmesbury OpCo Borrower and Sunstroom Limited (the "**Malmesbury O&M Contractor**") dated 19 December 2011 (the "**Malmesbury O&M Contract**"), sets out the terms pursuant to which the Malmesbury O&M Contractor agrees to provide the Malmesbury OpCo Borrower with certain operation and maintenance services including, but not limited to, maintenance, security and surveillance, repair needed to restore proper functioning of the Malmesbury Solar Park, maintenance and replenishment of equipment and components, reporting on system performance, provision of services and utilities and taking and maintaining public liability insurance with a limitation on indemnity of not less than £10,000,000 for any one claim (subject to a third party damage excess of £5,000) and employer's liability insurance with a limitation on indemnity of not less than £10,000,000 for any one claim.

The Malmesbury OpCo Borrower has agreed to provide the Malmesbury O&M Contractor with access to the Malmesbury Solar Park for the purposes of performing the services contemplated by the Malmesbury O&M Contract.

#### ***Service fee***

The Malmesbury OpCo Borrower has agreed to pay the Malmesbury O&M Contractor a fixed fee of £125,000 plus VAT per annum (the "**Malmesbury Services Fee**") for its services under the Malmesbury O&M Contract commencing from the date of issue of the provisional acceptance certificate under the Malmesbury EPC Contract. The Malmesbury Services Fee shall be adjusted on each anniversary of the date of issue of the provisional acceptance certificate to reflect the percentage increase or decrease in the RPI. In addition, the Malmesbury Services Fee may be adjusted to take account of increases or decreases in costs resulting from changes in applicable laws (except changes to laws of any country other than England and changes to laws relating to employment matters), any material breach of the Malmesbury OpCo Borrower of its obligations under the Malmesbury O&M Contract or where the lawful exercise of third party rights impede the carrying out of services by the Malmesbury O&M Contractor. In such circumstances, the Malmesbury OpCo Borrower is to determine a fair and reasonable adjustment to the Malmesbury Services Fee.

The Malmesbury Services Fee shall be renegotiated two years after the date of issue of the final acceptance certificate under the Malmesbury EPC Contract. If the parties are unable to agree a revised fee, the Malmesbury O&M Contract shall terminate.

#### ***Guaranteed performance and availability***

The Malmesbury O&M Contractor guarantees to the Malmesbury OpCo Borrower that, during each 12 month period following the date of the final acceptance certificate under the Malmesbury

EPC Contract and each anniversary thereafter, the Malmesbury Solar Park will achieve an agreed performance ratio as stipulated in the Malmesbury O&M Contract. In the event that the performance of the Malmesbury Solar Park falls below such level, the Malmesbury O&M Contractor agrees to pay the Malmesbury OpCo Borrower liquidated damages calculated in accordance with the Malmesbury O&M Contract within 28 days of notice from the Malmesbury OpCo Borrower that such payment is required.

The Malmesbury O&M Contractor further guarantees to the Malmesbury OpCo Borrower that, during each 12 month period following the date of the final acceptance certificate under the Malmesbury EPC Contract, the Malmesbury Solar Park will achieve a level of availability as stipulated in the Malmesbury O&M Contract. In the event that the availability of the Malmesbury Solar Park falls below such level, the Malmesbury O&M Contractor agrees to pay the Malmesbury OpCo Borrower liquidated damages calculated in accordance with the Malmesbury O&M Contract. Should the level of availability achieved be greater than that stipulated in the Malmesbury O&M Contract, the Malmesbury OpCo Borrower shall pay to the Malmesbury O&M Contractor £1,500 for each 0.1% that the actual availability exceeds that stipulated, up to a maximum availability figure of 100%.

Subject to the overall limit of liability of the O&M Contractor under the Malmesbury O&M Contract described under "Obligations of the Malmesbury O&M Contractor, indemnity and limitations" below, the liquidated damages payable by the Malmesbury O&M Contractor in relation to guaranteed performance is subject to an annual limit of 100 per cent of the Malmesbury Services Fee (as adjusted in accordance with the terms of the Malmesbury O&M Contract).

***Obligations of the Malmesbury O&M Contractor, indemnity and limitations***

The Malmesbury O&M Contractor undertakes to comply with all applicable laws, the O&M manual, the Power Purchase Agreement and any requisite consents in connection with the performance of the services.

The Malmesbury O&M Contractor is required to indemnify the Malmesbury OpCo Borrower in respect of injury or death, loss or damage to property, including property of any third party to any extent caused by the Malmesbury O&M Contractor or any of its employees or subcontractors (or its employees) arising out of the non-compliance of such parties with applicable laws, non-performance, breach, negligence or fault under the Malmesbury O&M Contract.

Similarly, the Malmesbury OpCo Borrower is required to indemnify the Malmesbury O&M Contractor in respect of injury or death, loss or damage to property, including property of any third party to any extent caused by the Malmesbury OpCo Borrower or any of its employees arising out of the actions, neglect, non-performance, breach, negligence or fault of such parties under the Malmesbury O&M Contract.

The liability of the Malmesbury O&M Contractor under the Malmesbury O&M Contract is generally subject to an annual limit of 100 per cent of the Malmesbury Service Fee (as adjusted in accordance with the terms of the Malmesbury O&M Contract) for that year. Subject to some specific exceptions, neither party is liable to the other by way of indemnity or by reason of breach of the Malmesbury O&M Contract, or of statutory duty or in tort for any loss of profit, loss of use, loss of power or production or for any indirect or consequential damages that may be suffered by the other party.

The Malmesbury OpCo Borrower is not entitled to make a claim under the Malmesbury O&M Contract in respect of any loss, damage or expense it has incurred to the extent it has already been compensated or has made a claim in respect of the same loss, costs, damage or expense under the Malmesbury EPC Contract, the Malmesbury Acquisition Agreement or any other agreement.

***Term and termination***

The Malmesbury O&M Contract came into force on 19 December 2011 (the "**Malmesbury Effective Date**") and is for a fixed term expiring on 18 December 2016 and is terminable on 3



months' prior notice by the Malmesbury OpCo Borrower at any time provided such notice takes effect after the expiry of a period of two years commencing on the Malmesbury Effective Date.

In the event that the Malmesbury EPC Contract is terminated, the Malmesbury O&M Contract is terminable immediately on notice by the Malmesbury O&M Contractor or the Malmesbury OpCo Borrower.

The Malmesbury OpCo Borrower may terminate the Malmesbury O&M Contract immediately upon certain specified events occurring including, but not limited to, the giving of bribes or other inducements, an event of insolvency (as defined in the Malmesbury O&M Contract) affecting the Malmesbury O&M Contractor, the Malmesbury O&M Contractor incurring liability to the Malmesbury OpCo Borrower in excess of the maximum liability referred to above, or the Malmesbury O&M Contractor's insurances ceasing to be effective for any reason and replacement insurances not being taken out within ten working days.

The Malmesbury OpCo Borrower may also terminate the Malmesbury O&M Contract upon 15 working days' prior notice upon the abandonment of the Malmesbury Solar Park by the Malmesbury O&M Contractor for 14 working days without the prior consent of the Malmesbury OpCo Borrower, material breach of the Malmesbury O&M Contract or the assignment or transfer of the Malmesbury O&M Contract or the subcontracting of the whole or part of the services to be provided under the Malmesbury O&M Contract otherwise than in accordance with its terms.

The Malmesbury O&M Contractor may terminate the Malmesbury O&M Contract on 15 working days' notice in the event of the Malmesbury OpCo Borrower failing to pay a sum payable under the Malmesbury O&M Contract within 60 days or immediately in the case of an event of insolvency (as defined in the Malmesbury O&M Contract) affecting the Malmesbury OpCo Borrower.

Either party may request termination of the Malmesbury O&M Contract if an event of force majeure is not capable of remedy or prevents the continuance of the services to be provided under the Malmesbury O&M Contract for more than 180 consecutive days.

### ***Governing Law***

The Malmesbury O&M Contract is governed by and is to be interpreted in accordance with the laws of England.

### ***Existing O&M Contracts***

Each OpCo Borrower has entered into an operation and maintenance contract in relation to their respective Solar Park and is current paying for and receiving operation and maintenance services pursuant to that contract (the "**Existing O&M Contract**"). The terms of each Existing O&M Contract are described elsewhere in these Listing Particulars.

The OpCo Borrowers currently employ three different operation and maintenance contractors in total across the four Solar Parks, as set out in "**Transaction Overview**".

Each Existing O&M Contract in respect of each Solar Park contains a right exercisable by the relevant OpCo Borrower to terminate the O&M Contract for convenience at a certain point in time. The point in time at which this right arises varies across each of the four Solar Parks.

### ***New O&M Contracts***

The intention of the OpCo Borrowers is to aggregate and rationalise the provision of operation and maintenance services across the four Solar Parks. The OpCo Borrowers have collectively tendered the provision of operation and maintenance services to their collective Solar Parks and the successful tenderer was an international and reputable provider of operation and maintenance services (the "**New O&M Contractor**").

Each OpCo Borrower has agreed commercial terms with the New O&M Contractor and intends to enter into a new operation and maintenance contract with the New O&M Contractor in relation to their respective Solar Park (each a "**New O&M Contract**").

At the appropriate time, the intention of each OpCo Borrower is to exercise its right to terminate the existing O&M Contract for convenience. Simultaneously with the termination of each existing O&M Contract, the New O&M Contractor will be instructed to commence performance of operation and maintenance services pursuant to the applicable New O&M Contract.

A number of the principal terms to be incorporated into each New O&M Contract are summarised below:

*Security and Term*

The New O&M Contractor will procure that the parent company guarantee in favour of the OpCo Borrower and enter into a direct agreement with the Security Trustee.

The New O&M Contract will be valid for an initial term of 15 years, unless it is terminated.

*General Obligations of the New O&M Contractor*

*Commencement and Performance of the Services*

Subject to the parties agreeing the terms of the New O&M Contract, the New O&M Contractor shall commence performance of the services on the services commencement date (being a date to be notified to it by the OpCo Borrower), which the parties intend to be the date on which the Existing O&M Contract is terminated.

No later than the date on which the services will be estimated to commence, the New O&M Contractor shall:

- (a) ensure that its personnel are fully prepared and mobilised to commence the performance of the services; and
- (b) commence regular communication and co-operation with the Existing O&M Contractor, so as to obtain all relevant information and training necessary for the performance of the services.

*Standards of Performance*

The New O&M Contractor shall ensure that the Services are performed in a safe, efficient and professional manner and in accordance with:

- (a) the provisions of the New O&M Contract;
- (b) prudent operating practice;
- (c) the terms, conditions and requirement of each applicable consent;
- (d) the O&M manual;
- (e) the applicable manufacturer warranties (and so as not to prejudice in any way the OpCo Borrower's rights and remedies under any manufacturer warranty); and
- (f) all applicable laws.

The New O&M Contractor shall perform the Services so as not to place the OpCo Borrower in default or breach of:

- (a) the lease;

(b) any term or condition of any insurance policy applying in relation to the plant or the site.

The New O&M Contractor shall perform the services in a proper and workmanlike manner using appropriately skilled and trained workmen, having regard to the nature of the service being carried out.

The New O&M Contractor shall provide all the necessary labour, supervision, professional and technical assistance, equipment, tools, measuring devices, materials, inspection, testing and transportation required for the performance of the services and the proper functioning of the plant.

#### *Scope of Services*

The OpCo Borrower and the New O&M Contractor shall agree a detailed scope of services to be incorporated into the New O&M Contract in respect of:

- (a) site care and custody services;
- (b) security and surveillance services;
- (c) preventive maintenance activities; and
- (d) monitoring the plant to determine the requirement for corrective maintenance, detecting and notifying the OpCo Borrower of any failure and carrying out and completing any necessary repair in order to restore the proper functioning of the plant as quickly as possible.

#### *Spare Parts*

The New O&M Contractor shall, amongst other things, store and maintain the spare parts stock for the benefit of the OpCo Borrower at the site or at the New O&M Contractor's premises.

The OpCo Borrower shall reimburse the reasonable and properly documented costs incurred by the New O&M Contractor in respect of any modules, inverters, and transformers purchased by the New O&M Contractor for the purposes of performing its obligations under the New O&M Contract.

#### *Monitoring*

The New O&M Contractor shall ensure the proper functioning of the data monitoring system in order to perform the continuous monitoring of the plant.

#### *Reporting*

The New O&M Contractor shall provide the OpCo Borrower with real-time data on performance of the plant collected by the data monitoring system.

The New O&M Contractor shall prepare and submit to the OpCo Borrower a monthly written report on the performance of the plant, the performance of the services (describing any activity performed with respect to the Plant), on the occurrence of any failures and the New O&M Contractor's evaluation and diagnosis of such failures, any accidents on site or damage to the plant that occurred.

#### *Health and safety*

The New O&M Contractor shall comply with all applicable laws in relation to health and safety and any safety and other Site rules and regulations established by the OpCo Borrower or the New O&M Contractor.

#### *Guaranteed Performance*

##### *Guaranteed Performance Ratio*

The New O&M Contractor will warrant that, in respect of each year, the plant will achieve the guaranteed performance ratio.

Where the guaranteed performance ratio is not achieved for any year, the New O&M Contractor shall pay or allow performance liquidated damages to the OpCo Borrower up to a cap to be agreed between the parties (see *Limitation of Liability* below).

The parties intend to reach commercial agreement on a mechanism for sharing any additional revenue generated to the extent that the guaranteed performance ratio is exceeded.

#### *Guaranteed Availability*

The New O&M Contractor will warrant that, in respect of each year, the plant will achieve a guaranteed availability of 99%.

Where the guaranteed availability is not achieved for any year, the New O&M Contractor shall pay or allow performance liquidated damages to the OpCo Borrower up to a cap to be agreed between the parties (see *Limitation of Liability* below).

#### *Service Fee*

The services fee payable by the OpCo Borrower to the New O&M Contractor in consideration of the performance of the services and all other obligations of the New O&M Contractor under the New O&M Contract in each year with effect from the date the services commence will be an annual fee that reflects current market prices, payable quarterly in arrears.

The services fee shall be adjusted on each anniversary of the commencement date of the services to reflect the percentage increase or decrease in the Retail Prices Index (All items).

The following costs shall not be included in the services fee and the New O&M Contractor shall be entitled to claim the following reasonable and properly documented costs quarterly in arrears in addition to the Services Fee after commencement of the Services:

- (a) the cost of modules, inverters and transformers that the OpCo Borrower is obliged to reimburse to the New O&M Contractor; and
- (b) the material and labour cost of performing any Repair necessary to rectify a Failure caused by an insured event.

Any change in (or change in interpretation of) an applicable law:

- (a) in connection with spare parts;
- (b) which requires increased capital expenditure on the plant; or
- (c) which requires increased operational expenditure in excess of an amount to be agreed between the parties,

shall be at the sole risk of the OpCo Borrower and the New O&M Contractor shall be entitled to an increase to the service fee to ensure that the New O&M Contractor is put in the same financial position as it would have been in had the change in applicable law not occurred.

#### *The OpCo Borrower*

The OpCo Borrower will provide the New O&M Contractor, its sub-contractors and employees with access to the site for the purposes of performing the services.

The OpCo Borrower shall ensure that prior to the commencement of the services the Existing O&M Contractor maintains regular communication and co-operation with the New O&M Contractor in connection with the plant, so as to enable the New O&M Contractor to obtain all relevant information and training necessary for the performance of the services.

The OpCo Borrower shall comply with its payment obligations under the New O&M Contract.

The OpCo Borrower shall cooperate with the New O&M Contractor, to the extent necessary, in order to avoid any impact in the performance of the New O&M Contractor's obligations under the New O&M Contract;

The OpCo Borrower shall obtain and maintain in force all consents relating to the plant and provide copies of the same to the New O&M Contractor.

#### *Insurance*

The New O&M Contractor shall take out and maintain the following insurances:

- (a) Public liability insurance
- (b) Employer's liability insurance; and
- (c) Professional indemnity insurance

The parties intend to agree whether it is appropriate for any other insurance policies to be maintained in connection with the performance of the services.

#### *Limitation of Liability*

The liability of the New O&M Contractor to the OpCo Borrower under the New O&M Contract in respect of events arising during any year remains to be agreed between the parties but it shall be no less than 100% and no more than 150% of the total of the services fee for any year, rising to a maximum amount to be agreed of approximately 250% of the total of the services fee in the event of termination of the New O&M Contract.

This annual liability limit shall not apply to or be reduced by (and in calculating the same no account shall be made in respect of):

- (a) liability which the New O&M Contractor has recovered from any insurer (including funds received indirectly through the OpCo Borrower);
- (b) liability arising out of fraud, fraudulent misrepresentation, wilful misconduct or wilful default; or
- (c) liability in respect of the New O&M Contractor's indemnity obligations in relation to death or personal injury or damage to property owned by third parties.

#### *Termination*

The parties intend to agree the circumstances in which they will each be permitted to terminate the New O&M Contract and the consequences associated with termination.

### **8. *Solar Park Leases***

#### ***Kent Solar Park Lease***

The Kent Solar Park Lease was granted on 11 August 2011 for a term from and including 11 August 2011 to and including 10 August 2038 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is not excluded.

The Kent OpCo Borrower is the current tenant under the Kent Solar Park Lease.

The rent is payable quarterly in advance and is currently £50,000 per annum following the 11 August 2012 rent review. The rent is adjusted on an open basis on 11 August of each year by multiplying the rent payable immediately before the review date by an adjustment factor which is the percentage amount (if any) by which the feed-in tariff is adjusted compared to the feed-in tariff

for the prior review period on an annual basis as published by Ofgem in the FIT Payment Rate Table for Existing Solar Installations, calculated according to the following formula:

Adjustment Factor =  $1 - X/Y$

X = the feed-in tariff applicable to the period immediately prior to the review date; and

Y = the feed-in tariff applicable at the last review date.

The Kent OpCo Borrower is, pursuant to the terms of the Kent Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the Kent Solar Park under the FIT Scheme.

Pursuant to the terms of the Kent Solar Park Lease, the permitted use of the Kent Solar Park allows the construction, installation and use of the Kent Solar Park for a solar energy electricity producing facility operated in accordance with the planning permission.

The landlord has the right to forfeit the Kent Solar Park Lease for non-payment of rent or breach of the Kent OpCo Borrower's covenants under the Kent Solar Park Lease, subject to giving notice to the Kent OpCo Borrower and any mortgagees of the Kent Solar Park of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period of at least 6 months from the landlord's notice.

At the end of the term, the Kent OpCo Borrower is required to yield up the Kent Solar Park and remove the solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto the Kent Solar Park by the Kent OpCo Borrower, except for frames and other metallic mounting structures which will on termination become the property of the landlord.

Disposals are prohibited save that the Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, may:

- (a) assign, charge and sublet the Kent Solar Park Lease as a whole without the landlord's consent; and
- (b) sublet part of the Kent Solar Park Lease provided that the sublease is contracted out of the Landlord and Tenant Act 1954 and the contractual term of the sublease comes to an end on the same day as the Kent Solar Park Lease. The landlord and the Kent OpCo Borrower will enter into a deed of variation on closing in respect of the Kent Solar Park Lease so that the contractual term of any sublease is to come to an end before the Kent Solar Park Lease expires.

The Kent OpCo Borrower cannot build anything on the Kent Solar Park save as required by any legal obligations or as required in the Kent OpCo Borrower's reasonable opinion to enable the Kent Solar Park to continue for its permitted use.

The Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, is required to keep the Kent Solar Park (excluding the installation (as defined in the Kent Solar Park Lease)) clean, neat and tidy and is required to maintain the installation in a safe state of repair as required for its permitted use at all times.

The Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, is required to maintain third party insurance with a liability cover of at least £5,000,000 for any one claim such insurance to cover bodily injury, disease and damage to property.

The Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, is responsible for:

- (a) complying with all enactments relating to its use and occupation of the Kent Solar Park; and

- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) any breach of the Kent OpCo Borrower's covenants under the Kent Solar Park Lease; and
- (b) the act, omission or negligence of the Kent OpCo Borrower or any person at the Kent Solar Park expressly or implicitly within the Kent OpCo Borrower's authority.

The landlord is required, under the Kent Solar Park Lease, at the Kent OpCo Borrower's cost to enter into planning agreements which may be requisite or conducive to obtaining planning permission for the permitted use and will procure that any mortgagee or chargee of the landlord's property (as defined in the Kent Solar Park Lease) enters into such agreements subject to the Kent OpCo Borrower indemnifying the landlord and any mortgagee or chargee in respect of any costs or liabilities in relation to the execution, implementation and operation of such planning agreements.

The Kent Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Kent Solar Park. For example, the Kent Solar Park Lease contains restrictions against shading or permitting any shading or partial shading or covering (in any form whatsoever) of the installation.

Under the Kent Solar Park Lease, the Kent OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and egress from the Kent Solar Park at all times and for the permitted use over and along the access ways (as set out in the Kent Solar Park Lease);
- (b) the right to install and keep on the Kent Solar Park the plant, machinery, tools, vehicles and all other equipment to be installed by the tenant which are required to implement the planning permission and to use the Kent Solar Park for the permitted use;
- (c) the right to use the service media existing at the date of the Kent Solar Park Lease running between the parcels comprising the Kent Solar Park which run across or under the landlord's property and the right to enter on to such of the landlord's property as is unbuilt upon to lay new service media and inspect, cleanse, maintain, repair, connect, remove, renew, relay, replace, alter or execute any other works to or in connection with the service media lying within the landlord's property;
- (d) the right to enter onto the landlord's property for the purposes of carrying out repairs, maintenance or other works to the Kent Solar Park or any property boundaries where such works cannot be carried out from within the Kent Solar Park provided that in doing so the Kent OpCo Borrower shall cause as little damage and inconvenience as possible to the landlord's property and the operations carried out on it by the landlord and to make good, to the reasonable satisfaction of the landlord, any such damage caused; and
- (e) rights of support and protection from the landlord's property.

Under the Kent Solar Park Lease, the landlord has various rights, including:

- (a) the right to use any service media in, under or over the Kent Solar Park on the date of the Kent Solar Park Lease and the right to enter onto the Kent Solar Park on prior written notice (save in the case of emergency when no such notice shall be required) for the purposes of cleaning, repairing, maintaining, replacing, renewing or connecting into any such service media;

- (b) the right to enter onto the Kent Solar Park for the purposes of carrying out repairs, maintenance or other works to the landlord's property or any property boundaries where such works cannot be carried out from within the landlord's property;
- (c) rights of support and protection from the Kent Solar Park; and
- (d) the right to build or carry out works on any of the landlord's property.

The Kent OpCo Borrower, as tenant under the Kent Solar Park Lease, may terminate the Kent Solar Park Lease at any time on not less than 6 months' prior written notice in the event that the legislation relating to feed-in tariffs is changed or revoked so as to materially adversely affect (in the Kent OpCo Borrower's reasonable opinion) the FIT Scheme or where an uninsurable force majeure event occurs and subsists for a period of 12 months or more.

***Puriton Solar Park Lease***

The Puriton Solar Park Lease was granted on 16 August 2011 for a term from and including 16 August 2011 to and including 15 August 2046 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is not excluded.

The Puriton OpCo Borrower is the current tenant under the Puriton Solar Park Lease.

The rent is payable quarterly in advance and is currently £78,600 per annum following the 16 August 2012 rent review. The rent is adjusted on an upwards only basis on 16 August of each year and is the greater of:

- (i) the annual rent payable immediately prior to the relevant review date (as defined in the Puriton Solar Park Lease) or if payment of such rent has been suspended the annual rent which would have been payable had there been no such suspension; and
- (ii) (for so long as feed-in tariff is increased annually and without discount in line with the RPI) the FIT Rent at the relevant review date; and
- (iii) (in the event that feed-in tariff is no longer increased annually and without discount in line with the Index) the RPI Rent at the relevant review date.

The FIT Rent (the "**FIT Rent**") at the relevant review date shall be a sum in pounds sterling produced by applying the formula:

$$A \times C/B$$

where:

A = the annual rent payable immediately prior to the relevant review date (or if payment of annual rent has been suspended the annual rent which would have been payable had there been no such suspension)

C = the payment made under the feed-in tariff per kW/hr at the immediately previous review date (or in the case of the first review date on the date hereof)

B = the payment made under the feed-in tariff per kW/hr at the relevant review date

The RPI Rent (the "**RPI Rent**") at the relevant review date shall be a sum in pounds sterling produced by applying the formula

$$A \times C/B$$

where:

A = £75,000;



C = the RPI figure for the month two months before the relevant review date; and

B = 235.2,

provided that the RPI Rent at any review date shall never be greater than 105 per cent of the annual rent payable immediately prior to the relevant review date.

The Puriton OpCo Borrower is, pursuant to the terms of the Puriton Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the Puriton Solar Park under the FIT Scheme.

Pursuant to the terms of the Puriton Solar Park Lease, the permitted use of the Puriton Solar Park allows the generation of electricity from solar panels.

The landlord has the right to forfeit the Puriton Solar Park Lease for non-payment of rent, material breach of the Puriton OpCo Borrower's covenants under the Puriton Solar Park Lease or insolvency of the Puriton OpCo Borrower, subject to giving notice to the Puriton OpCo Borrower and any bank, funder or financial institution providing finance to the Puriton OpCo Borrower (a "Funder") of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period of at least 2 months from the landlord's notice.

At the end of the term, the Puriton OpCo Borrower is required to yield up the Puriton Solar Park in a clean and tidy condition with all buildings, structures, plant and machinery, debris and ground slabs above ground level removed and the Puriton Solar Park levelled so that it is capable of use as high quality agricultural land without the need for further excavation or remediation (which may include a requirement in the landlord's reasonable discretion to remove all hazardous substances (as defined in the Puriton Solar Park Lease) introduced by the Puriton OpCo Borrower during the term or which arise from or relate to acts or omissions of the Puriton OpCo Borrower during the term).

Disposals are prohibited save that the Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, may:

- (a) assign the whole of the Puriton Solar Park Lease with the prior written consent of the landlord (not to be unreasonably withheld) provided that the landlord shall be entitled to withhold consent where the proposed assignee is not in the reasonable opinion of the landlord capable of performing the tenant's covenants in the Puriton Solar Park Lease until the end of the term and the Landlord shall be entitled to impose all or any of the conditions for assignment (as defined in the Puriton Solar Park Lease);
- (b) assign the whole of the Puriton Solar Park Lease to a group company (as defined in the Puriton Solar Park Lease) or an affiliate (as defined in the Puriton Solar Park Lease) which is a limited company having a share capital and incorporated in England and Wales or Scotland with annual profits before tax in the three complete trading years immediately preceding the date of application for licence to assign which in each year and after consolidation (whether real or notional) in each such year with the annual profits before tax of any subsidiary undertaking (within the meaning of section 1162 of the Companies Act 2006) exceeds an amount representing the yearly rent payable under the Puriton Solar Park Lease at the date of that application multiplied by three as evidenced by a set of properly audited accounts the latest set of which was published not earlier than 11 months before the date of the application, provides together with its application full details of the proposed assignee and marks such application for the attention of the director, property and environmental services and heads such application with the words "Application for Consent to Assign – Consent may be deemed if no reply within 20 Working Days" then the landlord's consent to such assignment shall be deemed to have been given if the landlord has not refused consent with reasons or requested further information within 20 working days of the date of such application for consent;

- (c) charge the whole of the Puriton Solar Park Lease to a bank or similar financial institution and with the prior written consent of the landlord (not to be unreasonably withheld or delayed); and
- (d) underlet the whole or such part of the Puriton Solar Park as is capable of independent occupation with the landlord's prior written consent (not to be unreasonably withheld) and provided that the proposed undertenant has first covenanted with the landlord to comply with the terms of the Puriton Solar Park Lease, the underlease is a permitted underlease (as defined in the Puriton Solar Park Lease) or an agreed form underlease (as defined in the Puriton Solar Park Lease) and the underlease is contracted out of the Landlord and Tenant Act 1954. In the case of an agreed form underlease, landlord consent is not required.

The Puriton OpCo Borrower may not erect any buildings or structures on the Puriton Solar Park other than the equipment (as defined in the Puriton Solar Park Lease) and the Puriton OpCo Borrower may repair, replace, renew or upgrade all or any of the equipment without the landlord's consent.

The Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, is required to keep the Puriton Solar Park in a good and safe state of repair and condition and to keep the Puriton Solar Park tidy, mow the grass and as far as practicable keep it free from weeds.

The Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, is required:

- (a) to insure the Puriton Solar Park and the equipment against loss/damage by the insured risks (as defined in the Puriton Solar Park Lease); and
- (b) to reinstate on any such damage or destruction.

The Puriton OpCo Borrower may terminate the Puriton Solar Park Lease on damage or destruction by an insured risk that occurs on or after 16 August 2041 so long as rent is paid up to date, the Puriton Solar Park is yielded up with vacant possession and the Puriton OpCo Borrower pays to the landlord a sum agreed to be a fair estimate of the rents which would have been payable by the Puriton OpCo Borrower after the date of determination for the remainder of the term had the Puriton Solar Park Lease not been so determined.

The Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, is responsible for:

- (a) complying with all enactments relating to the use and occupation of the Puriton Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) any breach of the Puriton OpCo Borrower's covenants under the Puriton Solar Park Lease; and
- (b) the act, omission or negligence of the Puriton OpCo Borrower or any person at the Puriton Solar Park expressly or implicitly within the Puriton OpCo Borrower's authority.

The landlord is required, under the Puriton Solar Park Lease, at the Puriton OpCo Borrower's cost to grant wayleaves for the development over the retained land (as defined in the Puriton Solar Park Lease).

The Puriton OpCo Borrower is required, pursuant to the terms of the Puriton Solar Park Lease, to pay default interest on any arrears at 4% above the base rate of National Westminster Bank plc.

The Puriton Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Puriton Solar Park. For example, the Puriton Solar Park Lease contains restrictions against shading or permitting any shading or partial shading or covering (in any form whatsoever) of the Panels (as defined in the Puriton Solar Park Lease).

Under the Puriton Solar Park Lease, the Puriton OpCo Borrower (as tenant) has various rights, including:

- (a) the right to use such roads, access routes or tracks within the Estate (as defined in the Puriton Solar Park Lease) as the landlord shall from time to time determine (acting reasonably) for the purpose of access to and egress from the Puriton Solar Park and the additional electrical equipment (as defined in the Puriton Solar Park Lease);
- (b) the right to lay and thereafter maintain an access road leading from the Puriton Solar Park to the landlord's estate roads along such route as the landlord may from time to time specify;
- (c) The right to the free passage and running (subject to temporary interruption for repair, alteration or replacement) of all utilities in and through the conduits that now or may at any time serve the Puriton Solar Park and additional electrical equipment laid in or over or under the other parts of the estate;
- (d) The right of support and protection for the benefit of the Puriton Solar Park and the additional electrical equipment as is enjoyed from all other parts of the estate;
- (e) the right to install, maintain, repair, replace and use electricity infrastructure (including overhead or underground cables) over, across, under or on the estate leading between the point marked "Black Ditch Substation" on plan attached to the Puriton Solar Park Lease and the equipment and the additional electrical equipment in a position to be approved by the landlord (such approval not to be unreasonable withheld or delayed) (the Puriton OpCo Borrower using all reasonable endeavours to minimise the extent of such cables within the Estate);
- (f) at all reasonable times after giving to the landlord reasonable prior notice in writing to enter upon those parts of the estate as are then unbuilt upon with or without workmen and any necessary materials, plant, machinery, equipment and apparatus for the purpose of inspecting, cleaning, repair, maintaining and renewing such cables the persons exercising such rights causing as little damage and inconvenience as possible and making good all damage caused;
- (g) the right to place the additional electrical equipment on the additional equipment area (as defined in the Puriton Solar Park Lease);
- (h) the right at all reasonable times after giving to the landlord reasonable prior notice in writing to enter upon the estate with or without workmen and any necessary materials, plant, machinery, equipment and apparatus for the purpose of inspecting, cleaning, repair, maintaining and renewing the additional electrical equipment the persons exercising such rights causing as little damage and inconvenience as possible and making good all damage caused; and
- (i) the right at all reasonable times on reasonable prior notice to the landlord to enter such parts of the retained land as are from time to time unbuilt upon to carry out tree/hedge trimming and/or to repair any access ways and conduits serving the Puriton Solar Park and the additional electrical equipment in default of the landlord carrying out such works within a reasonable time after notice from the Puriton OpCo Borrower requiring the landlord to do so causing as little damage and inconvenience as possible promptly make good all damage caused.

Under the Puriton Solar Park Lease, the landlord has various rights, including:

- (a) the right to free and uninterrupted passage and running of the services through the conduits which are now or may at any time be in, under or passing through or over the Puriton Solar Park other than those which exclusively serve the Puriton Solar Park; and
- (b) the right at all reasonable times upon reasonable prior notice except in cases of emergency to enter (or in cases of emergency or after the giving of reasonable notice during the tenant's absence to break and enter) the Puriton Solar Park in order to carry out an inspection of and execute repairs decorations alterations works of refurbishment and any other works to the Puriton Solar Park that the landlord reasonably thinks fit, replace, maintain, repair, renew and/or remove conduits under the Puriton Solar Park, take soil and water samples in connection with any intrusive investigation or risk assessment or do anything which the landlord may be obliged or permitted to do under the Puriton Solar Park Lease.

The Puriton OpCo Borrower, as tenant under the Puriton Solar Park Lease, may terminate the Puriton Solar Park Lease on the date of expiry of the 26th year of the term provided that not less than 12 months' notice in writing is given to the landlord and the Puriton OpCo Borrower yields up the Puriton Solar Park with vacant possession in accordance with the terms of the Puriton Solar Park Lease.

The landlord currently holds a £75,000 rent deposit from the Puriton OpCo Borrower which is to be topped up to the required credit level being an amount equal to 12 months' rent plus VAT.

***Bridgewater Solar Park (Lease A)***

The first of the Bridgewater Solar Park Leases ("**Bridgewater Solar Park (Lease A)**") was granted on 24 February 2012 for a term from and including 19 August 2011 to and including 18 August 2037 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Bridgewater OpCo Borrower is the current tenant under the Bridgewater Solar Park (Lease A).

The rent is payable quarterly in advance and is currently £20,969 per annum following the 19 August 2012 rent review. The rent is adjusted on an upwards only basis on 19 August of each year by reference to the change in the RPI from the previous review date (as defined in the Bridgewater Solar Park (Lease A)). In addition, if the Bridgewater OpCo Borrower installs new solar panels and related equipment within the Bridgewater Solar Park and the new peak capacity power exceeds the maximum amount of electricity which the solar panels and related equipment originally installed by the Bridgewater OpCo Borrower generated at the Bridgewater Solar Park, then rent will be increased by the proportion that the increased capacity power bears to the original capacity power.

The Bridgewater OpCo Borrower is, pursuant to the terms of the Bridgewater Solar Park (Lease A), entitled as against the landlord to receive all amounts payable in respect of the Bridgewater Solar Park under the FIT Scheme.

Pursuant to the terms of the Bridgewater Solar Park (Lease A), the permitted use of the Bridgewater Solar Park allows the construction, installation and operation of a solar energy park for the generation of electricity.

The landlord has the right to forfeit the Bridgewater Solar Park (Lease A) for non-payment of rent, breach of the Bridgewater OpCo Borrower's covenants under the Bridgewater Solar Park (Lease A) or insolvency of the Bridgewater OpCo Borrower, subject to giving notice to the Bridgewater OpCo Borrower and any bank, funder or financial institution providing finance to the Bridgewater OpCo Borrower (a "**Funder**") of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period of at least 6 months from the landlord's notice.

At the end of the term, the Bridgewater OpCo Borrower is required to yield up the Bridgewater Solar Park in a condition suitable for agricultural use including removing any equipment (as defined in the Bridgewater Solar Park (Lease A)) which is either up above ground or to a depth of 1.5m below ground level on the Bridgewater Solar Park and to leave the Bridgewater Solar Park in a safe condition including electrically safe and in compliance with all relevant statutory obligations and if the landlord requests in writing more than 6 months prior to the end of the term, any roads or tracks constructed on the Bridgewater Solar Park provided that if no request is made but the planning permission for the development (as defined in the Bridgewater Solar Park (Lease A)) requires the removal then the Bridgewater OpCo Borrower will be obliged to remove such roads or tracks.

Disposals are prohibited save that the Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), may:

- (a) assign the whole of the Bridgewater Solar Park (Lease A) with the prior written consent of the landlord (not to be unreasonably withheld or delayed);
- (b) underlet the site of a substation, switchgear house, transformer or inverter building on the Bridgewater Solar Park to an electricity distribution network operator to which the development connects and no consent of the landlord shall be required provided that any such underlease is contracted out of the Landlord and Tenant Act 1954;
- (c) underlet the whole of the Bridgewater Solar Park (Lease A) with the landlord's consent (not to be unreasonably withheld or delayed);
- (d) underlet part of the Bridgewater Solar Park (Lease A) without the landlord's consent provided that any such underlease is contracted out of the Landlord and Tenant Act 1954 and the contractual term is limited by reference to the term of the Bridgewater Solar Park (Lease A) such that each and every underlease comes to an end on or before the end of the Bridgewater Solar Park (Lease A);
- (e) share occupation of the Bridgewater Solar Park (Lease A) with a group company (as defined in the Bridgewater Solar Park (Lease A)) provided the landlord is notified and no relationship of landlord and tenant is created; or
- (f) charge its interest in the Bridgewater Solar Park (Lease A) or any underletting or assignment of the Bridgewater Solar Park (Lease A) without landlord consent to any Funder.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), is required to maintain the equipment in a safe state of repair as required for the permitted use at all times throughout the term and to keep the Bridgewater Solar Park (excluding the equipment) clean, neat and tidy.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), is required to maintain third party liability insurance cover to the sum of £3,000,000.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), is responsible for:

- (a) complying with all enactments relating to its use and occupation of the Bridgewater Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), has covenanted to indemnify the landlord against:

- (a) any breach of the Bridgewater OpCo Borrower's covenants under the Bridgewater Solar Park (Lease A); and
- (b) the act, omission or negligence of the Bridgewater OpCo Borrower or any person at the Bridgewater Solar Park expressly or implicitly within the Bridgewater OpCo Borrower's authority.

The landlord is required, under the Bridgewater Solar Park (Lease A), at the Bridgewater OpCo Borrower's cost to grant wayleaves for the development.

The Bridgewater OpCo Borrower is required, pursuant to the terms of the Bridgewater Solar Park (Lease A), to pay default interest on any arrears at 2% above the base rate of National Westminster Bank plc.

The Bridgewater Solar Park (Lease A) contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Bridgewater Solar Park. For example, the Bridgewater Solar Park (Lease A) contains restrictions against shading or permitting any shading or partial shading or covering (in any form whatsoever) of the Panels (as defined in the Bridgewater Solar Park (Lease A)).

Under the Bridgewater Solar Park (Lease A), the Bridgewater OpCo Borrower (as tenant) has various rights, including:

- (a) the right to construct, install, lay, use, maintain, repair, renew, connect to, inspect conducting media and the free passage of services through such media;
- (b) the right to grant to the National Grid Company or any regional electricity company responsible for the distribution of network to enter the Bridgewater Solar Park to break open the surface and install, remove, replace, maintain, repair any conducting media and carry out their statutory rights/obligations, and the Bridgewater OpCo Borrower may grant underleases, wayleaves and easements in this regard, although the landlord is entitled to any income;
- (c) the right to deposit soil on the Bridgewater Solar Park as a result of the works to construct the Bridgewater Solar Park;
- (d) the right to undertake ground works to level the land within the Bridgewater Solar Park;
- (e) the right to remove anything on or under the Bridgewater Solar Park which may interfere with the Bridgewater OpCo Borrower's right to use the Bridgewater Solar Park or any other rights granted;
- (f) the right to carry out tests and surveys on the Bridgewater Solar Park in respect of constructing the Bridgewater Solar Park including drilling and excavation;
- (g) the right to carry out the works to build the Bridgewater Solar Park;
- (h) the right to carry out any works required under a planning permission to build the Bridgewater Solar Park;
- (i) the right of support;
- (j) the right to cut, fell or lop any trees on the Bridgewater Solar Park where they would have a detrimental impact on the access of light to the Bridgewater Solar Park;
- (k) the right to install security systems, including fences, to protect the equipment;
- (l) the right to vary the final layout of the Bridgewater Solar Park and add further land to the demise if necessary; and

- (m) the right of way over the landowner's retained property (as defined in the Bridgewater Solar Park (Lease A)) which is shown coloured green on the plan attached to the Bridgewater Solar Park (Lease A).

Under the Bridgewater Solar Park (Lease A), the landlord has various rights, including:

- (a) the right to the free passage of water and soil through pipes and drains in the Bridgewater Solar Park;
- (b) the right to construct, install and lay, maintain, repair, renew, replace, connect and, inspect, remove electricity cables in positions approved by the Bridgewater OpCo Borrower (acting reasonably) and thereafter use such cables for the passage of electricity; and
- (c) the right to receive all wayleave payments owing in respect of the Bridgewater Solar Park.

The Bridgewater OpCo Borrower may terminate the Bridgewater Solar Park (Lease A) on 12 months' prior notice in writing in the event that the legislation relating to the feed-in tariff is changed or revoked so as to materially affect (in the Bridgewater OpCo Borrower's reasonable opinion) the FIT Scheme.

The Bridgewater OpCo Borrower has the option to call for a further 5 year lease after the Bridgewater Solar Park (Lease A) expires on the same terms as the Bridgewater Solar Park (Lease A), the initial rent for which being the rent payable immediately before the Bridgewater Solar Park (Lease A) expires. The Bridgewater OpCo Borrower must serve at least 6 months' notice of its intention to exercise this option. Provided the landlord serves a Landlord and Tenant Act 1954 exclusion notice within 14 days of the tenant serving notice of its intention to exercise the option and the tenant swears a Landlord and Tenant Act 1954 declaration, the Bridgewater OpCo Borrower may then exercise the option, provided it serves at least 5 months' notice before expiry of the term of the Bridgewater Solar Park (Lease A). The option lease must then complete within 10 weeks of the landlord receiving the Bridgewater OpCo Borrower's option notice. If the landlord fails to serve a Landlord and Tenant Act 1954 warning notice, then provided the Bridgewater OpCo Borrower serves at least 5 months' notice, the Bridgewater OpCo Borrower may still exercise the option and the further lease will be protected by the Landlord and Tenant Act 1954.

On closing, the landlord will hold a £12,581.40 rent deposit from the Bridgewater OpCo Borrower.

#### ***Bridgewater Solar Park (Lease B)***

The second of the Bridgewater Solar Park Leases (the "**Bridgewater Solar Park (Lease B)**") was granted on 16 February 2012 for a term from and including 19 August 2011 to and including 18 August 2037 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Bridgewater OpCo Borrower is the current tenant under the Bridgewater Solar Park (Lease B).

The rent is payable quarterly in advance and is currently £6,132 per annum following the 19 August 2012 rent review. The rent is adjusted on an upwards only basis on 19 August of each year by reference to the change in the RPI from the previous review date (as defined in the Bridgewater Solar Park (Lease B)). In addition, if the Bridgewater OpCo Borrower installs new solar panels and related equipment within the Bridgewater Solar Park and the new peak capacity power exceeds the maximum amount of electricity which the solar panels and related equipment originally installed by the Bridgewater OpCo Borrower generated at the Bridgewater Solar Park, then rent will be increased by the proportion that the increased capacity power bears to the original capacity power.

The Bridgewater OpCo Borrower is, pursuant to the terms of the Bridgewater Solar Park (Lease B), entitled as against the landlord to receive all amounts payable in respect of the Bridgewater Solar Park under the FIT Scheme.

Pursuant to the terms of the Bridgewater Solar Park (Lease B), the permitted use of the Bridgewater Solar Park allows the construction, installation and operation of a solar energy park for the generation of electricity.

The landlord has the right to forfeit the Bridgewater Solar Park (Lease B) for non-payment of rent, breach of the Bridgewater OpCo Borrower's covenants under the Bridgewater Solar Park (Lease B) or insolvency of the Bridgewater OpCo Borrower, subject to giving notice to the Bridgewater OpCo Borrower and any Funder of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period of at least 6 months from the landlord's notice.

At the end of the term, the Bridgewater OpCo Borrower is required to yield up the Bridgewater Solar Park in a condition suitable for arable cropping or the grazing of livestock or such other agricultural use as the landlord may reasonably require including removing any equipment (as defined in the Bridgewater Solar Park (Lease B)) which is either up above ground or to a depth of 1.5m below ground level on the Bridgewater Solar Park and to leave the Bridgewater Solar Park in a safe condition including electrically safe and in compliance with all relevant statutory obligations and if the landlord requests in writing more than 6 months prior to the end of the term, any roads or tracks constructed on the Bridgewater Solar Park provided that if no request is made but the planning permission for the development (as defined in the Bridgewater Solar Park (Lease B)) requires the removal then the Bridgewater OpCo Borrower will be obliged to remove such roads or tracks.

Disposals are prohibited save that the Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease A), may:

- (a) assign the whole of the Bridgewater Solar Park (Lease B) with the prior written consent of the landlord (not to be unreasonably withheld or delayed);
- (b) underlet the site of a substation, switchgear house, transformer or inverter building on the Bridgewater Solar Park to an electricity distribution network operator to which the Development connects and no consent of the landlord shall be required provided that any such underlease is contracted out of the Landlord and Tenant Act 1954;
- (c) underlet the whole of the Bridgewater Solar Park (Lease B) with the landlord's consent (not to be unreasonably withheld or delayed);
- (d) share occupation of the Bridgewater Solar Park (Lease B) with a group company (as defined in the Bridgewater Solar Park (Lease B)) provided the landlord is notified and no relationship of landlord and tenant is created
- (e) charge its interest in the Bridgewater Solar Park (Lease B) or any underletting or assignment of the Bridgewater Solar Park (Lease B) without landlord consent to any Funder.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease B), is required to maintain the equipment in a safe state of repair as required for the permitted use at all times throughout the term and to keep the Bridgewater Solar Park (excluding the equipment) clean, neat and tidy.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease B), is required to maintain third party liability insurance cover to the sum of £3,000,000.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease B), is responsible for:



- (a) complying with all enactments relating to its use and occupation of the Bridgewater Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Bridgewater OpCo Borrower, as tenant under the Bridgewater Solar Park (Lease B), has covenanted to indemnify the landlord against:

- (c) any breach of the Bridgewater OpCo Borrower's covenants under the Bridgewater Solar Park (Lease B); and
- (d) the act, omission or negligence of the Bridgewater OpCo Borrower or any person at the Bridgewater Solar Park expressly or implicitly within the Bridgewater OpCo Borrower's authority.

The landlord is required, under the Bridgewater Solar Park (Lease B), at the Bridgewater OpCo Borrower's cost to grant wayleaves for the development.

The Bridgewater OpCo Borrower is required, pursuant to the terms of the Bridgewater Solar Park (Lease B), to pay default interest on any arrears at 2% above the base rate of National Westminster Bank plc.

The Bridgewater Solar Park (Lease B) contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Bridgewater Solar Park. For example, the Bridgewater Solar Park (Lease B) contains restrictions against shading or permitting any shading or partial shading or covering (in any form whatsoever) of the Panels (as defined in the Bridgewater Solar Park (Lease B)).

Under the Bridgewater Solar Park (Lease B), the Bridgewater OpCo Borrower (as tenant) has various rights, including:

- (a) the right to construct, install, lay, use, maintain, repair, renew, connect to, inspect conducting media and the free passage of services through such media;
- (b) the right to grant to the National Grid Company or any regional electricity company responsible for the distribution of network to enter the Bridgewater Solar Park to break open the surface and install, remove, replace, maintain, repair any conducting media and carry out their statutory rights/obligations, and the Bridgewater OpCo Borrower may grant underleases, wayleaves and easements in this regard, although the landlord is entitled to any income;
- (c) the right to deposit soil on the Bridgewater Solar Park as a result of the works to construct the Bridgewater Solar Park;
- (d) the right to undertake ground works to level the land within the Bridgewater Solar Park;
- (e) the right to remove anything on or under the Bridgewater Solar Park which may interfere with the Bridgewater OpCo Borrower's right to use the Bridgewater Solar Park or any other rights granted;
- (f) the right to carry out tests and surveys on the Bridgewater Solar Park in respect of constructing the Bridgewater Solar Park including drilling and excavation;
- (g) the right to carry out the works to build the Bridgewater Solar Park;
- (h) the right to carry out any works required under a planning permission to build the Bridgewater Solar Park;

- (i) the right to build a bridge of roughly 4 metres by 4 metres along the boundary marked A-B on the plan attached to the Bridgewater Solar Park (Lease B) to bridge the ditch between the two parts of the Bridgewater Solar Park demised in separate leases. The bridge must be made out of concrete and will be removed by the Bridgewater OpCo Borrower at the end of the term to the reasonable satisfaction of the landlord;
- (j) the right of support;
- (k) the right to cut, fell or lop any trees on the Bridgewater Solar Park where they would have a detrimental impact on the access of light to the Bridgewater Solar Park;
- (l) the right to install security systems, including fences, to protect the equipment; and
- (m) the right to vary the final layout of the Bridgewater Solar Park and add further land to the demise if necessary.

Under the Bridgewater Solar Park (Lease B), the landlord has various rights, including:

- (a) the right to graze sheep on the part of the Bridgewater Solar Park demised in the Bridgewater Solar Park (Lease B);
- (b) the right to enter the part of the Bridgewater Solar Park demised in the Bridgewater Solar Park (Lease B) to inspect, repair, maintain, alter and renew the conduits;
- (c) the right to the free passage of water and soil through pipes and drains in the Bridgewater Solar Park;
- (d) the right at any time during the term to develop any neighbouring or adjoining property in which the landlord owns or acquires an interest during the term;
- (e) the right of light, air, support and protection; and
- (f) the right to receive all wayleave payments owing in respect of the Bridgewater Solar Park.

The Bridgewater OpCo Borrower may terminate the Bridgewater Solar Park (Lease B) on 12 months' prior notice in writing in the event that the legislation relating to feed-in tariff is changed or revoked so as to materially affect (in the Bridgewater OpCo Borrower's reasonable opinion) the FIT Scheme.

The Bridgewater OpCo Borrower must pay the landlord CAVV compensation costings for an ingoing valuation for any damage to crops on the landowner's property and the landowner's adjoining property (as defined in the Bridgewater Solar Park (Lease B)) arising from the execution of the works to build the Bridgewater Solar Park or the use of the premises for the permitted use.

#### ***Malmesbury Solar Park Lease***

The Malmesbury Solar Park Lease was granted on 17 June 2011 for a term from and including 17 June 2011 to and including 16 June 2037 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is not excluded.

The Malmesbury OpCo Borrower is the current tenant under the Malmesbury Solar Park Lease.

The rent is payable quarterly in advance and is currently £67,719.44 per annum following the 17 June 2012 rent review. The rent is adjusted on an upwards only basis on 17 June of each year by reference to the change in the RPI since March 2011 (being the base RPI month).

Pursuant to the terms of the Malmesbury Solar Park Lease, the permitted use of the Malmesbury Solar Park allow the construction, installation, commission, repair, replacement, renewal and operation on the Malmesbury Solar Park of frames supporting photovoltaic cells and of such

ancillary equipment as is reasonably necessary for the purpose of the generation, distribution, supply and sale of electricity to the National Grid, the landlord or other electricity users and access uses ancillary or preparatory thereto including (without limitation) use of the switchgear house (as defined in the Malmesbury Solar Park Lease) and/or for any other activities reasonably related or incidental to operation of a solar park.

The landlord has the right to forfeit the Malmesbury Solar Park Lease for non-payment of rent, material breach of the Malmesbury OpCo Borrower's covenants under the Malmesbury Solar Park Lease or the insolvency of the Malmesbury OpCo Borrower, subject to giving notice to the Malmesbury OpCo Borrower and any bona fide bank, funder or financial institution providing funding to the development (as defined in the Malmesbury Solar Park Lease) (a "**Malmesbury Funder**") of which the landlord has given written notice and giving a reasonable opportunity to remedy the breach within a reasonable period of at least 6 months from the landlord's notice.

At the end of the term, the Malmesbury OpCo Borrower is required to yield up the Malmesbury Solar Park and remove from the development such equipment (as defined in the Malmesbury Solar Park Lease) as is above ground level (including the removal of hardstandings, roadways or tracks if such removal is both requested by the landlord and not in breach of any planning permission or planning agreement relating to the development) but excluding any equipment insofar as situated 1200mm or more below ground level and to leave any equipment which is not removed in a safe condition free from hazardous substances and materials (if any) introduced by the Malmesbury OpCo Borrower during the term and electrically safe and in respect of such hazardous structures and materials (if any) in compliance with all relevant statutory obligations relating thereto and make good for normal agricultural use insofar as used for agricultural purposes immediately prior to the first day of the term.

Disposals are prohibited save that the Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, may:

- (a) assign its interest in the whole or any part of the Malmesbury Solar Park Lease with the prior written consent of the landlord (not to be unreasonably withheld or delayed) provided that the landlord shall be entitled to withhold consent if any sum properly due from the Malmesbury OpCo Borrower under the Malmesbury Solar Park Lease remains unpaid;
- (b) assign or charge the whole (or in the case of assignment only) any part of its interest in the Malmesbury Solar Park Lease without the landlord's consent to a group company or a Malmesbury Funder;
- (c) underlet its interest in or share possession or occupation of the switchgear house with a third party in connection with the exportation of electricity from the development without the landlord's consent provided that any underletting should be excluded from the Landlord and Tenant Act 1954 and any sharing of possession or occupation shall not give rise to a relationship of landlord and tenant;
- (d) underlet the whole or a part of the Malmesbury Solar Park which is capable of independent occupation and use with the prior written consent of the landlord (not to be unreasonably withheld) provided that: it is granted without any fine or premium being paid either to the landlord or to the tenant, it reserves a rent not less than the greater of the then open market rent of the Malmesbury Solar Park or of the part of the Malmesbury Solar Park, incorporates provisions for the review of rent at the same times and on the same basis as in the Malmesbury Solar Park Lease, is in a form substantially the same as the Malmesbury Solar Park Lease except that further subletting is prohibited, is in a form approved by the landlord (such approval not to be unreasonably withheld or delayed) and is excluded from the Landlord and Tenant Act 1954; and
- (e) underlet the whole or a part of the Malmesbury Solar Park which is capable of independent occupation and use without the prior consent of the landlord where it is in substantially the same form as set out in the deed of variation dated 19 December 2011

entered into between the landlord and the Malmesbury OpCo Borrower and is excluded from the Landlord and Tenant Act 1954.

The Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, is required to keep the equipment in a safe condition to the standards required by legislation, regulations and relevant regulatory authorities and keep the Malmesbury Solar Park tidy and free from any rubbish deposited by the Malmesbury OpCo Borrower, its servants, agents, contractors and invitees. The Malmesbury OpCo Borrower must also keep the access (as defined in the Malmesbury Solar Park Lease) in a good state of repair and condition but with no obligation to put any of them which existed before the date of the Malmesbury Solar Park Lease in any better condition than exists at the date of the Malmesbury Solar Park Lease but for the avoidance of doubt the Malmesbury OpCo Borrower shall make good any damage caused to the access by the Malmesbury OpCo Borrower or any third party it permits or authorises to use the access.

The Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, is required to maintain insurance against occupiers third party liability in respect of the permitted use in the minimum sum of £10,000,000 and maintain public liability insurance in the minimum sum of £10,000,000.

The Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, is responsible for complying with all enactments relating to its use and occupation of the Malmesbury Solar Park.

The Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) the act, omission or negligence of the Malmesbury OpCo Borrower or their agents, servants, employees, licensees or contractors; and
- (b) any loss of crops on the landlord's property (as defined in the Malmesbury Solar Park Lease).

The Malmesbury OpCo Borrower's maximum liability for any claims under the indemnity is £10 million (save in respect of personal injury and/or death resulting from the negligence of the Malmesbury OpCo Borrower or those authorised by it). Liability for crop loss shall not exceed the open market price of that part of the crop which is damaged or destroyed.

The landlord is required, under the Malmesbury Solar Park Lease, at the Malmesbury OpCo Borrower's cost to enter into planning agreements and/or grant wayleaves for the Malmesbury Solar Park over the landlord's property.

The Malmesbury OpCo Borrower is required, pursuant to the terms of the Malmesbury Solar Park Lease, to pay default interest on any arrears at 4% above the base rate of Barclays Bank plc.

The Malmesbury Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Malmesbury Solar Park. For example, the Malmesbury Solar Park Lease contains restrictions against planting new trees or erecting any buildings or structures on the landlord's property which could in the Malmesbury OpCo Borrower's reasonable opinion affect the amount of solar irradiation reaching any part of the Malmesbury Solar Park.

Under the Malmesbury Solar Park Lease, the Malmesbury OpCo Borrower (as tenant) has various rights, including:

- (a) the right to all light and solar irradiation which would naturally reach the Malmesbury Solar Park;
- (b) to use the compound (as defined in the Malmesbury Solar Park Lease) for the storage of plant, equipment and materials in respect of the works (as defined in the Solar Park Lease);

- (c) all existing rights of support, free and unobstructed passage of light, solar irradiation and all other easements and quasi easements, rights and privileges now or at any time during the term belonging to or enjoyed by the Malmesbury Solar Park;
- (d) the right to enter the landlord's property to take such action as is necessary to remedy a breach of any of the landlord's covenants in the Malmesbury Solar Park Lease where the landlord has failed to take appropriate action to remedy the position within a reasonable period of being notified in writing by the Malmesbury OpCo Borrower of such breach (or immediately in case of an emergency);
- (e) the right to increase the size of existing entrances and gateways giving access to the development and the landlord's property and to make alternative accesses and entrances;
- (f) the right to lay, use, maintain, repair, renew, replace, connect to, inspect and remove conducting media (in the position shown on the plan attached to the Malmesbury Solar Park Lease) now or at any time during the term on, over and under the development and the landlord's property and the access and to use the conducting media for the free passage and running of water, gas, oil, electricity, telecommunications and other services and supplies;
- (g) the right to erect and maintain fences along the boundaries of the property, the switchgear house and the compound;
- (h) the right to install ground reinforcement and roads on the access;
- (i) the right of way over and along the access with or without vehicles, workmen, plant and equipment at all times to gain access to and egress from the development to and from a public highway and from one part of the development to another;
- (j) the right to enter the landlord's property to enable the Malmesbury OpCo Borrower to exercise its rights and observe and perform its obligations under the Malmesbury Solar Park Lease and/or where such right is desirable in connection with the development;
- (k) the right at any time during the term to carry out the works;
- (l) the right to execute on the Malmesbury Solar Park and/or the landlord's property all works necessary to implement the planning consents required to operate the development including (but not limited to): works of nature, conservation or enhancement, works necessary to implement any planning permissions for the development and landscaping works;
- (m) the right to grant the National Grid Company plc and/or any regional electricity company the right to enter the development and the landlord's property and to break open the surface and to install, remove, replace, maintain, repair and cleanse any conducting media and to exercise their statutory obligations and in relation thereto the Malmesbury OpCo Borrower may grant such underleases, easements, wayleaves, licences or other interests as are required provided that the landlord shall be entitled to any underlease rent, wayleave or easement payments payable by such company in respect thereof;
- (n) the right to install, operate and maintain such security systems on the development and the access as the Malmesbury OpCo Borrower shall reasonably require or its insurers shall require for the protection of the plant and equipment or for the safety of the public;
- (o) the right at any time during and at the end of the term (howsoever determined) to remove the whole or any parts of the plant and equipment;
- (p) the right to construct and use the compound; and
- (q) the right to dig such borrow pits as are reasonably required for the construction of the development.

Under the Malmesbury Solar Park Lease, the landlord has various rights, including:

- (a) the right to have access to the development at any reasonable times on reasonable prior notice and only when accompanied by an authorised representative of the Malmesbury OpCo Borrower in order to inspect, repair or clean the landlord's sewers, drains, pipes, wires and cables;
- (b) the right to the free passage of water and soil through any pipes or drains now in the development insofar as the same serve neighbouring land and the Malmesbury Solar Park; and
- (c) the right to use the surface of the Malmesbury Solar Park in so far as not enclosed or built upon for the grazing of sheep (including allowing sheep to graze below the frames supporting the photovoltaic cells where reasonably possible) subject to such reasonable restrictions as the Malmesbury OpCo Borrower may impose from time to time and at the full cost of the landlord.

The Malmesbury OpCo Borrower, as tenant under the Malmesbury Solar Park Lease, may terminate the Malmesbury Solar Park Lease at any time by giving the landlord not less than six months' prior written notice.

From 17 June 2031, the Malmesbury OpCo Borrower must maintain an escrow account in the joint names of the landlord and the Malmesbury OpCo Borrower for the initial sum of £50,000 (reviewed every 5 years of the term) to provide security for the performance of the Malmesbury OpCo Borrower's obligations.

## **9. *Equipment Lease Agreements***

The OpCo Borrower in respect of a Solar Park (the "**Equipment Lessor**") has entered into the Equipment Lease Agreements with the Solar Generation Companies in respect of that Solar Park (the "**Equipment Lessee**") pursuant to which the Equipment Lessor leases to the Equipment Lessee photovoltaic solar panels and other the equipment necessary for the generation of solar power (the "**Equipment**"). All of the Equipment Lease Agreements are in substantially the same form, save for specific details such as the Equipment and the price paid by the Equipment Lessor. The duration of each Equipment Lease Agreement (unless extended in accordance with its terms) is currently identical to that of the corresponding Sub-Lease entered into by the Equipment Lessor and the Equipment Lessee. Title to the Equipment at all times remains vested in the Equipment Lessor. However, the risk of loss or damage to such Equipment is, in accordance with the terms of the Equipment Lease Agreements, to be borne by the Equipment Lessee, which is also under an obligation to insure the Equipment against all loss or damage that it would be normal for a prudent operator of PV solar generation assets to insure against and any third party and public liability of the Equipment Lessee and Equipment Lessor in respect of the Equipment and its use, for such amount as the Equipment Lessor may stipulate.

### ***Contract price***

The prices paid by the Solar Generation Companies under the Equipment Lease Agreements are such that each Solar Generation Company pays a proportionate amount of the costs incurred in constructing and/or acquiring the Solar Parks (including but not limited to costs incurred in acquiring the OpCo Borrowers (including associated professional fees and costs) and amounts owed under the EPC Contracts). For example, the aggregate amounts due from the Kent Solar Generation Companies under the Equipment Lease Agreements relating to the Kent Solar Park are equal to the sum of the amounts owed by the Kent OpCo Borrower in respect of such Equipment under the Kent EPC Contract and the professional fees and costs incurred in acquiring the Kent Solar Park.

The obligation on the Equipment Lessee to pay the amounts due under the Equipment Lease Agreement is absolute and unconditional and is not limited or affected by, among other things,

any delay or failure by either party to perform its obligations under the Equipment Lease Agreement or any of the Equipment being or becoming unavailable or unserviceable.

***Representations, warranties, undertakings and indemnity***

The Equipment Lease Agreement contains certain representations and warranties given by the Equipment Lessee to the Equipment Lessor regarding, among other things, its corporate existence, authority and ability to enter into the Equipment Lease Agreement, financial condition and compliance with the insuring obligations described above.

The Equipment Lessee agrees that no representation or warranty is given by the Equipment Lessor in respect of the Equipment and all conditions or warranties implied by law relating to the description, merchantability, quality or otherwise of the Equipment or as to its fitness for purpose are expressly excluded under the Equipment Lease Agreement.

The Equipment Lessee undertakes, among other things, to maintain a TES Agreement with the Equipment Lessor, use the Equipment in a careful and proper manner whilst keeping it in good repair and condition and allow the Equipment Lessor access for the purposes of inspecting the Equipment. In addition, the Equipment Lessor undertakes to comply with all statutory and other obligations relating to the possession or use of the equipment and not do anything which might affect the ability of the Equipment Lessor to claim payments under the FiT Scheme. The Equipment Lessee undertakes not to dispose of or encumber the Equipment or any interest in it.

The Equipment Lessee is required to indemnify the Equipment Lessor in respect of all actions, liabilities, claims, demands, proceedings, costs and expenses arising by reason of or in connection with the Equipment by reason of (but not limited to) the acquisition, ownership use and operation of the Equipment, any defect in or faulty design of the Equipment, any product liability relating to the Equipment or any infringement of intellectual property rights. In addition, the Equipment Lessee is required to indemnify the Equipment Lessor against losses or damages sustained as a consequence of default in payment of any sum payable by the Equipment Lessor under the Equipment Lease Agreement.

***Term and termination***

The term for which each Equipment Lease Agreement remains in force is currently identical to the term of the corresponding Sub-Lease between each respective Equipment Lessee and Equipment Lessor. For example, the duration of the Equipment Lease Agreements between each of the Kent Solar Generation Companies and the Kent OpCo Borrower are currently identical to the duration of the Kent Solar Park Subleases. This is the case for each Solar Park.

In the event that a Solar Park Lease or Sub-Lease is terminated, the corresponding Equipment Lease Agreement is terminable immediately on notice by the Equipment Lessor.

An Equipment Lessor may terminate the Equipment Lease Agreement immediately upon certain specified events occurring including, but not limited to, an event of insolvency affecting the Equipment Lessee, the inability of the Equipment Lessee to pay its debts as they fall due, the discovery that any representation or warranty made by the Equipment Lessee is incorrect in a material respect, the Leases, the Sub-Leases or the Renewable Power Agreements (together the "**Relevant Documents**") becoming invalid ineffective or unenforceable, or a change of control of the Equipment Lessee.

The Equipment Lessor may terminate the Equipment Lease Agreement upon five business days' notice in the event that the Equipment Lessee fails to pay a sum payable under the Equipment Lease Agreement within five business days.

The Equipment Lessor may terminate the Equipment Lease Agreement upon a breach of the Equipment Lease Agreement or the Relevant Documents by the Equipment Lessee where, having given written notice specifying the breach complained of, such breach has not been remedied by the Equipment Lessor within 10 business days of such notice.

Upon termination for any reason, the Equipment Lessee shall cease to use the equipment for any purpose and shall return the Equipment in good working order and condition and at its own expense in accordance with the terms of the Equipment Lease Agreement. Following termination, the Equipment Lessee is not entitled to a refund of any rent paid pursuant to the terms of the Equipment Lease Agreement in respect of the Equipment.

***Governing law***

The Equipment Lease Agreements are governed by and are to be interpreted in accordance with the laws of England.

**10. *Renewable Power Agreements***

***Background***

The OpCo Borrower in respect of a Solar Park has entered into the Renewable Power Agreements with the Solar Generation Companies in respect of that Solar Park pursuant to which the Solar Generation Companies will sell the electricity generated by that Solar Park to the OpCo Borrower. The OpCo Borrower purchases electricity as principal and not as agent of the Solar Generation Companies.

***Contract Price***

Electricity is sold under the Renewable Power Agreements on the same terms and conditions as the corresponding FiT Agreement and Power Purchase Agreement for the relevant Solar Park. As such, the OpCo Borrowers do not make a profit or loss in relation to the sale and purchase of electricity. The OpCo Borrowers are in no circumstances obliged to pay to the Solar Generation Companies for electricity more than they receive under their respective FiT Agreements and Power Purchase Agreements.

Under the Renewable Power Agreements, the OpCo Borrowers are free to vary, amend and/or replace their respective FiT Agreements and Power Purchase Agreements, save that consent is required to enter into agreements which may materially affect their ability to pay the Solar Generation Companies the price for electricity previously agreed (except where the agreements underpinning such price have come to an end).

***Right to accreditation under the FiT Scheme***

Both parties to the Renewable Power Agreements acknowledge that the right to be accredited under the FiT Scheme belongs exclusively to the OpCo Borrower.

***Governing law***

The Renewable Power Agreements are governed by and are to be interpreted in accordance with the laws of England.

**11. *TES Agreements***

***Bridgewater TES Agreements***

***Background***

Each of the 5 Bridgewater Solar Generation Companies has entered into a TES Agreement with the Bridgewater OpCo Borrower relating to the Bridgewater Solar Park (each a "**Bridgewater TES Agreement**").

Each Bridgewater TES Agreement sets out the terms pursuant to which the Bridgewater OpCo Borrower agrees to provide a Bridgewater Solar Generation Company with certain technical expert services including, but not limited to, maintenance, security and surveillance. In return for



the provision of technical expert services, each Bridgewater Solar Generation Company agrees to pay the Bridgewater OpCo Borrower a fee.

The Bridgewater TES Agreements are on substantially the same terms as one another except that the fee payable by each Bridgewater Solar Generation Company to the Bridgewater OpCo Borrower varies proportionately to reflect the installed capacity of the equipment that each Bridgewater Solar Generation Company has leased and that the Bridgewater OpCo Borrower must provide technical expert services in relation to. Similarly, the liability of the Bridgewater OpCo Borrower under each Bridgewater TES Agreement to each Bridgewater Solar Generation Company varies depending on the installed capacity of the equipment that each Bridgewater Solar Generation Company has leased.

The terms of each Bridgewater TES Agreement are substantially the same as those contained in the Bridgewater O&M Contract except that:

- (a) Under each Bridgewater TES Agreement each Bridgewater Solar Generation Company is the employer under the contract, as lessee, and the Bridgewater OpCo Borrower is the provider of technical expert services under the contract, as contractor.
- (b) The liability of each Bridgewater Solar Generation Company to pay the Bridgewater OpCo Borrower under each individual Bridgewater TES Agreement is proportionately lower than the Bridgewater OpCo Borrower's liability to pay the Bridgewater O&M Contractor under the Bridgewater O&M Contract.
- (c) The liability of the Bridgewater OpCo Borrower to each Bridgewater Solar Generation Company in respect of liquidated damages and otherwise under each individual Bridgewater TES Agreement is proportionately lower than the liability of the Bridgewater O&M Contractor to the Bridgewater OpCo Borrower in respect of liquidated damages and otherwise under the Bridgewater O&M Contract.

### ***Puriton TES Agreements***

#### ***Background***

Each of the 11 Puriton Solar Generation Companies has entered into a TES Agreement with the Puriton OpCo Borrower relating to the Puriton Solar Park (each a "**Puriton TES Agreement**").

Each Puriton TES Agreement sets out the terms pursuant to which the Puriton OpCo Borrower agrees to provide a Puriton Solar Generation Company with certain technical expert services including, but not limited to, maintenance, security and surveillance. In return for the provision of technical expert services, each Puriton Solar Generation Company agrees to pay the Puriton OpCo Borrower a fee.

The Puriton TES Agreements are on substantially the same terms as one another except that the fee payable by each Puriton Solar Generation Company to the Puriton OpCo Borrower varies proportionately to reflect the installed capacity of the equipment that each Puriton Solar Generation Company has leased and that the Puriton OpCo Borrower must provide technical expert services in relation to. Similarly, the liability of the Puriton OpCo Borrower under each Puriton TES Agreement to each Puriton Solar Generation Company varies depending on the installed capacity of the equipment that each Puriton Solar Generation Company has leased.

The terms of each Puriton TES Agreement are substantially the same as those contained in the Puriton O&M Contract except that:

- (a) Under each Puriton TES Agreement each Puriton Solar Generation Company is the employer under the contract, as lessee, and the Puriton OpCo Borrower is the provider of technical expert services under the contract, as contractor.
- (b) The liability of each Puriton Solar Generation Company to pay the Puriton OpCo Borrower under each individual Puriton TES Agreement is proportionately lower than the

Puriton OpCo Borrower's liability to pay the Puriton O&M Contractor under the Puriton O&M Contract.

- (c) The liability of the Puriton OpCo Borrower to each Puriton Solar Generation Company in respect of liquidated damages and otherwise under each individual Puriton TES Agreement is proportionately lower than the liability of the Puriton O&M Contractor to the Puriton OpCo Borrower in respect of liquidated damages and otherwise under the Puriton O&M Contract.

### ***Kent TES Agreements***

#### ***Background***

Each of the 14 Kent Solar Generation Companies has entered into a TES Agreement with the Kent OpCo Borrower relating to the Kent Solar Park (each a "**Kent TES Agreement**").

Each Kent TES Agreement sets out the terms pursuant to which the Kent OpCo Borrower agrees to provide a Kent Solar Generation Company with certain technical expert services including, but not limited to, maintenance, security and surveillance. In return for the provision of technical expert services, each Kent Solar Generation Company agrees to pay the Kent OpCo Borrower a fee.

The Kent TES Agreements are on substantially the same terms as one another except that the fee payable by each Kent Solar Generation Company to the Kent OpCo Borrower varies proportionately to reflect the installed capacity of the equipment that each Kent Solar Generation Company has leased and that the Kent OpCo Borrower must provide technical expert services in relation to. Similarly, the liability of the Kent OpCo Borrower under each Kent TES Agreement to each Kent Solar Generation Company varies depending on the installed capacity of the equipment that each Kent Solar Generation Company has leased.

The terms of each Kent TES Agreement are substantially the same as those contained in the Kent O&M Contract except that:

- (a) Under each Kent TES Agreement each Kent Solar Generation Company is the employer under the contract, as lessee, and the Kent OpCo Borrower is the provider of technical expert services under the contract, as contractor.
- (b) The liability of each Kent Solar Generation Company to pay the Kent OpCo Borrower under each individual Kent TES Agreement is proportionately lower than the Kent OpCo Borrower's liability to pay the Kent O&M Contractor under the Kent O&M Contract.
- (c) The liability of the Kent OpCo Borrower to each Kent Solar Generation Company in respect of liquidated damages and otherwise under each individual Kent TES Agreement is proportionately lower than the liability of the Kent O&M Contractor to the Kent OpCo Borrower in respect of liquidated damages and otherwise under the Kent O&M Contract.

### ***Malmesbury TES Agreements***

#### ***Background***

Each of the 12 Malmesbury Solar Generation Companies has entered into a TES Agreement with the Malmesbury OpCo Borrower relating to the Malmesbury Solar Park (each a "**Malmesbury TES Agreement**").

Each Malmesbury TES Contract sets out the terms pursuant to which the Malmesbury OpCo Borrower agrees to provide a Malmesbury Solar Generation Company with certain technical expert services including, but not limited to, maintenance, security and surveillance. In return for the provision of technical expert services, each Malmesbury Solar Generation Company agrees to pay the Malmesbury OpCo Borrower a fee.

The Malmesbury TES Agreements are on substantially the same terms as one another except that the fee payable by each Malmesbury Solar Generation Company to the Malmesbury OpCo Borrower varies proportionately to reflect the installed capacity of the equipment that each Malmesbury Solar Generation Company has leased and that the Malmesbury OpCo Borrower must provide technical expert services in relation to. Similarly, the liability of the Malmesbury OpCo Borrower under each Malmesbury TES Agreement to each Malmesbury Solar Generation Company varies depending on the installed capacity of the equipment that each Malmesbury Solar Generation Company has leased.

The terms of each Malmesbury TES Agreement are substantially the same as those contained in the Malmesbury O&M Contract except that:

- (a) Under each Malmesbury TES Agreement each Malmesbury Solar Generation Company is the employer under the contract, as lessee, and the Malmesbury OpCo Borrower is the provider of technical expert services under the contract, as contractor.
- (b) The liability of each Malmesbury Solar Generation Company to pay the Malmesbury OpCo Borrower under each individual Malmesbury TES Agreement is proportionately lower than the Malmesbury OpCo Borrower's liability to pay the Malmesbury O&M Contractor under the Malmesbury O&M Contract.
- (c) The liability of the Malmesbury OpCo Borrower to each Malmesbury Solar Generation Company in respect of liquidated damages and otherwise under each individual Malmesbury TES Agreement is proportionately lower than the liability of the Malmesbury O&M Contractor to the Malmesbury OpCo Borrower in respect of liquidated damages and otherwise under the Malmesbury O&M Contract.

## **12. Solar Park Sub-Leases**

### ***Kent Solar Park Subleases***

The Sub-Leases in respect of the Kent Solar Park (the "**Kent Solar Park Subleases**") were granted for a term of years expiring on 3 August 2038 and are registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Kent Solar Generation Companies are the current subtenants under the Kent Solar Park Subleases.

The rent is payable by reference to a percentage of the rent payable under the Kent Solar Park Lease meaning that the aggregate rent payable to the Kent OpCo Borrower by the Kent Solar Generation Companies is equal to the rent payable by the Kent OpCo Borrower to the landlord under the Kent Solar Park Lease. All other rights and liabilities of the Kent OpCo Borrower pursuant to the Kent Solar Park Lease are backed off to the Kent Solar Generation Companies under the Kent Solar Park Subleases.

The Kent Solar Generation Companies must contribute a percentage of all costs properly incurred by or on behalf of the Kent OpCo Borrower, or for which the Kent OpCo Borrower is obliged to reimburse to the landlord, in cleaning, maintaining, repairing, renewing, replacing, rebuilding and/or decorating any or all of the common parts so that the aggregate sum payable to the Kent OpCo Borrower by the Kent Solar Generation Companies is equal to the costs incurred by the Kent OpCo Borrower.

Disposals are prohibited save that the Kent Solar Generation Companies, as subtenants under the Kent Solar Park Subleases, may:

- (a) charge the whole of the relevant Kent Solar Park Sublease with the prior written consent of the Kent OpCo Borrower (not to be unreasonably withheld or delayed); and
- (b) assign the whole of the relevant Kent Solar Park Sublease with the prior written consent of the Kent OpCo Borrower (not to be unreasonably withheld or delayed).

Under the Kent Solar Park Subleases, the Kent Solar Generation Companies (as subtenants) have various rights, including:

- (a) the rights granted to the Kent OpCo Borrower under the Kent Solar Park Lease;
- (b) subject to payment of the service charge, the right of access to and egress from the premises at all times with and without vehicles in connection with the permitted use along the accessways (as defined in the Kent Solar Park Subleases);
- (c) subject to the payment of the service charge, the right to connect into and use service media existing at the date of the Kent Solar Park Subleases which run across or under the Kent Solar Park;
- (d) the right to enter onto the Kent Solar Park for the purposes of carrying out repairs, maintenance or other works to the premises or any property boundaries where such works cannot be carried out from within the premises;
- (e) subject to the payment of the service charge, the right to connect into and use any substation and/or switchgear house situated on the common parts; and
- (f) rights of support and protection from the Kent Solar Park.

Under the Kent Solar Park Subleases, the Kent OpCo Borrower has various rights, including:

- (a) the rights reserved in favour of the landlord under the Kent Solar Park Lease;
- (b) the right to use any service media in, under or over the premises on the date of the Kent Solar Park Subleases and the right to enter onto the premises on prior written notice (save in emergency) for the purposes of cleaning, repairing, maintaining, replacing, renewing or connecting into any such service media;
- (c) the right to enter onto the premises for the purposes of carrying out repairs, maintenance or other works to the property or any property boundaries where such works cannot be carried out from within the property; and
- (d) rights of support and protection from the premises.

If the Kent OpCo Borrower decides to determine the Kent Solar Park Lease, they must serve written notice on the Kent Solar Generation Companies at least 3 months prior to the date on which it intends to serve notice on the landlord stating their intention and the reason for terminating the Kent Solar Park Lease. The Kent Solar Generation Companies shall then serve written notice on the Kent OpCo Borrower within 2 months notifying whether it agrees or not. If no notice is served then the Kent Solar Generation Companies will be deemed to agree. If the Kent Solar Generation Companies agree to the Kent OpCo Borrower terminating the Kent Solar Park Lease then the Kent OpCo Borrower may do so and the Kent Solar Park Subleases will also be terminated on no less than 5 months' written notice.

In the event of a break notice being served by the Kent OpCo Borrower on the Kent Solar Generation Companies (following termination of the related Equipment Leases), the Kent Solar Park Subleases automatically terminate.

#### ***Puriton Solar Park Subleases***

The Sub-Leases in respect of the Puriton Solar Park (the "**Puriton Solar Park Subleases**") were granted for a term of years expiring on 8 August 2046 and are registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Puriton Solar Generation Companies are the current subtenants under the Puriton Solar Park Subleases.

The rent is payable by reference to a percentage of the rent payable under the Puriton Solar Park Lease meaning that the aggregate rent payable to the Puriton OpCo Borrower by the Puriton Solar Generation Companies is equal to the rent payable by the Puriton OpCo Borrower to the landlord under the Puriton Solar Park Lease. All other rights and liabilities of the Puriton OpCo Borrower pursuant to the Puriton Solar Park Lease are backed off to the Puriton Solar Generation Companies under the Puriton Solar Park Subleases.

The Puriton Solar Generation Companies must contribute a percentage of all costs properly incurred by or on behalf of the Puriton OpCo Borrower, or for which the Puriton OpCo Borrower is obliged to reimburse to the landlord, in cleaning, maintaining, repairing, renewing, replacing, rebuilding and/or decorating any or all of the common parts or other costs in relation to the Puriton Solar Park Lease so that the aggregate sum payable to the Puriton OpCo Borrower by the Puriton Solar Generation Companies is equal to the costs incurred by the Puriton OpCo Borrower.

Disposals are prohibited save that the Puriton Solar Generation Companies, as subtenants under the Puriton Solar Park Subleases, may:

- (a) charge the whole of the relevant Puriton Solar Park Sublease with the prior written consent of the Puriton OpCo Borrower (not to be unreasonably withheld or delayed) to a bank or similar financial institution;
- (b) underlet the whole of the relevant Puriton Solar Park Sublease with the prior written consent of the Puriton OpCo Borrower (not to be unreasonably withheld or delayed); and
- (c) assign the whole of the relevant Puriton Solar Park Sublease with the prior written consent of the Puriton OpCo Borrower (not to be unreasonably withheld or delayed).

Under the Puriton Solar Park Subleases, the Puriton Solar Generation Companies (as subtenants) have various rights, including:

- (a) the rights granted to the Puriton OpCo Borrower under the Puriton Solar Park Lease;
- (b) subject to payment of the service charge, the right of access to and egress from the premises at all times with and without vehicles in connection with the permitted use along the any accessways built;
- (c) subject to the payment of the service charge, the right to connect into and use service media existing at the date of the Puriton Solar Park Subleases which run across or under the Puriton Solar Park; and
- (d) the right to enter onto the Puriton Solar Park for the purposes of carrying out repairs, maintenance or other works to the premises or any property boundaries where such works cannot be carried out from within the premises.

Under the Puriton Solar Park Subleases, the Puriton OpCo Borrower has various rights, including:

- (a) the rights reserved in favour of the landlord under the Puriton Solar Park Lease;
- (b) the right to build or carry out work on the Puriton Solar Park;
- (c) the right to use any service media in, under or over the premises on the date of the Puriton Solar Park Subleases and the right to enter onto the premises on prior written notice (save in emergency) for the purposes of cleaning, repairing, maintaining, replacing, renewing or connecting into any such service media;
- (d) the right to enter onto the premises for the purposes of carrying out repairs, maintenance or other works to the property or any property boundaries where such works cannot be carried out from within the property; and
- (e) rights of support and protection from the premises.

The Puriton OpCo Borrower can terminate the Puriton Solar Park Subleases on 15 August 2037 provided that it has given the Puriton Solar Generation Companies 6 months' prior written notice.

In the event of a break notice being served by the Puriton OpCo Borrower on the Puriton Solar Generation Companies (following termination of the related Equipment Leases), the Puriton Solar Park Subleases automatically terminate.

***Bridgewater Solar Park Subleases A***

The first of the Sub-Leases in respect of the Bridgewater Solar Park (the "**Bridgewater Solar Park (Subleases A)**") were granted for a term of years expiring on 11 August 2037 and are registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Bridgewater Solar Generation Companies are the current subtenants under the Bridgewater Solar Park (Subleases A).

The rent is payable by reference to a percentage of the rent payable under the Bridgewater Solar Park (Lease A) meaning that the aggregate rent payable to the Bridgewater OpCo Borrower by the Bridgewater Solar Generation Companies is equal to the rent payable by the Bridgewater OpCo Borrower to the landlord under the Bridgewater Solar Park (Lease A). All other rights and liabilities of the Bridgewater OpCo Borrower pursuant to the Bridgewater Solar Park (Lease A) are backed off to the Bridgewater Solar Generation Companies under the Bridgewater Solar Park (Subleases A).

The Bridgewater Solar Generation Companies must contribute a percentage of all costs properly incurred by or on behalf of the Bridgewater OpCo Borrower, or for which the Bridgewater OpCo Borrower is obliged to reimburse to the landlord, in cleaning, maintaining, repairing, renewing, replacing, rebuilding and/or decorating any or all of the common parts or other costs in relation to the Bridgewater Solar Park (Lease A) so that the aggregate sum payable to the Bridgewater OpCo Borrower by the Bridgewater Solar Generation Companies is equal to the costs incurred by the Bridgewater OpCo Borrower.

Disposals are prohibited save that the Bridgewater Solar Generation Companies, as subtenants under the Bridgewater Solar Park (Subleases A), may:

- (a) charge the whole of the relevant Bridgewater Solar Park Sublease A without the prior written consent of the Bridgewater OpCo Borrower to any Funder;
- (b) charge the whole of the relevant Bridgewater Solar Park Sublease A with the prior written consent of the Bridgewater OpCo Borrower (not to be unreasonably withheld or delayed) to any third party;
- (c) assign the whole of the relevant Bridgewater Solar Park Sublease A with the prior written consent of the Bridgewater OpCo Borrower (not to be unreasonably withheld or delayed); and
- (d) assign the whole of the relevant Bridgewater Solar Park Sublease A without the prior written consent of the Bridgewater OpCo Borrower to an affiliate (as defined in the Bridgewater Solar Park (Subleases A)) or a Group Company (as defined in the Bridgewater Solar Park (Subleases A)).

Under the Bridgewater Solar Park (Subleases A), the Bridgewater Solar Generation Companies (as subtenants) have various rights, including:

- (a) the rights granted to the Bridgewater OpCo Borrower under the Bridgewater Solar Park (Lease A);

- (b) subject to payment of the service charge, the right of access to and egress from the premises at all times with and without vehicles in connection with the permitted use along the any accessways built;
- (c) subject to the payment of the service charge, the right to connect into and use service media existing at the date of the Bridgewater Solar Park (Subleases A) which run across or under the Bridgewater Solar Park
- (d) the right to enter onto the Bridgewater Solar Park for the purposes of carrying out repairs, maintenance or other works to the premises or any property boundaries where such works cannot be carried out from within the premises;
- (e) subject to the payment of the service charge, the right to connect into and use the substation (as defined in the Bridgewater Solar Park (Subleases A)) and/or switchgear house (as defined in the Bridgewater Solar Park (Subleases A)) and use the inverters associated with the installation (as defined in the Bridgewater Solar Park (Subleases A)) and switchgear house/substation; and
- (f) rights of support and protection.

Under the Bridgewater Solar Park (Subleases A), the Bridgewater OpCo Borrower has various rights, including:

- (a) the rights reserved in favour of the landlord under the Bridgewater Solar Park (Lease A);
- (b) the right to build or carry out work on the Bridgewater Solar Park;
- (c) the right to use any service media in, under or over the premises on the date of the Bridgewater Solar Park (Subleases A) and the right to enter onto the premises on prior written notice (save in emergency) for the purposes of cleaning, repairing, maintaining, replacing, renewing or connecting into any such service media;
- (d) the right to enter onto the premises for the purposes of carrying out repairs, maintenance or other works to the property or any property boundaries where such works cannot be carried out from within the property; and
- (e) rights of support and protection from the premises.

If the Bridgewater OpCo Borrower decides to determine the Bridgewater Solar Park (Lease A), they must serve written notice on the Bridgewater Solar Generation Companies at least 3 months prior to the date on which it intends to serve notice on the landlord stating its intention. The Bridgewater Solar Generation Companies shall then serve written notice on the Bridgewater OpCo Borrower within 2 months notifying whether it agrees or not. If no notice is served then the Bridgewater Solar Generation Companies will be deemed to agree. If the Bridgewater Solar Generation Companies agree to the Bridgewater OpCo Borrower terminating the Bridgewater Solar Park (Lease A) then the Bridgewater OpCo Borrower may do so and the Bridgewater Solar Park (Subleases A) will also be terminated on no less than 11 months' written notice.

In the event of a break notice being served by the Bridgewater OpCo Borrower on the Bridgewater Solar Generation Companies (following termination of the related Equipment Leases), the Bridgewater Solar Park (Subleases A) automatically terminate.

***Bridgewater Solar Park (Sublease B)***

The second Sub-Lease in respect of the Bridgewater Solar Park (the "**Bridgewater Solar Park (Sublease B)**") was granted for a term of years expiring on 11 August 2037 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

Lapetus Solar 27 Limited is the current subtenant under the Bridgewater Solar Park (Sublease B).

The rent is payable by reference to rent payable under the Bridgewater Solar Park (Lease B) meaning that the rent payable to the Bridgewater OpCo Borrower by Lapetus Solar 27 Limited is equal to the rent payable by the Bridgewater OpCo Borrower to the landlord under the Bridgewater Solar Park (Lease B). All other rights and liabilities of the Bridgewater OpCo Borrower pursuant to the Bridgewater Solar Park (Lease B) are backed off to Lapetus Solar 27 Limited under the Bridgewater Solar Park (Sublease B).

Disposals are prohibited.

The Bridgewater OpCo Borrower may terminate the Bridgewater Solar Park (Sublease B) on 12 months' prior notice in writing in the event that the legislation relating to the feed-in tariff is changed or revoked so as to materially affect (in the Bridgewater OpCo Borrower's reasonable opinion) the FIT Scheme.

In the event of a break notice being served by the Bridgewater OpCo Borrower on the Bridgewater Solar Generation Companies (following termination of the related Equipment Leases), the Bridgewater Solar Park (Sublease B) automatically terminates.

### ***Malmesbury Solar Park Subleases***

The Sub-Leases in respect of the Malmesbury Solar Park (the "**Malmesbury Solar Park Subleases**") were granted for a term of years expiring on 11 June 2037 and are registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Malmesbury Solar Generation Companies are the current subtenants under the Malmesbury Solar Park Subleases.

The rent is payable by reference to a percentage of the rent payable under the Malmesbury Solar Park Lease meaning that the aggregate rent payable to the Malmesbury OpCo Borrower by the Malmesbury Solar Generation Companies is equal to the rent payable by the Malmesbury OpCo Borrower to the landlord under the Malmesbury Solar Park Lease. All other rights and liabilities of the Malmesbury OpCo Borrower pursuant to the Malmesbury Solar Park Lease are backed off to the Malmesbury Solar Generation Companies under the Malmesbury Solar Park Subleases.

The Malmesbury Solar Generation Companies must contribute a percentage of insurance and all costs properly incurred by or on behalf of the Malmesbury OpCo Borrower, or for which the Malmesbury OpCo Borrower is obliged to reimburse to the landlord, in cleaning, maintaining, repairing, renewing, replacing, rebuilding and/or decorating any or all of the common parts so that the aggregate sum payable to the Malmesbury OpCo Borrower by the Malmesbury Solar Generation Companies is equal to the costs incurred by the Malmesbury OpCo Borrower.

Disposals are prohibited save that the Malmesbury Solar Generation Companies, as subtenants under the Malmesbury Solar Park Subleases, may:

- (a) assign the whole or part of the relevant Malmesbury Solar Park Sublease with the prior written consent of the Malmesbury OpCo Borrower (not to be unreasonably withheld or delayed) provided that the Malmesbury OpCo Borrower may withhold consent if any sum properly due from the Malmesbury Solar Generation Companies under the relevant Malmesbury Solar Park Sublease remains unpaid; and
- (b) may assign or charge the whole or part (assignment only) of the relevant Malmesbury Solar Park Sublease without the Malmesbury OpCo Borrower's consent to a group company or Malmesbury Funder.

Under the Malmesbury Solar Park Subleases, the Malmesbury Solar Generation Companies (as subtenants) have various rights, including:

- (a) the right to all light and solar irradiation which would naturally reach the premises;



- (b) all existing rights of support, free and unobstructed passage of light, solar irradiation and all other easements and quasi easements, rights and privileges now or at any time during the term belonging to or enjoyed by the premises;
- (c) the right to enter the Development to take such action as is necessary to remedy a breach of any of the landlord's covenants in the Malmesbury Solar Park Sublease where the Malmesbury OpCo Borrower has failed to take appropriate action to remedy the position within a reasonable period of being notified in writing by the Malmesbury Solar Generation Company of such breach (or immediately in case of an emergency);
- (d) the right to lay, use, maintain, repair, renew, replace, connect to, inspect and remove conducting media now or at any time during the term on, over and under the development, the landlord's property and the access and to use the conducting media for the free passage and running of water, gas, oil, electricity, telecommunications and other services and supplies;
- (e) the right of way over and along the access with or without vehicles, workmen, plant and equipment at all times to gain access to and egress from the development to and from a public highway and from one part of the development to another;
- (f) the right to enter the development to enable the Malmesbury Solar Generation Company to exercise its rights and observe and perform its obligations under the Malmesbury Solar Park Sublease and/or where such right is desirable in connection with the premises;
- (g) the right to execute on the premises and/or the development all works necessary to implement the planning consents for the premises including (but not limited to): works of nature, conservation or enhancement, works necessary to implement any planning permissions for the development and landscaping works; and
- (h) the right to connect into the conducting media and to use the inverters and other electricity equipment (including such items installed in the switchgear house) associated with the plant and equipment.

Under the Malmesbury Solar Park Subleases, the Malmesbury OpCo Borrower has various rights, including:

- (a) the right to have access to the premises at any reasonable times on reasonable prior notice to inspect, repair or clean the Malmesbury OpCo Borrower's sewers, drains, pipes, wires and cables and other conducting media;
- (b) the right to the free passage of water and soil and any other services through any cables, wires, pipes, drains or other conducting media now or at any time in, on or under the premises insofar as the same serve neighbouring or adjoining land or other parts of the Development or the landlord's property and the right to enter the premises on prior written notice for the purposes of cleaning, repairing, maintaining, renewing or connecting into such conducting media;
- (c) the right to use the surface of the premises in so far as not enclosed or built upon for the grazing of sheep (including allowing sheep to graze below the frames supporting the photovoltaic cells where reasonably possible) subject to such reasonable restrictions as the Malmesbury Solar Generation Companies may impose from time to time and at the full cost of the Malmesbury OpCo Borrower;
- (d) the rights excepted and reserved by the landlord in the Malmesbury Solar Park Lease;
- (e) rights of entry onto the premises in order to comply with any enactment or with any obligations or covenants in the Malmesbury Solar Park Lease or with any obligation to any third party having legal rights over the premises;
- (f) the right to build on or carry out works on the development or the landlord's property;

- (g) the right to enter onto the premises for the purposes of carrying out repairs, maintenance or other works to the developments and/or the common facilities and/or any property boundaries where such works cannot be carried out practically and economically without so entering; and
- (h) the rights of support and protection from the premises to the development.

If the Malmesbury OpCo Borrower decides to determine the Malmesbury Solar Park Lease, they must serve written notice on the Malmesbury Solar Generation Companies at least 2 months prior to the date on which it intends to serve notice on the landlord stating its intention. The Malmesbury Solar Generation Companies shall then serve written notice on the Malmesbury OpCo Borrower within 1 month notifying whether it agrees or not. If no notice is served then the Malmesbury Solar Generation Companies will be deemed to agree. If the Malmesbury Solar Generation Companies agree to the Malmesbury OpCo Borrower terminating the Malmesbury Solar Park Lease then the Malmesbury OpCo Borrower may do so and the Malmesbury Solar Park Subleases will also be terminated on no less than 3 months' written notice.

In the event of a break notice being served by the Malmesbury OpCo Borrower on the Malmesbury Solar Generation Companies (following termination of the related Equipment Leases), the Malmesbury Solar Park Subleases automatically terminate.

#### ***Malmesbury Solar Park Substation Sublease***

The sublease of the substation in respect of the Malmesbury Solar Park (the "**Malmesbury Solar Park Substation Sublease**") was granted for a term of years expiring on 15 June 2037 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

St Power is the current subtenant under the Malmesbury Solar Park Substation Sublease.

The rent payable is a peppercorn per annum (if demanded).

St Power must keep the Substation in good and substantial repair and condition.

The permitted use under the Malmesbury Solar Park Substation Sublease is use as an electricity substation in connection with the transmission and distribution of electrical energy.

Disposals are prohibited save that St Power, as subtenant under the Malmesbury Solar Park Substation Sublease, may assign or underlet the whole or any part of the Malmesbury Solar Park Substation Sublease without the prior written consent of the Malmesbury OpCo Borrower to a body carrying on the undertaking of St Power in succession to it or to a body carrying out the same licensed undertaking as a licence holder under the Electricity Act 1989 (as amended by the Utilities Act 2000).

St Power must comply with all legal requirements relating to the Substation.

St Power must yield up the Substation with vacant possession on expiry or sooner determination of the term and with all apparatus and equipment removed or rendered permanently safe.

St Power indemnify the Malmesbury OpCo Borrower and the landlord in respect of the exercise of their rights and any breach of the tenant covenants contained in the Malmesbury Solar Park Substation Sublease.

Under the Malmesbury Solar Park Substation Sublease, St Power (as subtenant) have various rights, including:

- (a) the right to pass on 48 hours prior written notice (except in the case of emergency) and re-pass to and from the premises and the easement strip (as defined in the Malmesbury Solar Park Substation Sublease) to and from the public highway with or without vehicles, plant, equipment, machinery and all necessary materials and authorised servants, contractors

and others at all reasonable times (and at any time in cases of emergency) over and along the easement strip and the access area (as defined in the Malmesbury Solar Park Substation Sublease) and the Malmesbury Solar Park and the landlord's property and to temporarily park a motor vehicle thereon for all proper purposes connected with the exercise of the rights;

- (b) the right on 48 hours prior written notice (except in the case of emergency) to lay, construct, retain, conduct, use, inspect, maintain, protect, repair, alter, relay, test, reconstruct, replace, renew, supplement, connect into, cleanse, manage, remove or render unusable the cables (as defined in the Malmesbury Solar Park Substation Sublease);
- (c) the right to the free flow and passage of electricity through and by means of the cables as existing from time to time in, through, under, over or upon the easement strip;
- (d) the right on 48 hours prior written notice (except in the case of emergency) to break up the surface of and excavate and to tip soil on so much of the Malmesbury Solar Park as is reasonably necessary from time to time for the purpose of exercising the rights subject to causing as little damage as reasonably possible and making good to the reasonable satisfaction of the Malmesbury OpCo Borrower any damage or disturbance caused to the Malmesbury Solar Park or the landlord's property;
- (e) the right to operate ventilation equipment within the substation;
- (f) the right to drain surface water from the substation on to the landlord's property into any existing drainage system therein; and
- (g) the full right of shelter, protection and vertical and lateral support for the benefit of the cables and the substation from the Malmesbury Solar Park and the landlord's property.

Under the Malmesbury Solar Park Substation Sublease, the Malmesbury OpCo Borrower covenants as follows:

- (a) not to cause, permit or suffer to be done on the Malmesbury Solar Park anything that may be or may be likely to cause damage to the cables and to take all reasonable precautions to prevent any damage or interference with the cables provided that the landlord shall not be liable for any damage caused to the cables which is as a result of the landlord using the landlord's property for ordinary agricultural purposes and provided always that the cables remain at a depth of approximately 1 metre as originally laid;
- (b) not without the prior written consent of St Power to make, permit or suffer to be made any alteration to or deposit upon, nor carry out any development upon any part of the Malmesbury Solar Park so as to interfere with or obstruct the access to the cables nor render access thereto more difficult or expensive save in the normal course of agricultural use (including but not limited to ploughing) which the landlord shall be permitted to carry out on the landlord's property and shall be deemed not to breach this obligation and provided always that the cables remain at a depth of approximately 1 metre as originally laid;
- (c) not to cause, permit or suffer to be erected or constructed any building, wall, fence or other structure or erection of any kind whether permanent or temporary or plant any tree or shrub on or over the easement strip;
- (d) not to do, permit or suffer to be done anything whereby the cover of soil over, or the support of the cables or of the easement strip shall be altered or otherwise interfered with save in the normal course of agricultural use (including but not limited to ploughing) which the landlord shall be permitted to carry out on the landlord's property and shall be deemed not to breach this obligation and provided always that the cables remain at a depth of approximately 1 metre as originally laid;

- (e) not to cause, permit or suffer the erection or installation of any building, structure, wall, fence, street, road, pipe, duct, cable or apparatus or plant any tree or shrub in, through, upon or over the easement strip provided that nothing shall prevent the landlord or the landlord with the prior consent and under the supervision of St Power from installing pipes, wires, drains or cables or constructing roads, footpaths or car parks or carrying on normal agricultural operations or ditching including fencing and hedging of an easily removable nature;
- (f) not to do any act which adversely affects the free flow and passage thereof or means of communication along or through the cables save that this shall not prevent the landlord from using the landlord's property for its usual agricultural use which shall be deemed not to breach this obligation and provided always that the cables remain at a depth of approximately 1 metre as originally laid; and
- (g) not to undertake or cause or permit to be undertaken any piling or percussive works within the easement strip.

In the event of a break notice being served by the Malmesbury OpCo Borrower on the Malmesbury Solar Generation Companies (following termination of the related Equipment Leases), the Malmesbury Solar Park Substation Sublease automatically terminates.

### **13. Direct Agreements (O&M and EPC Contract)**

On or after closing, each of the Kent O&M Contractor, the Kent EPC Contractor, the Bridgewater O&M Contractor, the Bridgewater EPC Contractor, the Puriton O&M Contractor, the Puriton EPC Contractor, the Malmesbury O&M Contractor, the Malmesbury EPC Contractor and SunEdison (each a "**Contractor**") will enter into a direct agreement with the Issuer, the relevant OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (together the "**Direct Agreements (O&M and EPC Contract)**") in relation to the O&M Contract or EPC Contract to which it is a party.

Save for where indicated, the Direct Agreements (O&M and EPC Contract) are on substantially the same terms, the key terms of which are as follows:

#### ***Consent to Security***

Under the Direct Agreements (O&M and EPC Contract) the relevant Contractor will formally consent to the security interests and assignments created or contemplated over the relevant OpCo Borrower's rights under the relevant O&M Contract or EPC Contract in the Borrower Deed of Charge.

Nothing in the Direct Agreements (O&M and EPC Contract) prejudices the rights of the Borrower Security Trustee to appoint an administrative receiver, receiver or receiver and manager or administrator or otherwise enforce security pursuant to the Borrower Deed of Charge.

Pursuant to the Direct Agreements (O&M and EPC Contract), the Borrower Security Trustee has no obligations under the relevant O&M Contract or EPC Contract.

In addition, the relevant OpCo Borrower authorises and instructs the relevant Contractor (in respect of the O&M Contracts) to make payments due to the relevant OpCo Borrower under or arising from or in respect of the relevant O&M Contract to the credit of the Generation Tarriff Bank Account. Such payment shall be a good discharge of the liabilities of the relevant Contractor to the relevant OpCo Borrower.

#### ***No Termination Without Notice***

Under the Direct Agreements (O&M and EPC Contract) the relevant Contractor will agree not to exercise any rights to terminate the relevant O&M Contract or EPC Contract, unless it has:

- (a) given written notice to each of the relevant OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination (and suggested remedies) and the details of any amounts owed to it by the relevant OpCo Borrower;
- (b) afforded the Issuer and the Borrower Security Trustee 30 days to:
  - (i) provide notice (a "**Confirmation Notice**") as to whether it intends to exercise a Step-In (as defined below); and
  - (ii) pay all those outstanding liabilities of the relevant OpCo Borrower to the relevant Contractor under the relevant O&M Contract as notified; and
- (c) (where a Confirmation Notice has been served) afforded the Issuer and the Borrower Security Trustee a further 90 days, from the service of such Confirmation Notice, to remedy the relevant breach and exercise a Step-In (as defined below).

Where no Confirmation Notice is served and no Step-In has occurred, the Contractor is free to exercise any right to terminate under the relevant O&M Contract or EPC Contract (as applicable) after the expiry of 30 days (where no Confirmation Notice is served in accordance with (b) above) or 90 days (where there is no Step-In in accordance with (c) above). The Borrower Security Trustee shall not incur any liability for any failure by it to serve a Confirmation Notice or a failure to take any action committed to in a Confirmation Notice.

#### ***Step-in Rights***

Pursuant to the Direct Agreements (O&M and EPC Contract) the relevant Contractor will acknowledge that an administrative receiver, receiver or receiver and manager or administrator of the relevant OpCo Borrower, a nominee directly or indirectly owned or controlled by the Issuer or the Borrower Security Trustee, or the Issuer itself (a "**Representative**") may, by written notice from the Issuer or the Borrower Security Trustee (upon instruction from the Issuer) to the Contractor (and following payment by such Representative of all outstanding financial liabilities of the relevant OpCo Borrower to the relevant Contractor in respect of the relevant O&M Contract or EPC Contract (as applicable)), assume all of the relevant OpCo Borrower's rights and obligations under the relevant O&M Contract or EPC Contract (as applicable) (such rights constituting a "**Step-In**") until and including the earlier of: (a) a date falling 10 Business Days after that Representative gives written notice to the Contractor that its assumption of the relevant OpCo Borrower rights and obligations under the relevant O&M Contract or EPC Contract (as applicable) shall no longer apply (a "**Step-Out**"), (b) the date of any permitted transfer of the benefit and/or burden of the relevant O&M Contract or EPC Contract (as applicable), and (c) the date of expiry or termination in the ordinary course of the relevant O&M Contract or EPC Contract (as applicable) (such period of time being the "**Step-In Period**").

During any Step-In Period, the relevant Contractor shall not terminate the relevant O&M Contract or EPC Contract (as applicable) solely on the grounds that: (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge, or (b) the relevant OpCo Borrower is or may become insolvent.

In addition, the relevant Contractor will, during an Step-in Period, deal with the Issuer and/or any Representative and not the relevant OpCo Borrower as if the Issuer and/or such Representative were the relevant OpCo Borrower for the purposes of such relevant O&M Contract or EPC Contract (as applicable). Any payment or performance by the Issuer or Representative during a Step-In Period in accordance with the relevant O&M Contract or EPC Contract (as applicable) shall be a good discharge of the relevant OpCo Borrower's obligations under that agreement. The relevant Contractor may exercise any relevant right or remedy against the relevant OpCo Borrower under the relevant O&M Contract or EPC Contract (as applicable) (including termination) if the Issuer and/or the Representative fails to discharge any liability or perform any obligations which arise during that Step-In Period, as if such failure was the relevant OpCo

Borrower's failure. However, the relevant Contractor shall have no direct rights in respect of such failure against the Issuer and/or such Representative.

Following an Step-Out, the relevant Contractor shall be entitled to terminate the relevant O&M Contract or EPC Contract (as applicable) immediately if the circumstances giving rise to the termination notice provided by the Contractor have not been remedied or any further right to terminate has arisen during the Step-In Period and has not been remedied in accordance with the terms of the relevant O&M Contract or EPC Contract (as applicable).

### ***Transfer***

At any time and from time to time during any Step-In Period, the Representative may, under the terms of the Direct Agreements (O&M and EPC Contract), procure the transfer of the rights and liabilities of the relevant OpCo Borrower under any relevant O&M Contract or EPC Contract (as applicable) pursuant to the terms of the same.

The Direct Agreements (O&M and EPC Contract) will provide that if the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Transaction Documents to a successor security trustee or mortgagee, then the relevant Contractor shall, at the cost of the relevant OpCo Borrower, on the written request of the Borrower Security Trustee enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to such Contractor in writing, on the same or substantially the same terms as the Direct Agreements (O&M and EPC Contract).

In the case of any permitted sale or disposal of the Solar Parks by the Borrower Security Trustee or any Representative pursuant to the powers conferred by the Borrower Deed of Charge, the relevant Contractor shall, pursuant to the terms of the Direct Agreements (O&M and EPC Contract) on the request of the Borrower Security Trustee (or such Representative) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the relevant O&M Contract or EPC Contract (as applicable) can pass to the purchaser; provided that the relevant Contractor shall not be obliged to enter into any such further agreement which has the effect of transferring the burden to the purchaser of (and/or releasing the relevant OpCo Borrower from) liabilities or obligations which arose under the relevant O&M Contract or EPC Contract (as applicable) prior to the date of such sale or disposal (unless the Contractor in its absolute discretion agrees to such a transfer).

### ***Contractor's Undertakings***

Under the terms of the Direct Agreements (O&M and EPC Contract) the relevant Contractor will agree and undertake to the Borrower Security Trustee, among others, that:

- (a) it will not exercise any right of set-off or deduction or counterclaim against the relevant OpCo Borrower so as to reduce performance or any monies payable by the Contractor to the relevant OpCo Borrower under the relevant O&M Contract or EPC Contract (as applicable) at any time during a Step-In Period or at any other time without first having given the relevant OpCo Borrower, the Issuer and the Borrower Security Trustee at least 30 days' prior written notice;
- (b) it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the relevant OpCo Borrower;
- (c) any delay by an OpCo Borrower in enforcing its rights under the relevant O&M Contract or EPC Contract (as applicable) shall not affect the Contractor's obligations under the relevant O&M Contract or EPC Contract (as applicable) or the relevant Direct Agreements (O&M and EPC Contract); and
- (d) it will not, except with the prior written consent of the Borrower Security Trustee:

- (i) agree to or make any material amendment or variation of the relevant O&M Contract or EPC Contract (as applicable); nor
- (ii) assign all or any benefit, right or interest under the relevant O&M Contract or EPC Contract (as applicable) or any part thereof nor sell nor otherwise dispose of the benefit of all or any part of its benefits, rights or interest in or to the relevant O&M Contract or EPC Contract (as applicable) or any part thereof.

#### ***Limited Recourse***

Each party (other than the Issuer) to the Direct Agreements (O&M and EPC Contract) agrees that the sole recourse in respect of any payment obligation to the Issuer will be against all assets that are subject to Security Interests granted or purported to be granted by the Issuer under the Issuer Deed of Charge (the "**Issuer Charged Property**") and shall be subject to the applicable priority of payments.

The relevant Contractor shall not have any greater liability to each of the parties to the relevant Direct Agreements (O&M and EPC Contract) or the Representative (where applicable) than it would have had if the parties were named as a joint employer under the relevant O&M Contract or EPC Contract (as applicable).

In the case of the Kent Solar Park, the Kent O&M Contractor and the Kent OpCo Borrower have set up an escrow account, as part of the EPC contractual arrangements between these parties (the "**Kent Escrow**"). The provisions of the relevant Direct Agreements (O&M and EPC Contract) will not affect the O&M Escrow Account, and none of the Kent O&M Contractor's rights in respect of the O&M Escrow Account are to be subject to any suspension, waiver or termination under the relevant Direct Agreements (O&M and EPC Contract).

#### ***Governing Law***

The Direct Agreements (O&M and EPC Contracts) and any non-contractual obligations arising out of them will be governed by English law.

### **13. *Solar Park Lease Direct Agreement***

#### ***Bridgewater Solar Park (Lease A) Direct Agreement***

On closing, the landlord of the Bridgewater Solar Park (Lease A) relating to part of the Bridgewater Solar Park (the "**Bridgewater (Lease A) Landlord**") will enter into a direct agreement with the Issuer, the Bridgewater OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the "**Direct Agreement (Bridgewater (Lease A))**") in respect of the Bridgewater Solar Park (Lease A).

The key terms of the Direct Agreement (Bridgewater (Lease A)) are as follows:

#### ***Consent to Security***

Under the Direct Agreement (Bridgewater (Lease A)) the Bridgewater (Lease A) Landlord will formally consent to the security interests created or contemplated over the Bridgewater Solar Park (Lease A) and the Bridgewater OpCo Borrower's rights under the Bridgewater Solar Park (Lease A) in the Borrower Deed of Charge.

#### ***No Termination Without Notice***

Under the Direct Agreement (Bridgewater (Lease A)) the Bridgewater (Lease A) Landlord will agree not to exercise any rights to terminate the Bridgewater Solar Park (Lease A) unless permitted by the Bridgewater Solar Park (Lease A) and:

- (a) if the right to terminate arises as a direct result of the Bridgewater OpCo Borrower failing to pay rent in full under the Bridgewater Solar Park (Lease A), the Bridgewater (Lease A) Landlord will not forfeit unless:
  - (i) the Bridgewater (Lease A) Landlord has given at least 5 Business Days notice to each of the Bridgewater OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination and the total amount of unpaid rent; and
  - (ii) the Bridgewater (Lease A) Landlord has afforded the Issuer or a Representative if one has been appointed, a reasonable opportunity to cure such non-payment on behalf of the Bridgewater OpCo Borrower by arranging for such amount to be paid to the Bridgewater (Lease A) Landlord within 6 months after the expiry of such notice; or
- (b) if the right to terminate arises as a direct result of the Bridgewater OpCo Borrower breaching any term of the Bridgewater Solar Park (Lease A) other than the requirement to pay rent, the Bridgewater (Lease A) Landlord will agree not to forfeit unless:
  - (i) the Bridgewater (Lease A) Landlord has given at least 5 Business Days notice to each of the Bridgewater OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination, suggested remedies (if applicable) and the total amount of unpaid rent and undischarged liabilities; and
  - (ii) the Bridgewater (Lease A) Landlord afforded the Issuer or a Representative, if appointed, a reasonable opportunity to remedy the relevant breach within a reasonable time after the expiry of such notice (being not less than 6 months after the expiry of such notice).

If the Bridgewater (Lease A) Landlord becomes aware that the information in a notice served as above is incomplete and/or inaccurate it may serve an updated notice.

### ***Step-in Rights***

Pursuant to the Direct Agreement (Bridgewater (Lease A)) the Bridgewater (Lease A) Landlord will acknowledge that a Representative may, by written notice to the Bridgewater (Lease A) Landlord, assume all of the Bridgewater OpCo Borrower tenant's covenants, rights and obligations under the Bridgewater Solar Park (Lease A) conditionally on payment of an additional 6 month's rent plus VAT into the rent deposit account until and including the earlier of (a) a date falling 10 Business Days after that Representative gives written notice to the Bridgewater (Lease A) Landlord that its assumption of the Bridgewater OpCo Borrower covenants, rights and obligations under the Bridgewater Solar Park (Lease A) shall no longer apply, (b) the date of any permitted transfer of the benefit and/ or burden of the Bridgewater Solar Park (Lease A), (c) the date of expiry or termination in the ordinary course of the Bridgewater Solar Park (Lease A), (d) the date falling 1 Business Day after the expiry of the period referred to in the notices referred to in the paragraph above headed "No Termination Without Prejudice" and (e) the date falling 1 Business Day after the breach of terms of any notice of step-in given by a Representative (such period of time being the "**Step-In Period (Bridgewater (Lease A))**").

During any Step-In Period (Bridgewater (Lease A)), the Bridgewater (Lease A) Landlord will deal with the Issuer and/or any Representative and not the Bridgewater OpCo Borrower as if the Issuer and/or such Representative were the Bridgewater OpCo Borrower for the purposes of the Bridgewater Solar Park (Lease A) and any payment or performance by the Issuer or Representative under and in accordance with the Bridgewater Solar Park (Lease A) shall be a good discharge of the Bridgewater OpCo Borrower's obligations thereunder.

During any Step-In Period (Bridgewater (Lease A)) the Bridgewater (Lease A) Landlord shall not exercise any rights to forfeit or otherwise terminate the Bridgewater Solar Park (Lease A) solely



on the grounds that (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge (b) that the Bridgewater OpCo Borrower is or may become insolvent or have a liquidation, administration or receiver appointed over its assets or (c) that the Bridgewater OpCo Borrower has failed to discharge any liability or perform any tenant covenant or obligation under the Lease where the Issuer and/or a Representative is using all reasonable endeavours to remedy such breach PROVIDED THAT this shall no longer apply in respect of any breach referred to in any Termination Notice, if that breach is still outstanding and unremedied 2 months after the expiry of the relevant Termination Notice.

### ***Transfer***

At any time and from time to time during any Step-In Period (Bridgewater (Lease A)) or in connection with any action of any kind by the Borrower Security Trustee to exercise or enforce any right in respect of any mortgage, charge, pledge, lien or other security interest granted under the Borrower Deed of Charge over any property or assets of the Bridgewater OpCo Borrower and its permitted assigns under the Bridgewater Solar Park (Lease A) (such action being an "**Enforcement Action (Bridgewater (Lease A))**") pursuant to the Direct Agreement (Bridgewater (Lease A)) the Representative may procure the transfer of the Bridgewater Solar Park (Lease A) and all of the tenant covenants, rights and liabilities of the Bridgewater OpCo Borrower under the Bridgewater Solar Park (Lease A) pursuant to and subject to the terms of the Bridgewater Solar Park (Lease A).

If the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Deed of Charge to a successor security trustee or mortgagee then the Bridgewater (Lease A) Landlord will, pursuant to the terms of the Direct Agreement (Bridgewater (Lease A)), at the cost of the Bridgewater OpCo Borrower, on the written request of the Borrower Security Trustee or the Representative, as the case may be, if required as a condition to such assignment, enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to the Bridgewater (Lease A) Landlord in writing, on the same or substantially the same terms as the Direct Agreement (Bridgewater (Lease A)), mutatis mutandis, subject to agreement by such replacement security trustee with its terms.

In the case of any permitted sale or disposal of the Bridgewater Solar Park (Lease A) pursuant to an Enforcement Action (Bridgewater (Lease A)) certain terms and conditions relating to reasonableness and other conditions to consent of the Bridgewater Solar Park (Lease A) shall apply in respect of the consent of the Bridgewater (Lease A) Landlord to any such sale or disposal, and otherwise, the Bridgewater (Lease A) Landlord shall, at the cost of the Bridgewater OpCo Borrower, on the request of the Borrower Security Trustee (or a Representative, if appointed) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the Bridgewater Solar Park (Lease A) can pass to the purchaser.

Under the terms of the Direct Agreement (Bridgewater (Lease A)), the Bridgewater (Lease A) Landlord will give notice to the Issuer and the Bridgewater OpCo Borrower of its intention to dispose of all or any of his benefit, right or interest in respect of the Bridgewater Solar Park (Lease A) site or the Bridgewater Solar Park (Lease A) or any part thereof and the Bridgewater Solar Park (Lease A) Landlord, shall at the Bridgewater OpCo Borrowers' cost, use all reasonable endeavours to procure that any person who becomes the landlord under the Bridgewater Solar Park (Lease A) enters into a direct agreement at the time the immediate reversion to the Bridgewater Solar Park (Lease A) is vested in such person on the same or substantially the same terms as the Direct Agreement (Bridgewater (Lease A)), mutatis mutandis, and in substitution for the Direct Agreement (Bridgewater (Lease A)).

### ***Bridgewater (Lease A) Landlord's Undertakings***

The Bridgewater (Lease A) Landlord will agree and undertake to the Borrower Security Trustee under the Direct Agreement (Bridgewater (Lease A)):

- (a) it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the Bridgewater OpCo Borrower, until the expiry of the periods referred to under the heading "No Termination Without Notice" above or after a Step-Out Date; and
- (b) any forbearance, neglect or delay on the part of the Bridgewater OpCo Borrower in enforcing its rights under any of the Bridgewater Solar Park (Lease A) shall not affect in any way the Bridgewater (Lease A) Landlord's obligations under the Bridgewater Solar Park (Lease A) or the Direct Agreement (Bridgewater (Lease A));
- (c) it will not, during any Step-In Period (Bridgewater (Lease A)), unreasonably withhold or delay any consents, approvals or information required of them in relation to the performance by the Bridgewater OpCo Borrower of its obligations under the Bridgewater Solar Park (Lease A);

***Limited Recourse***

Each party (other than the Issuer) agrees and confirms that the sole recourse shall be against the Issuer Charged Property.

***Governing Law***

The Direct Agreement (Bridgewater (Lease A)) and any non-contractual terms arising out of it will be governed by English law.

***Bridgewater Solar Park (Lease B) Direct Agreement***

On closing, the landlord of the Bridgewater Solar Park (Lease B) relating to part of the Bridgewater Solar Park (the "**Bridgewater (Lease B) Landlord**") will enter into a direct agreement with the Issuer, the Bridgewater OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the "**Direct Agreement (Bridgewater (Lease B))**") in respect of the Bridgewater Solar Park (Lease B).

The key terms of the Direct Agreement (Bridgewater (Lease B)) are as follows:

***Consent to Security***

Under the Direct Agreement (Bridgewater (Lease B)) the Bridgewater (Lease B) Landlord will formally consent to the security interests created or contemplated over the Bridgewater Solar Park (Lease B) and the Bridgewater OpCo Borrower's rights under the Bridgewater Solar Park (Lease B) in the Borrower Deed of Charge.

***No Termination Without Notice***

Under the Direct Agreement (Bridgewater (Lease B)) the Bridgewater (Lease B) Landlord will agree not to exercise any rights to terminate the Bridgewater Solar Park (Lease B) unless permitted by the Bridgewater Solar Park (Lease B) and:

- (a) if the right to terminate arises as a direct result of the Bridgewater OpCo Borrower failing to pay rent in full under the Bridgewater Solar Park (Lease B), the Bridgewater (Lease B) Landlord will not forfeit unless:
  - (i) the Bridgewater (Lease B) Landlord has given at least 30 days' notice to each of the Bridgewater OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination and the total amount of unpaid rent; and
  - (ii) the Bridgewater (Lease B) Landlord has afforded the Issuer or a Representative if one has been appointed, a reasonable opportunity to cure such non-payment on behalf of the Bridgewater OpCo Borrower by arranging for such amount to be

paid to the Bridgewater (Lease B) Landlord within a reasonable time after the expiry of such notice; or

- (b) if the right to terminate arises as a direct result of the Bridgewater OpCo Borrower breaching any term of the Bridgewater Solar Park (Lease B) other than the requirement to pay rent, the Bridgewater (Lease B) Landlord will agree not to forfeit unless:
  - (i) the Bridgewater (Lease B) Landlord has given at least 45 days' notice to each of the Bridgewater OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination, suggested remedies (if applicable) and the total amount of unpaid rent and undischarged liabilities; and
  - (ii) the Bridgewater (Lease B) Landlord afforded the Issuer or a Representative, if appointed, a reasonable opportunity to remedy the relevant breach within a reasonable time after the expiry of such notice (being not more than 6 months after the expiry of such notice).

### ***Step-in Rights***

Pursuant to the Direct Agreement (Bridgewater (Lease B)) the Bridgewater (Lease B) Landlord will acknowledge that a Representative may, by written notice to the Bridgewater (Lease B) Landlord, assume all of the Bridgewater OpCo Borrower tenant's covenants, rights and obligations under the Bridgewater Solar Park (Lease B) until and including the earlier of (a) a date falling 10 Business Days after that Representative gives written notice to the Bridgewater (Lease B) Landlord that its assumption of the Bridgewater OpCo Borrower covenants, rights and obligations under the Bridgewater Solar Park (Lease B) shall no longer apply, (b) the date of any permitted transfer of the benefit and/ or burden of the Bridgewater Solar Park (Lease B), and (c) the date of expiry or termination in the ordinary course of the Bridgewater Solar Park (Lease B) (such period of time being the "**Step-In Period (Bridgewater (Lease B))**").

During any Step-In Period Bridgewater (Lease B), the Bridgewater (Lease B) Landlord will deal with the Issuer and/or any Representative and not the Bridgewater OpCo Borrower as if the Issuer and/or such Representative were the Bridgewater OpCo Borrower for the purposes of the Bridgewater Solar Park (Lease B) and any payment or performance by the Issuer or Representative under and in accordance with the Bridgewater Solar Park (Lease B) shall be a good discharge of the Bridgewater OpCo Borrower's obligations thereunder.

During any Step-In Period Bridgewater (Lease B) the Bridgewater (Lease B) Landlord shall not exercise any rights to forfeit or otherwise terminate the Bridgewater Solar Park (Lease B) solely on the grounds that (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge (b) that the Bridgewater OpCo Borrower is or may become insolvent or have a liquidator, administrator or receiver appointed over its assets or (c) that the Bridgewater OpCo Borrower has failed to discharge any liability or perform any tenant covenant or obligation under the Bridgewater Solar Park (Lease B) where the Issuer and/or a Representative is using all reasonable endeavours to remedy such breach.

### ***Transfer***

At any time and from time to time during any Step-In Period (Bridgewater (Lease B)) or in connection with any action of any kind by the Borrower Security Trustee to exercise or enforce any right in respect of any mortgage, charge, pledge, lien or other security interest granted under the Borrower Deed of Charge over any property or assets of the Bridgewater OpCo Borrower and its permitted assigns under the Bridgewater Solar Park (Lease B) (such action being an "**Enforcement Action (Bridgewater (Lease B))**"), pursuant to the Direct Agreement (Bridgewater (Lease B)) the Representative may procure the transfer of the Bridgewater Solar Park (Lease B) and all of the tenant covenants, rights and liabilities of the Bridgewater OpCo

Borrower under the Bridgewater Solar Park (Lease B) pursuant to and subject to the terms of the Bridgewater Solar Park (Lease B).

If the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Deed of Charge to a successor security trustee or mortgagee then the Bridgewater (Lease B) Landlord will, pursuant to the terms of the Direct Agreement (Bridgewater (Lease B)), at the cost of the Bridgewater OpCo Borrower, on the written request of the Borrower Security Trustee or the Representative, as the case may be, if required as a condition to such assignment, enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to the Bridgewater (Lease B) Landlord in writing, on the same or substantially the same terms as the Direct Agreement (Bridgewater (Lease B)), mutatis mutandis, subject to agreement by such replacement security trustee with its terms.

In the case of any permitted sale or disposal of the Bridgewater Solar Park (Lease B) pursuant to an Enforcement Action (Bridgewater (Lease B) certain terms and conditions relating to reasonableness and other conditions to consent of the Bridgewater Solar Park (Lease B) shall apply in respect of the consent of the Bridgewater (Lease B) Landlord to any such sale or disposal, and otherwise, the Bridgewater (Lease B) Landlord shall, at the cost of the Bridgewater OpCo Borrower, on the request of the Borrower Security Trustee (or a Representative, if appointed) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the Bridgewater Solar Park (Lease B) can pass to the purchaser provided that the Bridgewater (Lease B) Landlord has received full payment of all sums due and unpaid under the Bridgewater Solar Park (Lease B).

Under the terms of the Direct Agreement (Bridgewater (Lease B)), the Bridgewater (Lease B) Landlord will agree not to assign all or any their benefit, right or interest in respect of the Bridgewater Solar Park (Lease B) site or the Bridgewater Solar Park (Lease B) or any part thereof or sell nor otherwise dispose of the benefit of all or any part of their benefits, rights or interest in or to the Bridgewater Solar Park (Lease B) site or Bridgewater Solar Park (Lease B) or any part thereof without the Bridgewater Solar Park (Lease B) Landlord, at its own cost, procuring that any person who becomes the 'Landlord' under the Bridgewater Solar Park (Lease B) enters into a direct agreement at the time the immediate reversion to the Bridgewater Solar Park (Lease B) is vested in such person on the same or substantially the same terms as the Direct Agreement (Bridgewater (Lease B)), mutatis mutandis, and in substitution for the Direct Agreement (Bridgewater Lease B) and the Bridgewater OpCo Borrower, Issuer, Borrower Security Trustee and Issuer Security Trustee shall not unreasonably delay in entering into such an agreement

Under the Direct Agreement (Bridgewater (Lease B)) the Bridgewater (Lease B) Landlord will consent to a restriction being entered against its freehold title in the Bridgewater (Lease B) site at the Land Registry in a form set out in the Direct Agreement (Bridgewater (Lease B)).

***Bridgewater (Lease B) Landlord's Undertakings***

The Bridgewater (Lease B) Landlord will agree and undertake to the Borrower Security Trustee under the Direct Agreement (Bridgewater (Lease B)):

- (a) it will not exercise any right of set-off or deduction or counterclaim against the Bridgewater OpCo Borrower so as to reduce performance or any monies payable by the Bridgewater (Lease B) Landlord to the Bridgewater OpCo Borrower under the Bridgewater Solar Park (Lease B);
- (b) it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the Bridgewater OpCo Borrower, provided that this shall not prevent the Bridgewater (Lease B) Landlord who is also a director of the Bridgewater OpCo Borrower from so petitioning or voting in their capacity as a director only; and
- (c) any forbearance, neglect or delay on the part of the Bridgewater OpCo Borrower in enforcing its rights under any of the Bridgewater Solar Park (Lease B) shall not affect in

any way the Bridgewater (Lease B) Landlord's obligations under the Bridgewater Solar Park (Lease B) or the Bridgewater (Lease B) Solar Park Direct Agreement;

- (d) it will not agree to or make any material amendment or variation of the Bridgewater Solar Park (Lease B), except with the prior written consent of the Borrower Security Trustee;
- (e) it will not, during any Step-In Period (Bridgewater (Lease B)), unreasonably withhold or delay any consents, approvals or information required of them in relation to the performance by the Bridgewater OpCo Borrower of its obligations under the Bridgewater Solar Park (Lease B);
- (f) it will not oppose any application for any extension of existing planning permission or for any new planning permission by or on behalf of the Bridgewater OpCo Borrower in respect of the continued operation and use of the Bridgewater Solar Park (Lease B) as a solar park or in respect of the continued operation and use of any other solar park owned or occupied by the Bridgewater OpCo Borrower.

#### ***Limited Recourse***

(a) Each party (other than the Bridgewater OpCo Borrower) agrees and confirms that the sole recourse of any such party in respect of any payment obligation of the Bridgewater OpCo Borrower owing to it under the Direct Agreement (Bridgewater (Lease B)) (but not under or in respect of the Bridgewater Solar Park (Lease B)) shall be against the Borrower Charged Property and no party shall have any claim against the Bridgewater OpCo Borrower or other parties hereto to the extent that such assets are insufficient to meet such payment obligations; and (b) each party (other than the Issuer) agrees and confirms that the sole recourse of any such party in respect of any payment obligations of the Issuer owing to it under and in respect of this Agreement (but not under or in respect of the Bridgewater Solar Park (Lease B)) shall be against the Issuer Charged Property and such person shall not have any claim against any Issuer or the other parties hereto to the extent that such assets are insufficient to meet such payment obligations.

#### ***Governing Law***

The Direct Agreement (Bridgewater (Lease B)) and any non-contractual terms arising out of it will be governed by English law.

#### ***Kent Solar Park Lease Direct Agreement***

On closing, the landlord of the Kent Solar Park Lease relating to Kent Solar Park (the "**Kent Landlord**") will enter into a direct agreement with the Issuer, the Kent OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the "**Direct Agreement (Kent Lease)**") in respect of the Kent Solar Park Lease.

The key terms of the Direct Agreement (Kent Lease) are as follows:

#### ***Consent to Security***

Under the Direct Agreement (Kent Lease) the Kent Landlord will formally consent to the security interests created or contemplated over the Kent Solar Park Lease and the Kent OpCo Borrower's rights under the Kent Solar Park Lease in the Borrower Deed of Charge.

#### ***No Termination Without Notice***

Under the Direct Agreement (Kent Lease) the Kent Landlord will agree not to exercise any rights to terminate the Kent Solar Park Lease unless permitted by the Kent Solar Park Lease and:

- (a) if the right to terminate arises as a direct result of the Kent OpCo Borrower failing to pay rent in full under the Kent Solar Park Lease, the Kent Landlord will not forfeit unless:

- (i) the Kent Landlord has given at least 30 days' notice to each of the Kent OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination and the total amount of unpaid rent; and
  - (ii) the Kent Landlord has afforded the Issuer or a Representative if one has been appointed, a reasonable opportunity to cure such non-payment on behalf of the Kent OpCo Borrower by arranging for such amount to be paid to the Kent Landlord within a reasonable time after the expiry of such notice; or.
- (b) if the right to terminate arises as a direct result of the Kent OpCo Borrower breaching any term of the Kent Solar Park Lease other than the requirement to pay rent, the Kent Landlord will agree not to forfeit unless:
- (i) the Kent Landlord has given at least 45 days' notice to each of the Kent OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination, suggested remedies (if applicable) and the total amount of unpaid rent and undischarged liabilities; and
  - (ii) the Kent Landlord afforded the Issuer or a Representative, if appointed, a reasonable opportunity to remedy the relevant breach within a reasonable time after the expiry of such notice (being not more than 6 months after the expiry of such notice).

### ***Step-in Rights***

Pursuant to the Direct Agreement (Kent Lease) the Kent Landlord will acknowledge that a Representative may, by written notice to the Kent Landlord, assume all of the Kent OpCo Borrower tenant's covenants, rights and obligations under the Kent Solar Park Lease until and including the earlier of (a) a date falling 10 Business Days after that Representative gives written notice to the Kent Landlord that its assumption of the Kent OpCo Borrower covenants, rights and obligations under the Kent Solar Park Lease shall no longer apply (the "**Step-Out Date**"), (b) the date of any permitted transfer of the benefit and/ or burden of the Kent Solar Park Lease, and (c) the date of expiry or termination in the ordinary course of the Kent Solar Park Lease (such period of time being the "**Step-In Period (Kent Lease)**").

During any Step-In Period (Kent Lease), the Kent Landlord will deal with the Issuer and/or any Representative and not the Kent OpCo Borrower as if the Issuer and/or such Representative were the Kent OpCo Borrower for the purposes of the Kent Solar Park Lease and any payment or performance by the Issuer or Representative under and in accordance with the Kent Solar Park Lease shall be a good discharge of the Kent OpCo Borrower's obligations thereunder.

During any Step-In Period (Kent Lease) the Kent Landlord shall not exercise any rights to forfeit or otherwise terminate the Kent Solar Park Lease solely on the grounds that (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge (b) that the Kent OpCo Borrower is or may become insolvent or have a liquidator, administrator or receiver appointed over its assets or (c) that the Kent OpCo Borrower has failed to discharge any liability or perform any tenant covenant or obligation under the Kent Solar Park Lease where the Issuer and/or a Representative is using all reasonable endeavours to remedy such breach.

### ***Transfer***

At any time and from time to time during any Step-In Period (Kent Lease) or in connection with any action of any kind by the Borrower Security Trustee to exercise or enforce any right in respect of any mortgage, charge, pledge, lien or other security interest granted under the Borrower Deed of Charge over any property or assets of the Kent OpCo Borrower and its permitted assigns under the Kent Solar Park Lease (such action being an "**Enforcement Action (Kent Lease)**"), pursuant to the Direct Agreement (Kent Lease) the Representative may procure the transfer of the Kent

Solar Park Lease and all of the tenant covenants, rights and liabilities of the Kent OpCo Borrower under the Kent Solar Park Lease pursuant to and subject to the terms of the Kent Solar Park Lease.

If the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Deed of Charge to a successor security trustee or mortgagee then the Kent Landlord will, pursuant to the terms of the Direct Agreement (Kent Lease), at the cost of the Kent OpCo Borrower, on the written request of the Borrower Security Trustee or the Representative, as the case may be, if required as a condition to such assignment, enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to the Kent Landlord in writing, on the same or substantially the same terms as the Direct Agreement (Kent Lease), mutatis mutandis, subject to agreement by such replacement security trustee with its terms.

In the case of any permitted sale or disposal of the Kent Solar Park pursuant to an Enforcement Action (Kent Lease) certain terms and conditions relating to reasonableness and other conditions to consent of the Kent Solar Park Lease shall apply in respect of the consent of the Kent Landlord to any such sale or disposal, and otherwise, the Kent Landlord shall, at the cost of the Kent OpCo Borrower, on the request of the Borrower Security Trustee (or a Representative, if appointed) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the Kent Solar Park Lease can pass to the purchaser.

Under the terms of the Direct Agreement (Kent Lease), the Kent Landlord will agree not to assign all or any their benefit, right or interest in respect of the Kent Solar Park or the Kent Solar Park Lease or any part thereof or sell nor otherwise dispose of the benefit of all or any part of their benefits, rights or interest in or to the Kent Solar Park or Kent Solar Park Lease or any part thereof without the Kent Landlord, at its own cost, procuring that any person who becomes the 'Landlord' under the Kent Solar Park Lease enters into a direct agreement at the time the immediate reversion to the Kent Solar Park Lease is vested in such person on the same or substantially the same terms as the Direct Agreement (Kent Lease), mutatis mutandis, and in substitution for the Direct Agreement (Kent Lease).

Under the Direct Agreement (Kent Lease) the Kent Landlord will consent to a restriction being entered against its freehold title in the Kent Solar Park at the Land Registry in a form set out in the Direct Agreement (Kent Lease).

#### ***Kent Landlord's Undertakings***

The Kent Landlord will agree and undertake to the Borrower Security Trustee under the Direct Agreement (Kent Lease) that:

- (a) other than any time after the expiry of the reasonable time permitted to cure non-payment of rent or breach of tenant covenant in the Kent Solar Park Lease or after the Step-Out Date it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the Kent OpCo Borrower, provided that this shall not prevent the Kent Landlord who is also a director of the Kent OpCo Borrower from so petitioning or voting in their capacity as a director only;
- (b) any forbearance, neglect or delay on the part of the Kent OpCo Borrower in enforcing its rights under any of the Kent Solar Park Lease shall not affect in any way the Kent Landlord's obligations under the Kent Solar Park Lease or the Direct Agreement (Kent Lease);
- (c) it will forward to the Borrower Security Trustee copies of all notices served by or on behalf of the Kent Landlord on the Kent OpCo Borrower under the Kent Solar Park Lease relating to any breach of the tenant covenants or obligations under the Kent Solar Park Lease by the Kent OpCo Borrower as soon as possible after the same are served under the Kent Solar Park Lease;

- (d) it will not agree to or make any material amendment or variation of the Kent Solar Park Lease, except with the prior written consent of the Borrower Security Trustee;
- (e) it will not, during any Step-In Period (Kent Lease), unreasonably withhold or delay any consents, approvals or information required of them in relation to the performance by the Kent OpCo Borrower of its obligations under the Kent Solar Park Lease; and
- (f) it will not oppose any application for any extension of existing planning permission or for any new planning permission by or on behalf of the Kent OpCo Borrower in respect of the continued operation and use of the Kent Solar Park as a solar park or in respect of the continued operation and use of any other solar park owned or occupied by the Kent OpCo Borrower unless the terms of such application or extension (if granted) differ substantially from the current permission and would materially prejudice the value of the Kent Landlord's reversion.

#### ***Limited Recourse***

(a) Each party (other than the Kent Opco Borrower) agrees and confirms that the sole recourse of any such party in respect of any payment obligation of the Kent Opco Borrower owing to it under the Direct Agreement (Kent Lease) (but not under or in respect of the Kent Solar Park Lease) shall be against the Borrower Charged Property and no party shall have any claim against the Kent Opco Borrower or other parties hereto to the extent that such assets are insufficient to meet such payment obligations; and

(b) each party (other than the Issuer) agrees and confirms that the sole recourse of any such party in respect of any payment obligations of the Issuer owing to it under and in respect of this Agreement (but not under or in respect of the Kent Solar Park Lease) shall be against the Issuer Charged Property and such person shall not have any claim against any Issuer or the other parties hereto to the extent that such assets are insufficient to meet such payment obligations.

#### ***Governing Law***

The Direct Agreement (Kent Lease) and any non-contractual terms arising out of it will be governed by English law.

#### ***Malmesbury Solar Park Lease Direct Agreement***

On closing, the landlord of the Malmesbury Solar Park Lease relating to Malmesbury Solar Park (the "**Malmesbury Landlord**") will enter into a direct agreement with the Issuer, the Malmesbury OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the "**Direct Agreement (Malmesbury Lease)**") in respect of the Malmesbury Solar Park Lease.

The key terms of the Direct Agreement (Malmesbury Lease) are as follows:

#### ***Consent to Security***

Under the Direct Agreement (Malmesbury Lease) the Malmesbury Landlord will formally consent to the security interests created or contemplated over the Malmesbury Solar Park Lease and the Malmesbury OpCo Borrower's rights under the Malmesbury Solar Park Lease in the Borrower Deed of Charge.

#### ***No Termination Without Notice***

Under the Direct Agreement (Malmesbury Lease) the Malmesbury Landlord will agree not to exercise any rights to terminate the Malmesbury Solar Park Lease unless permitted by the Malmesbury Solar Park Lease and:

- (a) if the right to terminate arises as a direct result of the Malmesbury OpCo Borrower failing to pay rent in full under the Malmesbury Solar Park Lease, the Malmesbury Landlord will not forfeit unless:



- (i) the Malmesbury Landlord has given at least 30 days' notice to each of the Malmesbury OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination and the total amount of unpaid rent; and
  - (ii) the Malmesbury Landlord has afforded the Issuer or a Representative if one has been appointed, a reasonable opportunity to cure such non-payment on behalf of the Malmesbury OpCo Borrower by arranging for such amount to be paid to the Malmesbury Landlord within a reasonable time after the expiry of such notice; or
- (b) if the right to terminate arises as a direct result of the Malmesbury OpCo Borrower breaching any term of the Malmesbury Solar Park Lease other than the requirement to pay rent, the Malmesbury Landlord will agree not to forfeit unless:
- (i) the Malmesbury Landlord has given at least 45 days' notice to each of the Malmesbury OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination, suggested remedies (if applicable) and the total amount of unpaid rent and undischarged liabilities; and
  - (ii) the Malmesbury Landlord afforded the Issuer or a Representative, if appointed, a reasonable opportunity to remedy the relevant breach within a reasonable time after the expiry of such notice (being not more than 6 months after the expiry of such notice).

***Step-in Rights***

Pursuant to the Direct Agreement (Malmesbury Lease) the Malmesbury Landlord will acknowledge that a Representative may, by written notice to the Malmesbury Landlord, assume all of the Malmesbury OpCo Borrower tenant's covenants, rights and obligations under the Malmesbury Solar Park Lease until and including the earlier of (a) a date falling 10 Business Days after that Representative gives written notice to the Malmesbury Landlord that its assumption of the Malmesbury OpCo Borrower covenants, rights and obligations under the Malmesbury Solar Park Lease shall no longer apply, (b) the date of any permitted transfer of the benefit and/ or burden of the Malmesbury Solar Park Lease, and (c) the date of expiry or termination in the ordinary course of the Malmesbury Solar Park Lease (such period of time being the "**Step-In Period (Malmesbury Lease)**").

During any Step-In Period (Malmesbury Lease), the Malmesbury Landlord will deal with the Issuer and/or any Representative and not the Malmesbury OpCo Borrower as if the Issuer and/or such Representative were the Malmesbury OpCo Borrower for the purposes of the Malmesbury Solar Park Lease and any payment or performance by the Issuer or Representative under and in accordance with the Malmesbury Solar Park Lease shall be a good discharge of the Malmesbury OpCo Borrower's obligations thereunder.

During any Step-In Period (Malmesbury Lease) the Malmesbury Landlord shall not exercise any rights to forfeit or otherwise terminate the Malmesbury Solar Park Lease solely on the grounds that (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge (b) that the Malmesbury OpCo Borrower is or may become insolvent or have a liquidator, administrator or receiver appointed over its assets or (c) that the Malmesbury OpCo Borrower has failed to discharge any liability or perform any tenant covenant or obligation under the Malmesbury Solar Park Lease where the Issuer and/or a Representative is using all reasonable endeavours to remedy such breach.

***Transfer***

At any time and from time to time during any Step-In Period (Malmesbury Lease) or in connection with any action of any kind by the Borrower Security Trustee to exercise or enforce any right in respect of any mortgage, charge, pledge, lien or other security interest granted under

the Borrower Deed of Charge over any property or assets of the Malmesbury OpCo Borrower and its permitted assigns under the Malmesbury Solar Park Lease (such action being an "**Enforcement Action (Malmesbury Lease)**"), pursuant to the Direct Agreement (Malmesbury Lease) the Representative may procure the transfer of the Malmesbury Solar Park Lease and all of the tenant covenants, rights and liabilities of the Malmesbury OpCo Borrower under the Malmesbury Solar Park Lease pursuant to and subject to the terms of the Malmesbury Solar Park Lease.

If the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Deed of Charge to a successor security trustee or mortgagee then the Malmesbury Landlord will, pursuant to the terms of the Direct Agreement (Malmesbury Lease), at the cost of the Malmesbury OpCo Borrower, on the written request of the Borrower Security Trustee or the Representative, as the case may be, if required as a condition to such assignment, enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to the Malmesbury Landlord in writing, on the same or substantially the same terms as the Direct Agreement (Malmesbury Lease), mutatis mutandis, subject to agreement by such replacement security trustee with its terms.

In the case of any permitted sale or disposal of the Malmesbury Solar Park pursuant to an Enforcement Action (Malmesbury Lease) certain terms and conditions relating to reasonableness and other conditions to consent of the Malmesbury Solar Park Lease shall apply in respect of the consent of the Malmesbury Landlord to any such sale or disposal, and otherwise, the Malmesbury Landlord shall, at the cost of the Malmesbury OpCo Borrower, on the request of the Borrower Security Trustee (or a Representative, if appointed) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the Malmesbury Solar Park Lease can pass to the purchaser.

Under the terms of the Direct Agreement (Malmesbury Lease), the Malmesbury Landlord will agree not to assign all or any their benefit, right or interest in respect of the Malmesbury Solar Park or the Malmesbury Solar Park Lease or any part thereof or sell nor otherwise dispose of the benefit of all or any part of their benefits, rights or interest in or to the Malmesbury Solar Park or Malmesbury Solar Park Lease or any part thereof without the Malmesbury Landlord, at its own cost, procuring that any person who becomes the 'Landlord' under the Malmesbury Solar Park Lease enters into a direct agreement at the time the immediate reversion to the Malmesbury Solar Park Lease is vested in such person on the same or substantially the same terms as the Direct Agreement (Malmesbury Lease), mutatis mutandis, and in substitution for the Direct Agreement (Higher Hill Lease).

Under the Direct Agreement (Malmesbury Lease) the Malmesbury Landlord will consent to a restriction being entered against its freehold title in the Malmesbury Solar Park at the Land Registry in a form set out in the Direct Agreement (Malmesbury Lease).

#### ***Malmesbury Landlord's Undertakings***

The Malmesbury Landlord will agree and undertake to the Borrower Security Trustee under the Direct Agreement (Malmesbury Lease):

- (a) it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the Malmesbury OpCo Borrower, provided that this shall not prevent the Malmesbury Landlord who is also a director of the Malmesbury OpCo Borrower from so petitioning or voting in their capacity as a director only;
- (b) any forbearance, neglect or delay on the part of the Malmesbury OpCo Borrower in enforcing its rights under any of the Malmesbury Solar Park Lease shall not affect in any way the Malmesbury Landlord's obligations under the Malmesbury Solar Park Lease or the Direct Agreement (Malmesbury Lease);
- (c) it will forward to the Borrower Security Trustee copies of all notices served by or on behalf of the Malmesbury Landlord on the Malmesbury OpCo Borrower under the

Malmesbury Solar Park Lease relating to any breach of the tenant covenants or obligations under the Malmesbury Solar Park Lease by the Tenant OpCo Borrower as soon as possible after the same are served under the Malmesbury Solar Park Lease;

- (d) it will not, during any Step-In Period (Malmesbury Lease), unreasonably withhold or delay any consents, approvals or information required of them in relation to the performance by the Malmesbury OpCo Borrower of its obligations under the Malmesbury Solar Park Lease; and
- (e) it will not oppose any application for any extension of existing planning permission or for any new planning permission by or on behalf of the Malmesbury OpCo Borrower in respect of the continued operation and use of the Malmesbury Solar Park as a solar park or in respect of the continued operation and use of any other solar park owned or occupied by the Malmesbury OpCo Borrower.

#### ***Limited Recourse***

(a) Each party (other than the Malmesbury Opco Borrower) agrees and confirms that the sole recourse of any such party in respect of any payment obligation of the Malmesbury Opco Borrower owing to it under the Direct Agreement (Malmesbury Lease) (but not under or in respect of the Malmesbury Solar Park Lease) shall be against the Borrower Charged Property and no party shall have any claim against the Malmesbury Opco Borrower or other parties hereto to the extent that such assets are insufficient to meet such payment obligations; and (b) each party (other than the Issuer) agrees and confirms that the sole recourse of any such party in respect of any payment obligations of the Issuer owing to it under and in respect of this Agreement (but not under or in respect of the Malmesbury Solar Park Lease) shall be against the Issuer Charged Property and such person shall not have any claim against any Issuer or the other parties hereto to the extent that such assets are insufficient to meet such payment obligations.

#### ***Governing Law***

The Direct Agreement (Malmesbury Lease) and any non-contractual terms arising out of it will be governed by English law.

#### ***Puriton Solar Park Lease Direct Agreement***

On closing, the landlord of the Puriton Solar Park Lease relating to the Puriton Site (the "**Puriton Landlord**") will enter into a direct agreement with the Issuer, the Puriton OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the "**Direct Agreement (Puriton Lease)**") in respect of the Puriton Solar Park Lease.

The key terms of the Direct Agreement (Puriton Lease) are as follows:

#### ***Consent to Security***

Under the Direct Agreement (Puriton Lease) the Puriton Landlord will formally consent to the security interests created or contemplated over the Puriton Solar Park Lease and the Puriton OpCo Borrower's rights under the Puriton Solar Park Lease in the Borrower Deed of Charge.

#### ***No Termination Without Notice***

Under the Direct Agreement (Puriton Lease) the Puriton Landlord will agree not to exercise any rights to terminate the Puriton Solar Park Lease unless permitted by the Puriton Solar Park Lease and:

- (a) if the right to terminate arises as a direct result of the Puriton OpCo Borrower failing to pay rent in full under the Puriton Solar Park Lease, the Puriton Landlord will not forfeit unless:

- (i) the Puriton Landlord has given at least 5 Business Days' notice to each of the Puriton OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination and the total amount of unpaid rent; and
  - (ii) the Puriton Landlord has afforded the Issuer or a Representative if one has been appointed, a reasonable opportunity to cure such non-payment on behalf of the Puriton OpCo Borrower by arranging for such amount to be paid to the Puriton Landlord within two months after the expiry of such notice; or
- (b) if the right to terminate arises as a direct result of the Puriton OpCo Borrower breaching any term of the Puriton Solar Park Lease other than the requirement to pay rent, the Puriton Landlord will agree not to forfeit unless:
- (i) the Puriton Landlord has given at least 5 Business Days notice to each of the Puriton OpCo Borrower, the Issuer and the Borrower Security Trustee, stating the proposed date of termination, the grounds for termination, suggested remedies (if applicable) and the total amount of unpaid rent and undischarged liabilities; and
  - (ii) the Puriton Landlord afforded the Issuer or a Representative, if appointed, a reasonable opportunity to remedy the relevant breach within a reasonable time after the expiry of such notice (being not less than 2 months after the expiry of such notice).

If the Puriton Landlord becomes aware that the information in a notice served as above is incomplete and/or inaccurate it may serve an updated notice.

***Step-in Rights***

Pursuant to the Direct Agreement (Puriton Lease) the Puriton Landlord will acknowledge that a Representative may, by written notice to the Puriton Landlord, assume all of the Puriton OpCo Borrower tenant's covenants, rights and obligations under the Puriton Solar Park Lease conditionally on payment of an additional 6 month's rent and VAT into the rent deposit account until and including the earlier of (a) a date falling 10 Business Days after that Representative gives written notice to the Puriton Landlord that its assumption of the Puriton OpCo Borrower covenants, rights and obligations under the Puriton Solar Park Lease shall no longer apply, (b) the date of any permitted transfer of the benefit and/ or burden of the Puriton Solar Park Lease, (c) the date of expiry or termination in the ordinary course of the Puriton Solar Park Lease, (d) The date 1 Business Day after the breach of any notice of Step-In given by a Representative (e) the date falling 1 Business Day after the expiry of the periods referred to in notices, referred to in the paragraph above headed "No Termination Without Notice" (such period of time being the "**Step-In Period (Puriton Lease)**").

During any Step-In Period (Puriton Lease), the Puriton Landlord will deal with the Issuer and/or any Representative and not the Puriton OpCo Borrower as if the Issuer and/or such Representative were the Puriton OpCo Borrower for the purposes of the Puriton Solar Park Lease and any payment or performance by the Issuer or Representative under and in accordance with the Puriton Solar Park Lease shall be a good discharge of the Puriton OpCo Borrower's obligations thereunder. PROVIDED THAT the Puriton Landlord has consented to the transfer so a suitable substitute and the transfer arises with 15 Business Days.

During any Step-In Period (Puriton Lease) the Puriton Landlord shall not exercise any rights to forfeit or otherwise terminate the Puriton Lease solely on the grounds that (a) a Representative has been appointed or the Borrower Security Trustee has otherwise enforced any security interest created in the Borrower Deed of Charge (b) that the Puriton OpCo Borrower is or may become insolvent or have a liquidation, administration or receiver appointed over its assets or (c) that the Puriton OpCo Borrower has failed to discharge any liability or perform any tenant covenant or obligation under the Lease where the Issuer and/or a Representative is using all reasonable endeavours to remedy such breach PROVIDED THAT this shall no longer apply in respect of any

breach referred to in any Termination Notice, if that breach is still outstanding and unremedied 2 months after the expiry of the relevant Termination Notice.

### ***Transfer***

At any time and from time to time during any Step-In Period (Puriton Lease) or in connection with any action of any kind by the Borrower Security Trustee to exercise or enforce any right in respect of any mortgage, charge, pledge, lien or other security interest granted under the Borrower Deed of Charge over any property or assets of the Puriton OpCo Borrower and its permitted assigns under the Puriton Solar Park Lease (such action being an "**Enforcement Action (Puriton Lease)**"), pursuant to the Direct Agreement (Puriton Lease) the Representative may procure the transfer of the Puriton Solar Park Lease and all of the tenant covenants, rights and liabilities of the Puriton OpCo Borrower under the Puriton Solar Park Lease pursuant to and subject to the terms of the Puriton Solar Park Lease.

If the Borrower Security Trustee assigns or transfers its rights and obligations under the Borrower Deed of Charge to a successor security trustee or mortgagee then the Puriton Landlord will, pursuant to the terms of the Direct Agreement (Puriton Lease), at the cost of the Puriton OpCo Borrower, on the written request of the Borrower Security Trustee or the Representative, as the case may be, if required as a condition to such assignment, enter into a direct agreement with any replacement security trustee as the Borrower Security Trustee shall notify to the Puriton Landlord in writing, on the same or substantially the same terms as the Direct Agreement (Puriton Lease), mutatis mutandis, subject to agreement by such replacement security trustee with its terms.

In the case of any permitted sale or disposal of the Puriton Solar Park Lease pursuant to an Enforcement Action (Puriton Lease) certain terms and conditions relating to reasonableness and other conditions to consent of the Puriton Solar Park Lease shall apply in respect of the consent of the Puriton Landlord to any such sale or disposal, and otherwise, the Puriton Landlord shall, at the cost of the Puriton OpCo Borrower, on the request of the Borrower Security Trustee (or a Representative, if appointed) enter into any such further agreement as the Borrower Security Trustee may reasonably require so as to ensure (to the extent permitted by the same) that the benefit (and burden) of the Puriton Solar Park Lease can pass to the purchaser.

Under the terms of the Direct Agreement (Puriton Lease), the Puriton Landlord will agree not to dispose of all or any of his benefit, right or interest in respect of the Puriton Solar Park site or the Puriton Solar Park Lease or any part thereof and the Puriton Landlord, shall at its own cost, use all reasonable endeavours to procure that any person who becomes the landlord under the Puriton Solar Park Lease enters into a direct agreement at the time the immediate reversion to the Puriton Solar Park Lease is vested in such person on the same or substantially the same terms as the Direct Agreement (Puriton Lease), mutatis mutandis, and in substitution for the Direct Agreement (Puriton Lease).

### ***Puriton Landlord's Undertakings***

The Puriton Landlord will agree and undertake to the Borrower Security Trustee under the Direct Agreement (Puriton Lease):

- (a) it will not petition for or vote in favour of any resolution to take any other action for or which may lead to the administration, winding-up or dissolution of the Puriton OpCo Borrower until the expiry of the periods referred to in the section headed "No Termination Without Notice" above or after a Step-Out Date; and
- (b) any forbearance, neglect or delay on the part of the Puriton OpCo Borrower in enforcing its rights under any of the Puriton Solar Park Lease shall not affect in any way the Puriton Landlord's obligations under the Puriton Solar Park Lease or the Puriton Solar Park Direct Agreement;
- (c) without prejudice to the Puriton Landlord's notification obligations, it will not, during any Step-In Period (Puriton Lease), unreasonably withhold or delay any consents, approvals

or information required of them in relation to the performance by the Puriton OpCo Borrower of its obligations under the Puriton Solar Park Lease;

***Limited Recourse***

Each party (other than the Issuer) agrees and confirms that the sole recourse of any such party in respect of any payment obligations of the Issuer owing to it under and in respect of this Direct Agreement (Puriton Lease) (but not under or in respect of the Puriton Lease) shall be against the Issuer Charged Property and such person shall not have any claim against any Issuer or the other parties hereto to the extent that such assets are insufficient to meet such payment obligations.

***Governing Law***

The Direct Agreement (Puriton Lease) and any non-contractual terms arising out of it will be governed by English law.

**14. *Subordination Arrangements***

The obligations of the OpCo Borrowers to the Solar Generation Companies will be subordinated to the Borrower Loan pursuant to a series of Subordination and Default Termination Deeds, to be entered into by the Parent Borrowers, the OpCo Borrowers, the Borrower Security Trustee and each of the Solar Generation Companies on or about the Closing Date. All of the Subordination and Default Termination Deeds are on substantially the same terms (each a "**Subordination and Default Termination Deed**")

***Ranking of debt***

Pursuant to the terms of the Subordination and Default Termination Deeds, all obligations owed by the OpCo Borrowers to the Issuer (the "**Issuer's Debt**") will be satisfied in full in priority to the satisfaction of the obligations of the OpCo Borrowers to the Solar Generation Company under the Sale of Capacity Contracts (the "**Subordinated Debt**"). Where, in the future, the Issuer's Debt is refinanced and/or its terms amended, the Issuer's Debt shall continue to be satisfied in priority to the Subordinated Debt.

***Undertakings***

Under the Subordination and Default Termination Deeds, the Borrowers undertake, among other things, not to grant security over their assets for all or any part of the Subordinated Debt during the period in which the Subordination and Default Termination Deed is in force (the "**Security Period**"). In addition, the Borrowers undertake, save where such payment is a Permitted Payment, not to pay, release or discharge any of the Subordinated Debt, not to amend the terms of the Sale of Capacity Contracts (save as expressly permitted by the Borrower Transaction Documents) and not to take any action which may impair or adversely affect the subordination arrangements provided for under the Subordination and Default Termination Deed.

Each Solar Generation Company undertakes, among other things, not to demand or accept payment (save for a Permitted Payment) in respect of the Subordinated Debt during the Security Period or permit any security to subsist for or in respect of the Subordinated Debt.

Each Solar Generation Company also undertakes not to amend, waive or release any provision of the Sale of Capacity Contracts in any way which, in the opinion of the Borrower Security Trustee, is likely to be detrimental to its interests.

Furthermore, each Solar Generation Company undertakes not to sell, transfer or otherwise dispose of Subordinated Debt, without the Borrower Security Trustee's prior written consent (acting on the instructions of the Controlling Party).

***Permitted Payments***

An OpCo Borrower is permitted to make a payment in respect of the Subordinated Debt (or pursuant to the Netting Agreement) where certain conditions are met (a "**Permitted Payment**"). Such conditions include the requirements that: the Borrowers have not defaulted under the Borrower Loan Agreement (nor would the payment in question result in such a default); the amount standing to the credit of the Debt Service Reserve Account is equal to or greater than the DSR Target Amount; no DSCR Trigger has occurred and is continuing; a certificate of compliance has been delivered to the Facility Agent, the Borrower Security Trustee and the Issuer; and the relevant payment will be funded out of sums standing to the credit of such OpCo Borrower's General Account.

#### ***Permitted Enforcement***

Each Solar Generation Company is not permitted to take enforcement action in respect of the Subordinated Debt during the Security Period, save for the anticipated netting under the Netting Agreement and for set off against the Termination Payment (referred to below) against the SGC Loan. Any failure by the OpCo Borrower to make a payment (other than a Permitted Payment) or perform any other obligation under the Sale of Capacity Contracts will not entitle the Solar Generation Company to take any enforcement action, nor will it constitute a default under the Borrower Loan Agreement.

#### ***Permitted net-off and set-off***

Each Solar Generation Company and each OpCo Borrower are not permitted to net or set-off any payments due among themselves during the Security Period without the prior written consent of the Borrower Security Trustee save for where:

- (a) the Sale of Capacity Contracts are terminated as described below, in which case the Termination Payment due from the OpCo Borrower may be set off by the Solar Generation Company against its outstanding liabilities under the SGC Loan; or
- (b) those payment obligations owed by the OpCo Borrower to the Solar Generation Company (or vice versa) pursuant to the Sale of Capacity Contracts and the SGC Loan may be net off against each other pursuant to the Netting Agreement.

#### ***Termination***

If, during the Security Period,

- (a) the Facility Agent serves a Borrower Acceleration Notice pursuant to the Borrower Loan Agreement; or
- (b) any one of certain events of insolvency in relation to a Solar Generation Company,

(each a "**Sale of Capacity Contracts Termination Event**") then, notwithstanding any provision to the contrary in the relevant Sale of Capacity Contracts, the relevant Renewable Power Agreement, TES Agreement and Equipment Lease Agreement shall terminate and the Borrower Security Trustee shall be entitled to serve notice to terminate the relevant Sub-Lease. In such a situation, each Solar Generation Company undertakes to do such things and execute all such other documents so as to effect the termination of the Sale of Capacity Contracts and consents to the sale and release of the assets which are the subject of the those contracts.

In the event of any one of certain events of insolvency in relation to any Borrower during the Security Period, the Issuer's Debt shall rank in priority to the Subordinated Debt and any payment or distribution by a liquidator, administrator (or equivalent) in respect of the Subordinated Debt, which has been paid to the Solar Generation Company (or to which it is entitled), will be held in trust for the Borrower Security Trustee.

Immediately upon the occurrence of a Sale of Capacity Contracts Termination Event the relevant OpCo Borrower shall be liable to pay to the relevant Solar Generation Company the following amounts.

- (a) first, the Repayment Amount (being an amount equal to the "relevant fraction" of the upfront sum paid by such Solar Generation Company to such OpCo Borrower pursuant to and upon the grant of the Sale of Capacity Contracts, in partial repayment thereof, where the relevant fraction is:

U/P,

where "U" is the period commencing upon the occurrence of such termination event and ending on the date on which the term of the Sale of Capacity Contracts would come to an end in the ordinary course (the "**Sale of Capacity Contracts End Date**"); and "P" is the period commencing upon the commencement of the Sale of Capacity Contracts and ending on Sale of Capacity Contracts End Date);

- (b) secondly, the Arrears (being the amount standing to the credit of the Mirror Reserve (as defined below) plus an amount equal to all arrears of amounts payable to such Solar Generation Company pursuant to the Netting Agreement); and
- (c) thirdly, the Compensation (being an amount to compensate such Solar Generation Company for its loss of bargain arising as a result of the premature cessation of the relevant Sale of Capacity Contracts) which, when added to the Repayment Amount and the Arrears is equal to all monies due under the relevant SGC Loan that have not been paid before the date of such termination.

The Termination Payment (being the sum of the Repayment Amount, the Arrears and the Compensation) shall upon the occurrence of a Sale of Capacity Contracts Termination Event automatically be set off against and extinguish all liabilities of whatsoever nature and howsoever and whenever arising in respect of all monies due by the relevant Solar Generation Company to the relevant OpCo Borrower under the relevant SGC Loan and, to the extent that any amount is due from one party (the "**Net Debtor**") to the other party (the "**Net Creditor**") after any such set-off, the Net Creditor is released by the Net Debtor from any such amount and accepts such set-off in full and final satisfaction thereof. The Issuer will consent to the making of the SGC Loan on the terms of the relevant SGC Loan agreement and on the basis that the Termination Payment shall automatically be set off against all liabilities under the SGC Loan on the basis described above; the Issuer will also waive, to the fullest extent permitted by applicable law, all rights of whatsoever nature and howsoever and whenever arising to challenge the making of such SGC Loan on those terms; and the Issuer will agree to pay and instruct the Borrower Security Trustee to pay to the relevant Solar Generation Company (and not otherwise deal directly or indirectly with) the amount of any benefit which it may receive for the account of the Borrower Secured Creditors as a result of any third party who successfully challenges the making of such SGC Loan on those terms.

#### ***Contravention***

Any monies received by a Solar Generation Company or payment made in respect of the Subordinated Debt during the Security Period other than in accordance with the Subordination and Default Termination Deeds must be promptly paid to the Borrower Security Trustee, which will be applied in the order set out below.

#### ***Application of Monies***

All monies received by the Borrower Security Trustee under or by virtue of the Borrower Transaction Documents shall be applied in accordance with the Borrower Transaction Documents.

#### ***Governing law***

The Subordination and Default Termination Deeds and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.

### **15. Issuer Cash Management Agreement**



On or before the Closing Date the Issuer will enter into a cash management agreement between the Issuer, the Issuer Security Trustee, the Issuer Cash Manager, the Issuer Account Bank and the Calculation Agent (the "**Issuer Cash Management Agreement**"), pursuant to which each of the Issuer will appoint Elavon Financial Services Limited (in its capacity as the "**Issuer Cash Manager**") to be its agent to provide certain cash management services in respect of the Issuer Accounts (the "**Issuer Cash Management Services**"). The Issuer Cash Manager will undertake with the Issuer that, in performing the services to be performed and in exercising its discretion under the Issuer Cash Management Agreement, the Issuer Cash Manager will be required to perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it will be obliged to comply with any directions, orders and instructions which the Issuer or the Issuer Security Trustee may from time to time give to the Issuer Cash Manager in accordance with the provisions of the Issuer Cash Management Agreement, the Trust Deed and the Issuer Deed of Charge.

#### ***Calculation of Amounts and Payments***

Under the terms of the Issuer Cash Management Agreement, the Issuer Cash Manager's main function is to apply the amounts received by the Issuer in making the payments contemplated in the applicable Priority of Payments.

In order to discharge its obligations to record accounts received, the Issuer Cash Manager will be entitled to receive the relevant Source Report duly completed by the Borrowers at least one Business Day prior to each Calculation Date.

On each Calculation Date, the Issuer Cash Manager is required to calculate, from the relevant Source Report provided by the Borrower, the various amounts available and required to pay interest and principal due on the Notes on the relevant Note Interest Payment Date and all other amounts then payable by the Issuer and the amounts available to make such payments. In addition, the Issuer Cash Manager will calculate in respect of the immediately following Note Interest Payment Date and the Notes, the Outstanding Principal Amount of each of the Notes.

#### ***Reports and Records***

Subject to prior receipt of a duly completed Source Report, at least one Business Day prior to each Calculation Date, the Issuer Cash Manager will provide or make available an Investor Report to the Noteholders through its website, which is located at [www.usbank.com/abs](http://www.usbank.com/abs).

The Issuer Cash Manager will maintain records to reflect all transactions carried out by or in respect of the Issuer Accounts, and make such records available to the Issuer and the Issuer Security Trustee at any reasonable time during office hours on reasonable notice.

#### ***Cash Management Fee***

The Issuer will pay to the Issuer Cash Manager a cash management fee as agreed between the Issuer and the Issuer Cash Manager in a fee letter dated on or about the Closing Date.

#### ***Indemnification by the Issuer***

In accordance with and subject to the provisions of the Issuer Cash Management Agreement, the Issuer, subject to the relevant Priority of Payments, from time to time on demand of the Issuer Cash Manager indemnify and hold harmless the Issuer Cash Manager against any liabilities, actions, proceedings, claims, demands and properly incurred costs or expenses which the Issuer Cash Manager has incurred in direct consequence of the Issuer Cash Management Agreement or as a direct result of the performance of the functions and services provided for thereunder, except as a result of the gross negligence, wilful default or fraud of the Issuer Cash Manager or any of its directors, employees, officers, agents or controlling persons.

#### ***Termination of Appointment of the Issuer Cash Manager***

The Issuer may terminate the Issuer Cash Manager's appointment upon not less than three months' written notice or immediately upon the occurrence of a termination event, including, among other things:

- (a) a failure by the Issuer Cash Manager to make when due a payment required to be made by the Issuer Cash Manager on behalf of the Issuer pursuant to the terms of the Issuer Cash Management Agreement;
- (b) a default in the performance of any of any of its material duties, obligations, covenants or services under the Issuer Cash Management Agreement which continues unremedied for ten Business Days; or
- (c) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator, or similar official.

In addition, the Issuer Cash Manager may resign as Issuer Cash Manager upon not less than three months' written notice of resignation to each of the other parties to the Issuer Cash Management Agreement provided that:

- (a) a successor Cash Manager shall have been appointed by the Issuer on the expiry of such notice with the prior written consent of the Issuer Security Trustee; and
- (b) the Issuer Security Trustee is satisfied that security equivalent to the existing security created by the Issued Deed of Charge has been created in respect of any new Issuer cash management agreement.

#### **Governing law**

The Issuer Cash Management Agreement will be governed by English law.

#### **16. Borrower Cash Management Agreement**

On or before the Closing Date the Borrowers will enter into the Borrower Cash Management Agreement with the Borrower Security Trustee, the Borrower Cash Manager, the Borrower Account Bank and the Calculation Agent, pursuant to which the Borrowers will appoint Elavon Financial Services Limited as Borrower Cash Manager to be their agent to provide certain cash management services in respect of the Borrower Accounts (the "**Borrower Cash Management Services**"). The Borrower Cash Manager will undertake to the Borrowers that, in performing the services to be performed and in exercising its discretion under the Borrower Cash Management Agreement, the Borrower Cash Manager will perform such responsibilities and duties diligently and in conformity with the Borrowers' obligations with respect to the transaction and that it will comply with any directions, orders and instructions which the Borrower or the Borrower Security Trustee may from time to time give to the Borrower Cash Manager in accordance with the provisions of the Borrower Cash Management Agreement, the Borrower Loan Agreement and the Borrower Deed of Charge.

#### **Calculation of Amounts and Payments**

Under the terms of the Borrower Cash Management Agreement, the Borrower Cash Manager's primary function is to apply amounts received by the Borrowers in accordance with the applicable Priority of Payments.

In order to discharge its obligations to record accounts received, the Borrower Cash Manager will be entitled to receive a Source Report duly completed by the Borrowers at least one Business Day prior to each Calculation Date.

On each Calculation Date, the Borrower Cash Manager is required to calculate, from the relevant Source Report provided by the Borrowers, the various amounts available and required to pay interest and principal due on the Borrower Loan on the relevant Loan Interest Payment Date and

all other amounts then payable by the Borrowers and the amounts available to make such payments.

***Authorised Investments***

The Borrower Cash Manager shall, from time to time, pursuant to instructions received from the relevant Parent Borrower(s) or the Borrower Agent on behalf of such Parent Borrower(s), subject to and in accordance with the Borrower Cash Management Agreement, invest amounts standing to the credit of the Parent Borrower Reserve Accounts in Authorised Investments held for and on behalf of such Parent Borrower(s) or in the name of such Parent Borrower(s).

***Reports and Records***

The Borrowers will deliver to the Borrower Cash Manager, or procure that the Borrower Cash Manager has delivered to it, such information, reports and evidence as it may reasonably require in order for it to perform its services under the Borrower Cash Management Agreement, and the identity and payment details of the recipients of such payments. The Borrowers will provide any such information, reports and evidence in a form which the Borrower Cash Manager reasonably requests.

***Cash Management Fee***

The Borrowers will pay to the Borrower Cash Manager a cash management fee as agreed between the Borrower Cash Manager and the Borrowers in a fee letter dated on or about the Closing Date.

***Indemnification by the Borrowers***

In accordance with and subject to the provisions of the Borrower Cash Management Agreement, the Borrowers will, subject to the relevant Priority of Payments, from time to time on demand indemnify and hold harmless the Borrower Cash Manager against any liabilities, actions, proceedings, claims, demands and properly incurred costs or expenses which the Borrower Cash Manager incurs as direct consequence of the Borrower Cash Management Agreement or as a direct result of the performance of the functions and services provided for thereunder, except as a result of the gross negligence, wilful default or fraud of the Borrower Cash Manager or any of its directors, employees, officers, agents or controlling persons.

***Termination of Appointment of the Borrower Cash Manager***

The Borrowers may terminate the Borrower Cash Manager's appointment upon not less than three months' written notice or immediately upon the occurrence of a termination event, including, among other things:

- (a) a failure by the Borrower Cash Manager to make when due a payment required to be made by the Borrower Cash Manager on behalf of the Borrowers pursuant to the terms of the Borrower Cash Management Agreement;
- (b) a default in the performance of any of any of its material duties, obligations, covenants or services under the Borrower Cash Management Agreement which continues unremedied for ten Business Days;
- (c) a petition is presented or an effective resolution passed for its winding up or the appointment of an administrator, or similar official; or
- (d) the Issuer Cash Manager resigns or its appointment under the Issuer Cash Management Agreement is terminated.

In addition, the Borrower Cash Manager may resign as Borrower Cash Manager upon not less than three months' written notice of resignation to each of the other parties to the Borrower Cash Management Agreement provided that:

- (a) a successor Borrower Cash Manager shall have been appointed by the Borrowers on the expiry of such notice with the prior written consent of the Borrower Security Trustee; and
- (b) the Borrower Security Trustee is satisfied that security equivalent to the existing security created by the Borrower Deed of Charge has been created in respect of any new cash management agreement.

***Successor Borrower Cash Manager***

Pursuant to the Borrower Cash Management Agreement, the Borrower Cash Manager (or its successor, as the case may be) will always be the same entity as that appointed to be the Issuer Cash Manager (or its successor, as the case may be).

***Governing law***

The Borrower Cash Management Agreement will be governed by English law.

**17. *Parent HoldCo Share Charge***

To provide further security for the Borrowers' obligations under the Borrower Loan Agreement and the other Borrower Transaction Documents, Parent HoldCo will, on the Closing Date, enter into the Parent HoldCo Share Charge with the Borrower Security Trustee. A summary of the material terms of the Parent HoldCo Share Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Parent HoldCo Share Charge.

***Security***

The Parent HoldCo will grant a first fixed charge of all of its right, title, benefit and interest, present and future, in, to and under its shares in the Parent Borrowers, to be held by the Borrower Security Trustee for itself and on trust for the benefit of the Borrower Secured Creditors.

In addition, Parent HoldCo will grant to the Borrower Security Trustee, for itself and on trust for the benefit of the Borrower Secured Creditors, a first floating charge over all its assets and undertaking which are not otherwise effectively subject to a fixed Security Interest pursuant to the Parent HoldCo Share Charge or any supplement thereto.

The fixed charge over shares referred to above shall be limited in recourse as security for the obligations of Parent HoldCo equal to the value of such charged shares only. The floating charge referred to above shall be limited in recourse as security for obligations of the Parent HoldCo totalling no more than £1 only.

From and including the date when the Facility Agent delivers a Borrower Acceleration Notice (which has not been withdrawn) to the Borrowers and Parent HoldCo, subject to any prohibition or restriction imposed by applicable law, the floating charge granted pursuant to the Parent HoldCo Share Charge will crystallise so as to become fixed charges.

For the avoidance of doubt, Parent HoldCo intends that any fixed Security Interests granted by Parent HoldCo in favour of third parties after the Closing Date will rank in priority to the floating security created under the Parent HoldCo Share Charge and to any fixed Security Interests resulting from the crystallisation of such floating security.

***Other provisions***

The provisions of the Parent HoldCo Share Charge in relation to (among other things): (a) the circumstances in which the security becomes enforceable; (b) the application of the proceeds of enforcement; (c) the requirement for the Borrower Security Trustee to act on the instructions of the Issuer Security Trustee; (d) the Borrower Security Trustee's right to the benefit of indemnities; (e) the Borrower Security Trustee's right to delegate; and (f) the limitations on the liability of the Borrower Security Trustee, will mirror those of the Borrower Deed of Charge (as to which, see "*Borrower Deed of Charge*" above). In the event that the Borrower Security Trustee ceases to act

as such pursuant to the terms of the Borrower Deed of Charge, it shall also cease to act as Borrower Security Trustee under the Parent HoldCo Share Charge and any successor Borrower Security Trustee under the Borrower Deed of Charge shall also act as Borrower Security Trustee under the Parent HoldCo Share Charge.

**18. *Netting Agreements***

The obligations of each OpCo Borrower to its corresponding Solar Generation Companies under the Renewable Power Agreements and the obligations of those Solar Generation Companies under the TES Agreements, the Sub-Leases and the SGC Loans to its OpCo Borrower will be netted off against one another pursuant to a series of Netting Agreements between each of the OpCo Borrowers and each of the Solar Generation Companies relevant to such OpCo Borrower on substantially the same terms (the "**Netting Agreements**").

***Netting Arrangements***

Pursuant to the Netting Agreements, each of the relevant OpCo Borrower and the relevant Solar Generation Company acknowledges the payment obligations (i) each owes to the other under the Sale of Capacity Contracts and (ii) the Solar Generation Company owes to the OpCo Borrower under the SGC Loan. Each agrees to defer any such payment obligation to the last day of each calendar quarter, or such other date as they may agree. Upon such date, all such payment obligations will be netted, with the net balance being paid by one party to the other.

***Netting on termination of Sale of Capacity Contracts***

The Netting Agreements provide that, if a Sale of Capacity Contracts Termination Event occurs, the Termination Payment due to the relevant Solar Generation Company from the relevant OpCo Borrower shall be automatically netted off against the obligation of such Solar Generation Company to repay the balance of the SGC Loan, in full and final settlement of both obligations.

***Termination, amendment and assignment***

Save for the obligation to pay the balancing Termination Payment referred to above, each Netting Agreement will terminate on the occurrence of a Sale of Capacity Contracts Termination Event in relation to the Sale of Capacity Contracts between the relevant OpCo Borrower and Solar Generation Company or on the earlier mutual agreement of such OpCo Borrower and Solar Generation Company, with, in the latter case, the prior written consent of the Borrower Security Trustee.

No amendment or assignment of a Netting Agreement is permitted without the consent of the Borrower Security Trustee.

***Governing Law***

The Netting Agreements and any non-contractual obligations arising out of or in connection with them will be governed by and construed in accordance with English law.

**19. *SGC Loans***

On or about the Closing Date the OpCo Borrowers will lend an amount equal to the gross proceeds of the Borrower Loan pursuant to a series of loans agreements with each of the Solar Generation Companies to the Solar Generation Companies (the "**SGC Loans**"). The SGC Loans will be repaid over the same term and at the same rate of interest as the Borrower Loan, subject to all amounts payable to the Solar Generation Companies pursuant to the Netting Agreements being paid on time and in full. So that the SGC Loans amortise at the same rate as the Borrower Loan, the OpCo Borrowers will maintain an account in their books (a "**Mirror Reserve**"), which will be treated as being credited with the balances from time to time standing to the credit of the Parent Borrower Reserve Accounts and the Working Capital Reserve Account (together, the "**Borrower Reserve Accounts**") (reflecting the fact that the SGC Loans will be advanced net of amounts equal to the Initial Debt Service Reserve Amount, the Initial Opex Reserve Amount, the amount

deposited in the Malmesbury Reserve Account and reductions in the trade debts otherwise payable to the Solar Generation Companies pursuant to the Netting Agreement which are left unpaid due to the OpCo Borrowers being obliged to make deposits in the Borrower Reserve Accounts). The amount from time to time standing to the credit of the Mirror Reserve shall be deemed to be reduced by an amount equal to all payments made out of the Borrower Reserve Accounts and increased by an amount equal to all payments into the Borrower Reserve Accounts. If a payment is made out of the Borrower Reserve Accounts and applied in reducing the Borrower Loan then an amount equal to that payment shall be deemed to have been applied in partial repayment of the SGC Loans. The amounts standing to the credit of the Mirror Reserve will constitute a debt owed by the OpCo Borrowers to the Solar Generation Companies though this debt is subordinated to the Borrower Loan pursuant to the Subordination and Default Termination Deeds. The OpCo Borrowers are not permitted to take enforcement action in respect of the SGC Loans except where the OpCo Borrowers have become liable, pursuant to the terms of the Subordination Arrangements, to pay to the Solar Generation Companies the following amounts: First, an amount equal to the Relevant Fraction of the upfront sum paid by the Solar Generation Company to the OpCo Borrower pursuant to and upon the grant of the Capacity to Use Contracts, in partial repayment thereof, where the Relevant Fraction (the "**Relevant Fraction**") is  $U/P$  and "U" is the period commencing upon the occurrence of a termination event under the Borrower Loan and ending on the date on which the term of the Capacity to Use Contracts would come to an end in the ordinary course (the "**End Date**"), and P is the period commencing upon the commencement of the Capacity to Use Contracts and ending on End Date (the "**Repayment Amount**"); Secondly, the amount standing to the credit of the Mirror Reserve plus an amount equal to all arrears of amounts payable to the Solar Generation Company pursuant to the Netting Agreements ("**Arrears**"); and thirdly an amount to compensate the Solar Generation Company for its loss of bargain arising as a result of the premature cessation of the Capacity to Use Contracts which, when added to the Repayment Amount and the Arrears is equal to all monies due under the SGC Loan (the "**Compensation Payment**"). The Repayment Amount, the Arrears and the Compensation Payment (together the "**Termination Payment**") shall forthwith upon the occurrence of a termination event under the Borrower Loan automatically be set off against and extinguish all liabilities of whatsoever nature and howsoever arising in respect of all monies due by the Solar Generation Company to the OpCo Borrower in respect of the SGC Loan in full and final satisfaction thereof.

## 20. *Agreement for Cabling Works*

Following commissioning of the Kent Solar Park, it emerged that it would be advantageous to the Kent OpCo Borrower to relocate the high voltage cable connecting the Kent Solar Park to the electricity grid, the sub-station and the generation meter. The relocation of the cable, sub-station and generation meter (and the carrying out of ancillary works connected with such relocation) (the "**Cable Relocation Works**") was carried out by AGRenewables Limited (which is also the Kent EPC Contractor and the Kent O&M Contractor) ("**AGR**") pursuant to an agreement for cabling works with the Kent OpCo Borrower dated 5 December 2012, as varied (the "**Cable Relocation Agreement**").

Under the terms of the Cable Relocation Agreement, AGR has carried out the Cable Relocation Works at its own cost. In recognition of the fact that the Kent OpCo borrower will benefit from the relocation of the generation meter and the subsequent increase in feed-in tariff generation revenues, the Kent OpCo Borrower has agreed to reimburse AGR for the cost of the Cable Relocation Works (up to a maximum amount of £200,000).

Payments due to AGR under the Cable Relocation Agreement are ultimately intended to be funded directly from the additional Generation Payments received by the Kent OpCo Borrower.

## USE OF PROCEEDS

The estimated gross proceeds from the issue of the Notes will be £60,000,000. On or about the Closing Date, the Issuer will, subject to and in accordance with the terms of the Borrower Loan Agreement, advance the Borrower Loan to the Borrowers (in an amount equal to the gross proceeds from the issue of the Notes less certain expenses and fees).

Some of the proceeds of the Borrower Loan will be used by the Borrowers:

- (a) to pay certain costs, fees and expenses payable by the Borrowers on or about the Closing Date (including, without limitation, advisory fees);
- (b) to pay to the Issuer, pursuant to the Borrower Loan Agreement, a fee in an amount sufficient to enable the Issuer to pay certain costs, fees and expenses payable by it on or about the Closing Date; and
- (c) to deposit:
  - (i) £2,250,000 in the Debt Service Reserve Account;
  - (ii) £1,010,000 in the Opex Reserve Account; and
  - (iii) £1,750,000 in the Malmesbury Reserve Account.

The OpCo Borrowers will lend the remaining proceeds of the Borrower Loan to the Solar Generation Companies (the "**SGC Loans**"). The Solar Generation Companies will apply the funds lent to them to invest in other business opportunities. The arrangements with the Solar Generation Companies are such that all amounts due to or owing by the Solar Generation Company to the OpCo Borrowers are netted and none of the assets of the Solar Generation Companies support the Notes (save to the extent that, upon an enforcement, there is cash available in any of the General Accounts as a result of any payments made by the Solar Generation Companies).

The expenses to be paid in relation to the admission by the London Stock Exchange of the Notes to trading are estimated to be £3,000. The total expenses of the Issue are estimated to be up to £1,600,000. The estimated total net proceeds from the issue of the Notes will be £58,400,000, approximately.

## THE ISSUER

### Introduction

The Issuer was incorporated in England and Wales on 6 March 2013 under registered number 8432822 as a public company with limited liability under the Companies Act 2006. The registered office of the Issuer is at 35 Great St. Helen's, London EC3A 6AP and its contact telephone number is +44 (0) 20 7398 6300. The Issuer is organised as a special purpose vehicle and its activities are limited accordingly. The Issuer has no subsidiaries. The entire share capital of the Issuer is held by or on behalf of the Share Trustee on trust for charitable purposes under the terms of the Issuer Share Trust Deed and none of the Borrowers own, directly or indirectly, any of the share capital of the Issuer.

### Principal Activities

The principal objects of the Issuer are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Issuer was established for the limited purposes of issuing the Notes, granting the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

The Issuer has not commenced operations and has not engaged, since its incorporation, in any activities other than those incidental to its incorporation and registration as a public limited company under the Companies Act 2006; the authorisation of the issue of the notes and of the other documents and matters referred to or contemplated in these Listing Particulars and matters which are incidental or ancillary to the foregoing.

The activities of the Issuer will be restricted by the Conditions and will be limited to the issue of the Notes, the granting of the Borrower Loan, the exercise of related rights and powers and the other activities described in these Listing Particulars (see further Condition 5 (*Undertakings*)).

### Directors and Secretary

The directors of the Issuer and their respective business addresses and other principal activities are:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
SFM Directors Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
SFM Directors (No. 2) Limited	35 Great St. Helen's London EC3A 6AP	Corporate Director
Claudia Wallace	35 Great St. Helen's London EC3A 6AP	Director

The company secretary of the Issuer is SFM Corporate Services Limited, a company incorporated in England and Wales (registered number 3920255), whose business address is 35 Great St. Helen's, London EC3A 6AP. The directors of SFM Directors Limited (registered number 3920254) and SFM Directors (No. 2) Limited (registered number 4017430) as at the date of these Listing Particulars and their principal activities are as follows:

<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
Jonathan Keighley	35 Great St. Helen's London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's London EC3A 6AP	Director



<b>Name</b>	<b>Business Address</b>	<b>Principal Activities</b>
John Paul Nowacki	35 Great St. Helen's London EC3A 6AP	Director
Claudia Wallace	35 Great St. Helen's London EC3A 6AP	Director
Vinoy Nursiah	35 Great St. Helen's London EC3A 6AP	Director
Helena Whitaker	35 Great St. Helen's London EC3A 6AP	Director
Jocelyn Coad	35 Great St. Helen's London EC3A 6AP	Director
Debra Parsall	35 Great St. Helen's London EC3A 6AP	Company Secretary
Michael Drew	35 Great St. Helen's London EC3A 6AP	Company Secretary
Jennifer Jones	35 Great St. Helen's London EC3A 6AP	Company Secretary

### **Capitalisation Statement**

The capitalisation of the Issuer as at the date of these Listing Particulars is as follows:

#### **Share Capital**

<b>Issued Share Capital £</b>	<b>Value of each Share £</b>	<b>Share Fully Paid-up</b>	<b>Paid-up Share Capital £</b>
50,000	1	50,000	50,000

All of the issued shares (being 50,000 shares of £1 each, each of which is fully paid-up) in the Issuer are held by the Share Trustee.

Except as set out above, the issuer has no outstanding loan capital, borrowings, indebtedness or contingent liabilities and the Issuer has not created any mortgages or charges nor has it given any guarantees as at the date of these Listing Particulars.

Neither the Parent Borrowers, the OpCo Borrowers nor any other party involved in the issue owns directly or indirectly any of the share capital of the Issuer and neither the Parent Borrowers, the OpCo Borrowers nor any other party involved in the issue nor any company connected with the them can direct the Share Trustee and none of such companies has any control, direct or indirect, over the Issuer.

#### **Financial Information**

The Issuer will publish annual reports and accounts. Since the date of its incorporation, the Issuer has not commenced operations and no financial statements have been made up as at the date of these Listing Particulars. Reports and accounts published by the Issuer will, when published, be available for inspection during normal office hours at the specified office of the Paying Agent.

## THE PARENT BORROWERS

### THE SE PARENT BORROWER

#### Introduction

The SE Parent Borrower was incorporated in England and Wales on 17 December, 2010 under registered number 07472592 as a private company with limited liability under the Companies Act 2006. The registered office of the SE Parent Borrower is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471800. The SE Parent Borrower holds the entire issued share capital of the Kent OpCo Borrower. The entire issued share capital of the SE Parent Borrower is beneficially owned by Parent HoldCo. Legal title to the shares of the SE Parent Borrower is currently held by the Trust but will be transferred to Parent HoldCo once HM Revenue & Customs has provided its adjudication that no stamp duty is payable, as described in "Transaction Overview – Structure of the Borrower Group".

#### Principal Activities

The principal objects of the SE Parent Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The SE Parent Borrower was established for the limited purposes of holding shares in the Kent OpCo Borrower, entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

#### Directors and Secretary

The directors of the SE Parent Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

#### Capitalisation Statement

The capitalisation of the SE Parent Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
1	1	1	1

All of the issued shares (being 1 share of £1 which is fully paid-up) in the SE Parent Borrower are held by Parent HoldCo.

#### Financial Information

The SE Parent Borrower will prepare annual reports and accounts. The SE Parent Borrower's audited financial statements for its financial year ending 31 December, 2012 are set out in Annex II of these Listing Particulars.

There has been no significant change in the financial or trading position of the SE Parent Borrower since 31 December, 2012, being the end of the financial period for which the following financial statements have been published.

There has been no material adverse change in the prospects of the SE Parent Borrower since the date of its last published audited accounts.

## THE ERIS PARENT BORROWER

### Introduction

The Eris Parent Borrower was incorporated in England and Wales on 11 July, 2011 under registered number 07699638 as a private company with limited liability under the Companies Act 2006. The registered office of the Eris Parent Borrower is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The Eris Parent Borrower holds the entire issued share capital of the Puriton OpCo Borrower and the Bridgewater OpCo Borrower. The entire issued share capital of the Eris Parent Borrower is beneficially owned by Parent HoldCo. Legal title to the shares of the Eris Parent Borrower is currently held by the Trust but will be transferred to Parent HoldCo once HM Revenue & Customs has provided its adjudication that no stamp duty is payable, as described in "Transaction Overview – Structure of the Borrower Group".

### Principal Activities

The principal objects of the Eris Parent Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Eris Parent Borrower was established for the limited purposes of holding shares in the Puriton OpCo Borrower and the Bridgewater OpCo Borrower, entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Eris Parent Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

### Capitalisation Statement

The capitalisation of the Eris Parent Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
1	1	1	1

All of the issued shares (being 1 share of £1 which is fully paid-up) in the Eris Parent Borrower are held by Parent HoldCo.

### Financial Information

The Eris Parent Borrower will prepare annual reports and accounts. The Eris Parent Borrower's audited financial statements for its financial year ending 31 December, 2012 are set out in Annex II of these Listing Particulars.

There has been no significant change in the financial or trading position of the Eris Parent Borrower since 31 December, 2012, being the end of the financial period for which the following financial statements have been published.

There has been no material adverse change in the prospects of the Eris Parent Borrower since the date of its last published audited accounts.

## THE LEEDS PARENT BORROWER

### Introduction

The Leeds Parent Borrower was incorporated in England and Wales on 25 March, 2011 under registered number 07578911 as a private company with limited liability under the Companies Act 2006. The registered office of the Leeds Parent Borrower is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The Leeds Parent Borrower holds the entire issued share capital of the Malmesbury OpCo Borrower. The entire issued share capital of the Leeds Parent Borrower is beneficially owned by Parent HoldCo. Legal title to the shares of the Leeds Parent Borrower is currently held by the Trust but will be transferred to Parent HoldCo once HM Revenue & Customs has provided its adjudication that no stamp duty is payable, as described in "Transaction Overview – Structure of the Borrower Group".

### Principal Activities

The principal objects of the Leeds Parent Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Leeds Parent Borrower was established for the limited purposes of holding shares in the Malmesbury OpCo Borrower, entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Leeds Parent Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

### Capitalisation Statement

The capitalisation of the Leeds Parent Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
0.01	0.01	1	0.01

All of the issued shares (being 1 share of £0.01 which is fully paid-up) in the Leeds Parent Borrower are held by Parent HoldCo.

### Financial Information

The Leeds Parent Borrower will prepare annual reports and accounts. The Leeds Parent Borrower's audited financial statements for its financial period from 1 December, 2011 to 31 December, 2012 are set out in Annex II of these Listing Particulars.

There has been no significant change in the financial or trading position of the Leeds Parent Borrower since 31 December, 2012, being the end of the financial period for which the following financial statements have been published.

There has been no material adverse change in the prospects of the Leeds Parent Borrower since the date of its last published audited accounts.

## THE OPCO BORROWERS

### THE KENT OPCO BORROWER

#### Introduction

The Kent OpCo Borrower was incorporated in England and Wales on 7 April, 2011 under registered number 07596151 as a private company with limited liability under the Companies Act 2006. The registered office of the Kent OpCo Borrower is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The entire issued share capital of the Kent OpCo Borrower is held by the SE Parent Borrower.

#### Principal Activities

The principal objects of the Kent OpCo Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Kent OpCo Borrower was established for the purposes of operating the business of solar power production and entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

#### Directors and Secretary

The directors of the Kent OpCo Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

#### Capitalisation Statement

The capitalisation of the Kent OpCo Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
1	1	1	1

All of the issued shares (being 1 share of £1 which is fully paid-up) in the Kent OpCo Borrower are held by the SE Parent Borrower.

#### Financial Information

The Kent OpCo Borrower will prepare annual reports and accounts. The Kent OpCo Borrower's audited financial statements for its financial period from 7 April, 2011 to 30 April, 2012 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Kent OpCo Borrower since 30 April, 2012, being the end of the financial period for which the following audited financial statements have been published, save that the Kent OpCo Borrower has paid a dividend to the SE Parent Borrower of



£450,000 from its retained profits as at 30 April, 2012 (with the resulting material reduction in the net assets of the Kent OpCo Borrower).

There has been no material adverse change in the prospects of the Kent OpCo Borrower since the date of its last published accounts.

## THE PURITON OPCO BORROWER

### Introduction

The Puriton OpCo Borrower was incorporated in England and Wales on 2 November, 2010 under registered number 07426782 as a private company with limited liability under the Companies Act 2006. The registered office of the Puriton OpCo Borrower is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The entire issued share capital of the Puriton OpCo Borrower is held by the Eris Parent Borrower.

### Principal Activities

The principal objects of the Puriton OpCo Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Puriton OpCo Borrower was established for the purposes of operating the business of solar power production and entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Puriton OpCo Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

### Capitalisation Statement

The capitalisation of the Puriton OpCo Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
101	1	101	101

All of the issued shares (being 100 "A" ordinary shares of £1 each and 1 "B" ordinary share of £1, all of which are fully paid-up) in the Puriton OpCo Borrower are held by the Eris Parent Borrower.

### Financial Information

The Puriton OpCo Borrower will prepare annual reports and accounts. The Puriton OpCo Borrower's audited financial statements for its financial period from 2 November, 2010 to 30 April, 2012 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Puriton OpCo Borrower since 30 April, 2012, being the end of the financial period for which the following audited financial statements have been published, save that the Puriton OpCo Borrower has paid a dividend to the Eris Parent Borrower of £235,000 from its retained profits as at 30 April, 2012 (with the resulting material reduction in the net assets of the Puriton OpCo Borrower).

There has been no material adverse change in the prospects of the Puriton OpCo Borrower since the date of its last published accounts.

## THE BRIDGEWATER OPCO BORROWER

### Introduction

The Bridgewater OpCo Borrower was incorporated in England and Wales on 10 December, 2010 under registered number 07466576 as a private company with limited liability under the Companies Act 2006. The registered office of the Bridgewater OpCo Borrower is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The entire issued share capital of the Bridgewater OpCo Borrower is held by the Eris Parent Borrower.

### Principal Activities

The principal objects of the Bridgewater OpCo Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Bridgewater OpCo Borrower was established for the purposes of operating the business of solar power production and entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Bridgewater OpCo Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

### Capitalisation Statement

The capitalisation of the Bridgewater OpCo Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
101	1	101	101

All of the issued shares (being 100 "A" ordinary shares of £1 each and 1 "B" ordinary share of £1, all of which are fully paid-up) in the Bridgewater OpCo Borrower are held by the Eris Parent Borrower.

### Financial Information

The Bridgewater OpCo Borrower will prepare annual reports and accounts. The Bridgewater OpCo Borrower's audited financial statements for its financial period from 10 December, 2010 to 30 April, 2012 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Bridgewater OpCo Borrower since 30 April, 2012, being the end of the financial period for which the following audited financial statements have been published, save that the Bridgewater OpCo Borrower has paid a dividend of £71,000 to the Eris Parent Borrower from its retained profits as at 30 April, 2012 (with the resulting material reduction in the net assets of the Bridgewater OpCo Borrower).

There has been no material adverse change in the prospects of the Bridgewater OpCo Borrower since the date of its last published accounts.

## THE MALMESBURY OPCO BORROWER

### Introduction

The Malmesbury OpCo Borrower was incorporated in England and Wales on 23 November, 2006 under registered number 06007784 as a private company with limited liability under the Companies Act 1985. The registered office of the Malmesbury OpCo Borrower is at ECA Court, South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471 800. The entire issued share capital of the Malmesbury OpCo Borrower is held by the Leeds Parent Borrower.

### Principal Activities

The principal objects of the Malmesbury OpCo Borrower are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Malmesbury OpCo Borrower was established for the purposes of operating the business of solar power production and entering into the Borrower Loan and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Malmesbury OpCo Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
William John Aiken	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant
Ricardo Piñeiro	ECA Court, South Park, Sevenoaks, Kent TN13 1DU	Investment Manager

### Capitalisation Statement

The capitalisation of the Malmesbury OpCo Borrower as at the date of these Listing Particulars is as follows:

#### Share Capital

Issued Share Capital £	Value of each Share £	Shares Fully Paid-up	Paid-up Share Capital £
4	1	4	4

All of the issued shares (being 4 shares of £1 each, each of which is fully paid-up) in the Malmesbury OpCo Borrower are held by the Leeds Parent Borrower.

### Financial Information

The Malmesbury OpCo Borrower will prepare annual reports and accounts. The Malmesbury OpCo Borrower's audited financial statements for its financial period from 1 December, 2010 to 30 April, 2012 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Malmesbury OpCo Borrower since 30 April, 2012, being the end of the last financial period for which the following audited financial statements have been published, save that the Malmesbury OpCo Borrower has paid a dividend of £80,000 to the Leeds Parent Borrower from its retained profits as at 30 April, 2012 (with the resulting material reduction in the net assets of the Malmesbury OpCo Borrower).

There has been no material adverse change in the prospects of the Malmesbury OpCo Borrower since the date of its last published accounts.

## THE PARENT HOLDCO

### Introduction

The Parent HoldCo was incorporated in England and Wales on 8 March, 2013 under registered number 08436227 as a private company with limited liability under the Companies Act 2006. The registered office of the Parent HoldCo is at ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU and its contact telephone number is +44 (0) 1732 471800. The Parent HoldCo holds the entire issued share capital of each of the Parent Borrowers. The entire share capital of the Parent HoldCo is held by the trustees of the Foresight Solar Fit Company Trust.

### Principal Activities

The principal objects of the Parent HoldCo are, amongst other things, to lend money and give credit, secured and unsecured, to borrow or raise money and secure the payment of money and to grant security over its property for the performance of its obligations or the payment of money. The Parent HoldCo was established for the limited purposes of holding shares in the Parent Borrowers, entering into the Parent HoldCo Share Charge and certain related transactions described elsewhere in these Listing Particulars.

### Directors and Secretary

The directors of the Parent HoldCo and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
Ricardo Piñeiro	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Investment Manager
William John Aiken	ECA Court, 24-26 South Park, Sevenoaks, Kent TN13 1DU	Chartered Accountant

Parent HoldCo does not have a Company Secretary.

### Capitalisation Statement

The capitalisation of the Parent HoldCo as at the date of these Listing Particulars is as follows:

#### Share Capital

Share Class	Issued Share Capital £	Value of each Share £	Share Fully Paid-up	Paid-up Share Capital £
Ordinary	0.03	£0.01	£0.01	£0.03

All of the issued shares (being 3 Ordinary shares of £0.01 each, each of which is fully paid-up) in the Parent HoldCo are held by the trustees of the Foresight Solar Fit Company Trust.

### Financial Information

The Parent HoldCo will prepare annual reports and accounts. As a newly formed company, the Parent HoldCo has not prepared any audited Financial Statements.

There has been no significant change in the financial or trading position of the Parent HoldCo since its incorporation.

There has been no material adverse change in the prospects of the Parent HoldCo since its incorporation.



## DESCRIPTION OF THE NOTES

*The information set out below has been obtained from sources that the Issuer believes to be reliable and the Issuer accepts responsibility for correctly reproducing this information, but prospective investors are advised to make their own enquiries as to such procedures. In particular, such information is subject to any change in or reinterpretation of the rules, regulations and procedures of the Clearing Systems currently in effect, and investors wishing to use the facilities of any of the Clearing Systems are therefore advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Registrar, the Note Trustee, the Issuer Security Trustee, the Arranger, the Bookrunner or any party to the Agency Agreement will have any responsibility for the performance by the Clearing Systems or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations or for the sufficiency for any purpose of the arrangements described below.*

### General

The Notes will be represented on issue by one or more Global Note Certificates in fully registered form without interest coupons. The Global Note Certificate will be deposited on the Closing Date with, and registered in the name of a common depository as nominee of Euroclear and Clearstream, Luxembourg (the "**Common Depository**"). The Global Note Certificate will be issued in minimum denominations of GBP 100,000 and integral multiples of GBP 10,000 in excess thereof.

### Holding of Beneficial Interests in Global Note Certificates

Ownership of beneficial interests in respect of Global Note Certificate will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**direct participants**") or persons that hold beneficial interests in the Global Note Certificate through participants ("**indirect participants**" and, together with direct participants, "**participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg either directly or indirectly. Indirect participants will also include persons that hold beneficial interests through such indirect participants. Beneficial interests in the Global Note Certificate will not be held in definitive form. Instead, Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective interests beneficially owned by such participants on each of their respective book-entry registration and transfer systems. Ownership of beneficial interests in Global Note Certificate will be shown on, and transfers of beneficial interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their participants) and on the records of participants or indirect participants (with respect to the interests of their participants). The laws of some jurisdictions or other applicable rules may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability of persons within such jurisdictions or otherwise subject to the laws thereof to own, transfer or pledge beneficial interests in the Global Note Certificate.

Except as set forth below under "*Issuance of Definitive Note Certificates*" below, participants or indirect participants will not be entitled to have Notes registered in their names, will not receive or be entitled to receive physical delivery of Notes in definitive registered form and will not be considered the holders thereof under the Trust Deed. Accordingly, each person holding a beneficial interest in a Global Note Certificate must rely on the rules and procedures of Euroclear or Clearstream, Luxembourg, as the case may be, and indirect participants must rely on the procedures of the participant or indirect participants through which such person owns its beneficial interest in the relevant Global Note Certificate to exercise any rights and obligations of a holder of Notes under the Trust Deed.

Unlike legal owners or holders of the Notes, holders of beneficial interests in the Global Note Certificate will not have the right under the Trust Deed to act upon solicitations by the Issuer of consents or requests by the Issuer for waivers or other actions from Noteholders. Instead, a holder of a beneficial interest in the Global Note Certificate will be permitted to act only to the extent it has received appropriate proxies to do so from Euroclear or Clearstream, Luxembourg and, if applicable, their participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable holders of beneficial interests in the Global Note Certificate to vote on any requested actions on a timely basis

Similarly, upon the occurrence of a Note Event of Default under the Notes, holders of beneficial interests in the Global Note Certificate will be restricted to acting through Euroclear and Clearstream, Luxembourg unless and until Definitive Note Certificates are issued in accordance with the Conditions. There can be no assurance that the procedures to be implemented by Euroclear, and Clearstream, Luxembourg under such circumstances will be adequate to ensure the timely exercise of remedies under the Trust Deed.

**Luxembourg's respective book-entry registration and transfer systems.**

For further information regarding the purchase of beneficial interests in the Global Notes Certificate, see "*Transfer Restrictions*" below.

Although Euroclear and Clearstream, Luxembourg have agreed to certain procedures to facilitate transfer of beneficial interests in the Global Note Certificate among account holders of Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Note Trustee, the Registrar, the Paying Agent or any of their respective agents will have any responsibility for the performance by Euroclear or Clearstream, Luxembourg or their respective participants or account holders of their respective obligations under the rules and procedures governing their operations.

**Payments on Global Notes**

Each payment of interest on and repayment of principal of the Notes shall be made in accordance with the Agency Agreement.

Payments of any amounts owing in respect of the Global Note Certificate will be made by the Issuer, in sterling, to the Common Depository for Euroclear or Clearstream, Luxembourg, or its nominee, which will distribute such payments to participants who hold beneficial interests in the Global Note Certificate in accordance with the procedures of Euroclear or Clearstream, Luxembourg.

Under the terms of the Trust Deed, the Issuer and the Note Trustee will treat the registered holders of the Global Note Certificate as the owner thereof for the purposes of receiving payments and for all other purposes.

Consequently, none of the Issuer, the Note Trustee or the Issuer Security Trustee or any agent of the Issuer or the Note Trustee has or will have any responsibility or liability for:

- (a) any aspect of the records of Euroclear and/or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest in the Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear and/or Clearstream, Luxembourg or any participant or indirect participant relating to or payments made on account of a beneficial interest in the Global Note Certificate; or
- (b) Euroclear and/or Clearstream, Luxembourg or any participant or indirect participant.

The Note Trustee or the Issuer Security Trustee is entitled to rely on any certificate or other document issued by Euroclear and/or Clearstream, Luxembourg for determining the identity of the several persons who are for the time being the beneficial holders of any beneficial interest in the Global Note Certificate.

All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of Euroclear or, as the case may be, Clearstream, Luxembourg, after receipt of any payment by the Common Security Holder or its nominee, the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of beneficial interests in the Global Note Certificate as shown in the records of Euroclear or of Clearstream, Luxembourg. The Issuer expects that payments by participants to owners of beneficial interests in the Global Note Certificate held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is

now the case with the securities held for the accounts of customers registered in "street name" or in the names of nominees for such customers. Such payments will be the responsibility of such participants or indirect participants. None of the Issuer, the Note Trustee, the Issuer Security Trustee, the Registrar, the Paying Agent or any other agent of the Issuer, the Note Trustee, the Issuer Security Trustee or the Registrar will have any responsibility or liability for any aspect of the records of Euroclear or Clearstream, Luxembourg relating to or payments made by Euroclear or Clearstream, Luxembourg on account of a participant's ownership of beneficial interests in the Global Note Certificate or for maintaining, supervising or reviewing any records relating to a participant's ownership of beneficial interests in the Global Note Certificate.

### **Book-Entry Ownership**

The Global Note Certificate will have an ISIN and a Common Code and will be registered in the name of and deposited with the Common Security Holder or its nominee, on behalf of Euroclear and Clearstream, Luxembourg.

### **Information Regarding Euroclear and Clearstream, Luxembourg**

Euroclear and Clearstream, Luxembourg have informed the Issuer as follows:

Custodial and depository links have been established between Euroclear and Clearstream, Luxembourg to facilitate the initial issue of Global Note Certificate and secondary market trading of beneficial interests in the Global Note Certificate.

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

As Euroclear and Clearstream, Luxembourg act on behalf of their respective account holders only, who in turn may act on behalf of their respective clients, the ability of beneficial owners who are not account holders with Euroclear or Clearstream, Luxembourg to pledge interests in the Global Note Certificate, to persons or entities that are not account holders with Euroclear or Clearstream, Luxembourg, or otherwise take action in respect of interests in the Global Note Certificate may be limited.

The Issuer understands that under existing industry practices, if either the Issuer or the Note Trustee requests any action of owners of beneficial interests in the Global Note Certificate or if an owner of a beneficial interests in the Global Note Certificate desires to give instructions or take any action that a holder is entitled to give or take under the Trust Deed, Euroclear or Clearstream, Luxembourg, as the case may be, would authorise the direct participants owning the relevant beneficial interests to give instructions or take such action, and such direct participants would authorise indirect participants to give or take such action or would otherwise act upon the instructions of such indirect participants.

### **Transfer and Transfer Restrictions**

All transfers of beneficial interests in the Global Note Certificate will be recorded in accordance with the bookentry systems maintained by Euroclear or Clearstream, Luxembourg, as applicable, pursuant to customary procedures established by each respective system and its participants.

Each Global Note Certificate will bear a legend substantially identical to that appearing in paragraph (f) under "*Transfer Restrictions*" below. Until and including the 40th day after the later of the commencement of the offering of the Notes and the closing date for the offering of the Notes (the "**Note Distribution Compliance Period**"), beneficial interests in the Global Note Certificate may be held only through Euroclear or Clearstream, Luxembourg.

### **Transfer of Global Note Certificates**

The Global Note Certificate may be transferred by the Common Security Holder only to a successor Common Security Holder.

### **Issuance of Definitive Note Certificates**

The Global Note Certificate will be exchanged for Definitive Note Certificates only if, 40 days or more after the Closing Date, any of the following circumstances apply:

- (a) either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is in existence; or
- (b) as a result of any amendment to, or change in, the laws or regulations of England and Wales or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or any Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.

If Definitive Notes Certificates are issued in accordance with the Trust Deed, the Book-Entry Interests represented by the Global Note Certificate shall be exchanged by the Issuer for Definitive Note Certificates. The aggregate principal amount of the Definitive Note Certificates to be issued will be equal to the aggregate Principal Amount Outstanding of the Global Note Certificate at the date on which notice of such issue of Definitive Note Certificates is given to the Noteholders, subject to and in accordance with these Conditions, the Agency Agreement, the Trust Deed and such Global Note Certificate. The Definitive Note Certificates will be issued in registered form only, in the initial denomination of GBP 100,000 and integral multiples of GBP 10,000 in excess thereof.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the terms and conditions of the Notes which, subject to completion and except for the text in italics, will be endorsed on each Definitive Note Certificate (if issued).*

The issue of GBP 60,000,000 in aggregate principal amount of Secured RPI-linked Notes due 2036 (the "**Notes**") has been authorised by a resolution dated on or about 2 May, 2013 of Malina Financing 2013-1 plc (the "**Issuer**").

The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated on or about 2 May, 2013 (as amended or supplemented from time to time, the "**Trust Deed**" and the "**Closing Date**" respectively) between the Issuer and U.S. Bank Trustees Limited in its capacity as note trustee (in such capacity, the "**Note Trustee**", which expression includes all persons for the time being appointed as note trustee for the holders of the Notes (the "**Noteholders**") under the Trust Deed).

These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed. The additional agreements entered into in relation to the Notes include:

- (i) an agency agreement dated on or about the Closing Date (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, the Note Trustee and Elavon Financial Services Limited in its separate capacities as paying agent and calculation agent in respect of the Notes (the "**Paying Agent**" and "**Calculation Agent**", respectively, which expressions shall include any successor paying agents or calculation agents, as the case may be, appointed from time to time in connection with the Notes), and Elavon Financial Services Limited, in its capacity as registrar (the "**Registrar**", which expression shall include any successor registrar appointed from time to time in connection with the Notes);
- (ii) the deed of charge dated on or about the Closing Date (as amended or supplemented from time to time, the "**Issuer Deed of Charge**") between, among others, the Issuer, the Note Trustee and U.S. Bank Trustees Limited as security trustee (the "**Issuer Security Trustee**", which expression includes any successor security trustee appointed from time to time as security trustee for the holders of the Notes under the Issuer Deed of Charge);
- (iii) the cash management agreement dated on or about the Closing Date (as amended or supplemented from time to time, the "**Issuer Cash Management Agreement**") between, among others, the Issuer, Elavon Financial Services Limited as issuer cash manager (the "**Issuer Cash Manager**", which expression includes any successor issuer cash manager appointed from time to time as issuer cash manager under the Issuer Cash Management Agreement) the Note Trustee, the Issuer Security Trustee and the Calculation Agent.

The Noteholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Issuer Deed of Charge, the Issuer Cash Management Agreement, the Agency Agreement, the Corporate Services Agreement, the Subscription Agreement, Master Definitions Schedule and the Direct Agreements (the "**Issuer Transaction Documents**"). Copies of the Issuer Transaction Documents are available for inspection during normal business hours at the Specified Offices of the Paying Agent.

### 1. DEFINITIONS

For the purposes of these Conditions words used but not defined in these Conditions are as defined in the Master Definitions Schedule signed for the purposes of identification by, among others, the Issuer, the Note Trustee, the Issuer Security Trustee, the Paying Agent, the Calculation Agent and the Registrar on or about the Closing Date (the "**Master Definitions Schedule**").

## 2. FORM, DENOMINATION AND TITLE

### (a) Form and Denomination

The Notes are in registered form in nominal denominations of GBP 100,000 and integral multiples of GBP 10,000 in excess thereof (each nominal denomination, a "**Nominal Holding**" and each other denomination, an "**Authorised Holding**").

*Upon issue, the Notes will be represented by the Global Note Certificate (as defined below). The Conditions are modified by certain provisions contained in the Global Note Certificate.*

### (b) Title

Title to the Notes will pass by transfer and registration in the Notes Register as described in Condition 3 (*Registration and Transfer*). The holder of any Note will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any other interest in it, any writing thereon by any person (other than a duly executed transfer thereof in the form endorsed thereon) or any notice of any previous theft or loss thereof; and no person will be liable for so treating the holder.

In these Conditions: "**person**" means any individual, company, corporation, firm, partnership, joint venture, association, unincorporated organisation, trust or other judicial entity, including, without limitation, any state or agency of a state or other entity, whether or not having separate legal personality; and "**Noteholder**" or "**holder**" means the person in whose name a Note is for the time being registered in the Notes Register (or, in the case of joint holders, the first named thereof) and the terms "**holders**" and "**Noteholders**" shall be construed accordingly.

*The "Global Note Certificate" will be in registered form with a minimum denomination of GBP 100,000 and integral multiples of GBP 10,000 in excess thereof. The Global Note Certificate will be deposited with, and registered in the name of a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**") (together, the "Clearing Systems" and such common depositary being the "**Common Depositary**").*

*Ownership of beneficial interests in the Global Note Certificate will be limited to persons that have accounts with Euroclear or Clearstream or persons that may hold interests through such participants. Beneficial interests in the Global Note Certificate will be shown on, and transfers thereof will be effected through, records maintained in book-entry form by Euroclear, Clearstream and their participants as applicable.*

*The Global Note Certificate will be exchanged for Definitive Note Certificates only if, 40 days or more after the Closing Date, any of the following circumstances apply:*

- (i) *either Euroclear or Clearstream is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so and no alternative clearing system satisfactory to the Note Trustee is in existence; or*
- (ii) *as a result of any amendment to, or change in, the laws or regulations of England and Wales or any other jurisdiction or any political sub-division thereof or of any authority therein or thereof having the power to tax, or in the interpretation or administration of such laws or regulations, which becomes effective on or after the Closing Date, the Issuer or the Paying Agent is or will be required to make any deduction or withholding from any payment in respect of the Notes which would not be required if the Notes were in definitive registered form.*

*If Definitive Notes Certificates are issued in accordance with the Trust Deed, the Book-Entry Interests represented by the Global Note Certificate shall be exchanged by the Issuer for Definitive Note Certificates. The aggregate principal amount of the Definitive Note Certificates to be issued will be equal to the aggregate Outstanding Principal Amount of the Global Note Certificate at the date on which notice of such issue of Definitive Note Certificates is given to the Noteholders, subject to and in accordance with these Conditions, the Agency Agreement, the Trust Deed and the Global Note Certificate. The Definitive Note Certificates will be issued in registered form only, in the initial denomination of GBP 100,000 and integral multiples of GBP 10,000 in excess thereof.*

(c) **Definitive Form**

Notes in definitive, fully registered form (each a "**Definitive Note Certificate**") in respect of a Noteholder's registered holding of Notes will be numbered serially with an identifying number which will be recorded on the relevant Definitive Note Certificate and in the register of Noteholders (the "**Notes Register**") which the Issuer will procure to be kept by the Registrar.

(d) **Third party rights**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this shall not affect any right or remedy that exists or is available apart from such Act.

3. **REGISTRATION AND TRANSFER**

(a) **Registration**

The Issuer will cause the Notes Register to be kept at the Specified Office of the Registrar and in accordance with the terms of the Agency Agreement in which will be entered the names and addresses of the holders of the Notes and the particulars of the Notes held by them and all transfers and redemptions of the Notes. Each Noteholder shall be entitled to receive only one Definitive Note Certificate in respect of its entire holding of Notes.

(b) **Transfer**

Each Note may, subject to the terms of the Agency Agreement and to Conditions 3(c) (*Formalities Free of Charge*), 3(d) (*Closed Periods*) and 3(e) (*Regulations Concerning Transfer and Registration*), be transferred in whole (but not in part) by lodging the relevant Definitive Note Certificate (with the endorsed form of application for transfer in respect thereof duly completed and signed by the holder or his attorney duly authorised in writing, or duly stamped where applicable) at the Specified Office of the Registrar or any Paying Agent. A Note may be registered only in the name of, and transferred only to, a named person or persons. No transfer of a Note will be valid unless and until entered on the Notes Register.

*Transfers of beneficial interests in the Notes evidenced by the Global Note Certificate will be effected in accordance with the rules of the relevant clearing systems.*

The Registrar will within five Business Days of any duly completed and signed application for the transfer of a Note, register the transfer in the Notes Register and make available for collection a new Definitive Note Certificate to the transferee at the Specified Office of the Registrar, or (at the risk and, if mailed at the request of the transferee or, as the case may be, the transferor otherwise than by ordinary mail, at the expense of the transferee or, as the case may be, the transferor) mail the Definitive Note Certificate by uninsured mail to such address as the transferee or, as the case may be, the transferor may request.

(c) **Formalities Free of Charge**

Such transfer will be effected without charge subject to (i) the person making such application for transfer paying or procuring the payment of any taxes, duties and other governmental charges in connection therewith, (ii) the Registrar being satisfied with the documents of title and/or identity of the person making the application and (iii) such reasonable regulations as the Issuer may from time to time agree with the Registrar and the Note Trustee.

(d) **Closed Periods**

Neither the Issuer nor the Registrar will be required to register the transfer of any Note during the period of one Business Day immediately prior to the due date for any payment of principal or interest in respect of the Notes.

(e) **Regulations Concerning Transfer and Registration**

All transfers of Notes and entries on the Notes Register will be made subject to the detailed regulations concerning transfer of Notes (the "**Transfer Regulations**") scheduled to the Trust Deed. The regulations may be changed by the Issuer to reflect changes in legal requirements or in any other manner which is not prejudicial to the interests of Noteholders with the prior approval of the Registrar and the Note Trustee (such approval not to be unreasonably withheld or delayed).

(f) **Authorised Holdings**

No Note may be transferred unless the nominal principal amount (as at the Closing Date) of Notes transferred and (where not all of the Notes held by a holder are being transferred) the nominal principal amount (as at the Closing Date) of the balance of the Notes retained are Authorised Holdings.

4. **STATUS AND SECURITY**

(a) **Status**

The Notes constitute direct, unconditional, unsubordinated and secured obligations of the Issuer. The Notes will, at all times, rank *pari passu* among themselves, at least *pari passu* in right of payment with all other present and future unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) **Transaction Security**

The Issuer Secured Obligations are secured in favour of the Issuer Security Trustee on trust for the benefit of the Noteholders and the other Issuer Secured Creditors upon and subject to the terms and conditions of the Issuer Deed of Charge. The Noteholders and the other Issuer Secured Creditors will share in the benefit of the security constituted by or pursuant to the Issuer Deed of Charge, upon and subject to the terms and conditions of the Issuer Deed of Charge.

(c) **Issuer Security Trustee**

Pursuant to the terms of the Issuer Deed of Charge, the Issuer Security Trustee is exempted from any liability in respect of the performance of, any loss or theft or reduction in the value of the Issuer Charged Property, from any obligation to insure the Issuer Charged Property and from any claim arising if and to the extent that any Issuer Charged Property are held in a Clearing System or in safe custody by a bank or custodian. The Issuer Security Trustee has no responsibility for the management, administration or evaluation of the Issuer Charged Property by any party or to supervise the administration of the Issuer Charged Property by any party and is entitled to rely on the certificates or



notices of any relevant party without further enquiry. The Issuer Deed of Charge also provides that the Issuer Security Trustee shall accept, without further investigation, requisition or objection to, such right, benefit, title and interest, if any, as the Issuer may have in and to any of the Issuer Charged Property and is not bound to make any investigation into the same or into the Issuer Charged Property in any respect. The Issuer Security Trustee has no responsibility for any failure, omission or defect in registering or filing or procuring registration or filing of or otherwise protecting or perfecting the Issuer Transaction Security or any of it. The Issuer Security Trustee has no responsibility for the value, sufficiency or enforceability of any of the Issuer Charged Property or the Issuer Transaction Security created in respect thereof.

(d) **Application of Proceeds upon Enforcement**

The Issuer Deed of Charge provides that the net proceeds of realisation of, or enforcement with respect to the Issuer Transaction Security over, the Issuer Charged Property shall be applied in accordance with Schedule 4 to the Issuer Deed of Charge.

5. **UNDERTAKINGS**

So long as any Note is outstanding (as defined in the Master Definitions Schedule), the Issuer shall perform the obligations set out below:

*Authorisations and Compliance with Laws*

(a) **Maintenance of Authorisations**

The Issuer shall continue and maintain all registrations, recordings, filings, consents, approvals and authorisations, which may at any time be required to be obtained or made in any relevant jurisdiction for the purposes of (i) the execution, delivery validity and (subject to the Legal Reservations) the enforceability or performance by the Issuer of the Issuer Transaction Documents; and (ii) carrying on its business.

(b) **Compliance**

The Issuer shall comply in all respects with all laws to which it may be subject.

(c) **Variation of Constitutional Documents**

The Issuer will not effect any amendment or variation to its constitutional documents to the extent that doing so could reasonably be expected to materially and adversely affect the interests of the Noteholders under the Issuer Transaction Documents.

(d) **Further Acts**

So far as permitted by law, the Issuer shall at all times execute all such further documents and do all such further acts and things as may be necessary at any time or times in the opinion of the Note Trustee or the Issuer Security Trustee to give effect to the Issuer Transaction Documents.

(e) **Tax**

The Issuer shall pay and discharge any Tax imposed upon it or its assets within the time period allowed.

(f) **Books and Records**

The Issuer shall (i) maintain all proper records and books of account as are required by law and as are necessary to give a true and fair view of the state of its affairs and to explain its transactions; and (ii) so far as permitted by applicable law, allow the Note Trustee, its professional advisors and anyone appointed by it to whom the Issuer has no

reasonable objection, access to its books of accounts at all reasonable times during normal business hours upon reasonable notice provided that such right of access shall be subject to any limitations imposed on the Issuer by law, any duty of secrecy or confidentiality, or governmental authority.

***Restrictions on Business***

(g) **Mergers**

The Issuer shall not amalgamate, merge, demerge or consolidate with or into any other person or undertake any corporate reorganisation or other reorganisation.

(h) **Change of Business**

The Issuer shall not make any change to the general nature of its business, trade or ordinary activities as they are conducted on the Closing Date, in the case of the Issuer.

(i) **Acquisitions and Investment**

The Issuer shall not acquire a company or any shares or securities or a business or undertaking (or, in each case, any interest in any of them) or incorporate a company.

***Restrictions on Dealing with Assets and Securities***

(j) **Negative Pledge**

The Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) other than the Issuer Transaction Security.

(k) **Pari Passu Ranking**

The Issuer shall ensure that its obligations under the Notes at all times rank at least pari passu in right of payment with all its present and future unsubordinated obligations, except for obligations mandatorily preferred by law.

(l) **Joint Ventures**

The Issuer shall not enter into or permit to subsist any joint venture, partnership or similar arrangement with any person.

(m) **Disposals**

The Issuer shall not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, licence, transfer or otherwise dispose of any asset.

(n) **Register**

The Issuer shall deliver or procure the delivery to the Note Trustee of an up-to-date copy of the Notes Register, certified as being true, accurate and complete copies, at such times as the Note Trustee may reasonably require (it being deemed reasonable for the Note Trustee to require such updates at least twice per calendar year).

(o) **Information**

The Issuer shall give or procure to be given to the Note Trustee and the Issuer Security Trustee such opinions, certificates, information and evidence and afford the Note Trustee and the Issuer Security Trustee such facilities as the Note Trustee and the Issuer Security Trustee shall require and in such form as the Note Trustee and the Issuer Security Trustee shall reasonably require for the purpose of the discharge or exercise of the duties, trusts,

powers, authorities and discretions vested in it under the Trust Deed or the Issuer Deed of Charge or by operation of law.

(p) **Compliance with the Issuer Transaction Documents**

The Issuer will observe and comply with the obligations contained in and take all reasonable steps to preserve and enforce its rights under the Issuer Transaction Documents. The Note Trustee shall be entitled to enforce the obligations of the Issuer under the Trust Deed (including the Conditions) and the Notes as if the same were contained in the Trust Deed which shall be read and construed as one document with the Notes.

***Restrictions on Movement of Cash***

(q) **Incurrence of Indebtedness**

The Issuer shall not incur or allow to remain outstanding any Financial Indebtedness, other than Financial Indebtedness incurred under or in accordance with the Issuer Transaction Documents.

(r) **Dividends**

The Issuer shall not declare or make any Dividend.

(s) **Loans or credit**

The Issuer shall not be a creditor in respect of any Indebtedness other than in the case of the Borrower Loan.

(t) **No Guarantees or indemnities**

The Issuer shall not incur or allow to remain outstanding any guarantee in respect of any obligation of any person.

(u) **Hedging transactions**

The Issuer shall not enter into any derivative transaction in connection with protection against or benefit from fluctuation in any rate or price.

***Miscellaneous***

(v) **Change in Agents**

The Issuer shall give at least 14 days' prior notice to the Noteholders of any change by an Agent of its Specified Office or of any future appointment, resignation or removal of an Agent and not make any such appointment or removal without notifying the Note Trustee in advance.

6. **INTEREST**

(a) **Note Interest Payment Dates**

The Notes shall bear interest from the Closing Date and such interest will be payable semi-annually in arrear on 28 February and 28 August in each year, commencing on 28 August, 2013 (each a "**Note Interest Payment Date**"). If any Note Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day (unless such Business Day falls in the next calendar month, in which event, it shall be the immediately preceding Business Day).

The period beginning on (and including) the Closing Date and ending on (but excluding) the first Note Interest Payment Date and each successive period thereafter, beginning on

(and including) a Note Interest Payment Date and ending on (but excluding) the next succeeding Note Interest Payment Date is called a "**Note Interest Period**".

Interest shall accrue on the Notes at the Rate of Interest, on the basis of the actual number of days in each Note Interest Period and a year of 365 days (or 366 days if the relevant Note Interest Period expires during a leap year). All interest payments will be subject to indexation in accordance with Condition 7.

(b) **Rate of Interest**

The rate of interest in respect of the Notes (the "**Rate of Interest**") for each Note Interest Period shall be 2.598 per cent per annum.

(c) **Default Interest**

(i) If any sum due and payable by the Issuer hereunder is not paid on the due date therefor in accordance with the provisions of Condition 7 (Payments) or if any sum due and payable by the Issuer under any judgment of any court in connection herewith is not paid on the date of such judgment, the period beginning on such due date or, as the case may be, the date of such judgment and ending on the date upon which the obligation of the Issuer to pay such sum (the balance thereof for the time being unpaid being herein referred to as an "unpaid sum") is discharged shall be divided into successive periods, each of which, other than the first, shall start on the last day of the preceding such period and the duration of each of which shall, except as otherwise provided in this Condition 6(c)(i) (Default Interest), be selected by the Note Trustee, but shall in any event not be longer than one month.

(ii) During each such period relating thereto as is mentioned in Condition 6(c)(i) above, an unpaid sum shall bear interest at a rate of 1.25%

(iii) Any interest which shall have accrued under Condition 6(c)(ii), above, in respect of an unpaid sum shall be due and payable and shall be paid by the Issuer at the end of the period by reference to which it is calculated or on such other dates as the Note Trustee may specify by written notice to the Issuer.

(d) **Cessation of Interest**

Each Note will cease to bear interest from the due date for final redemption unless, upon due surrender of the relevant Note, payment of principal is improperly withheld or refused. In such case it will continue to bear interest at such rate (after as well as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Paying Agent or the Note Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment) in accordance with Condition 6(c) (*Default Interest*).

(e) **Role of Calculation Agent**

The Calculation Agent is required, pursuant to the terms of the Agency Agreement, to determine the amount of interest accruing on the Notes, from time to time.

7. **PAYMENTS AND INDEXATION**

(a) **Principal**

Payment of principal in respect of each Note will be made to the person shown as holder in the Notes Register at the close of business on the Record Date and subject to the

surrender (or, in the case of part payment only, endorsement on) of the relevant Definitive Note Certificate at the Specified Office of the Registrar or of the Paying Agent.

*Payments in respect of the Global Note Certificates will be paid in sterling to holders of interests in such Notes who hold such interests through Euroclear and/or Clearstream, Luxembourg (the "Clearing System Holders").*

*A Clearing System Holder shall receive payments in respect of its interest in any Global Note Certificates in accordance with Euroclear's or, as the case may be, Clearstream, Luxembourg's rules and procedures. None of the persons from time to time shown in the records of Euroclear or Clearstream Luxembourg as the holder of a Note shall have any claim directly against the Issuer or the Note Trustee in respect of payments due on such Note whilst such Note is represented by a Global Note Certificate and the Issuer or the Note Trustee, as the case may be, shall be discharged by payment of the relevant amount to the registered holder of the relevant Global Note.*

(b) **Interest**

Payments of interest in respect of each Note will be made to the person shown as holder in the Notes Register at close of business on the Record Date.

(c) **Record Date**

"**Record Date**" means one Business Day before the due date for the relevant payment.

(d) **Indexation**

Each payment of interest and principal in respect of the Notes shall be in an amount determined by the Calculation Agent pursuant to Conditions 6 or 8, as the case may be, multiplied by the Index Ratio applicable to the month on which the relevant amount is due to be paid, rounded, if necessary, to five decimal places (with 0.000005 being rounded upwards).

(e) **Payments**

Each payment in respect of the Notes pursuant to Conditions 6 and 8 will be made by transfer to a sterling account maintained by the holder of the relevant Note with a bank in London, as notified by the holder to the Specified Office of the Paying Agent not less than one Business Day before the due date for any payment in respect of a Note. The Paying Agent will be entitled, at any time, to rely on the most recent such notification by the relevant holder. However, in the absence of any notification, payment may be made by cheque drawn on branch of a bank in London and mailed to such holder at its address appearing in the Notes Register.

Where payment is to be made by transfer to a sterling account, payment instructions (for value the due date, or, if the due date is not a Business Day, for value the next succeeding Business Day) will be initiated, in the case of principal, on the later of the due date for payment and the day on which the relevant Definitive Note Certificate is surrendered (or, in the case of part payment only, endorsed) and, in the case of interest and other amounts on the due date for payment.

Where payment is to be made by cheque, the cheque will be mailed, on the Business Day preceding the due date for payment or, in the case of payments referred to in Condition 8, on the Business Day on which the relevant Definitive Note Certificate is surrendered (or endorsed as the case may be) as specified in Condition 8 (at the risk and, if mailed at the request of the holder otherwise than by ordinary mail, expense of the holder).

*Payments in respect of a Note represented by the Global Note Certificate will be made by transfer to a sterling account maintained by the holder thereof with a bank in London. Payment instructions will be initiated, in the case of principal, on the later of the due date*

for payment and the day on which the Global Note Certificate is surrendered (or endorsed, as applicable) and, in the case of interest and other amounts, on the due date for payment.

(f) **Determination of Index Ratio**

The Calculation Agent will, under and in accordance with the Agency Agreement and as soon as practicable after 11.00 a.m. (London time) on each Calculation Date, determine the Index Ratio.

For these purposes:

The "**Index Ratio**" applicable to any Note Interest Payment Date, will be the Index Figure applicable to the Calculation Date for such Note Interest Payment Date, divided by the Base Index Figure.

Where:

"**Calculation Date**" means, in respect of any Note Interest Payment Date, the date falling three Business Days prior to the Loan Interest Payment Date (as defined in the Borrower Loan Agreement) immediately preceding such Note Interest Payment Date.

"**Base Index Figure**" means, subject to Condition 7(h), 247.63548 if closing takes place on 2 May, 2013 otherwise, it will be the figure shown in the first Investor Report.

"**Index**" or "**Index Figure**" means, in relation to any relevant calculation month (as defined in Condition 7(h)(ii)), subject as provided in Condition 7(h)(i) below, the U.K. Retail Price Index (RPI) (for all items) published by the Office for National Statistics (January 1987 = 100) or any comparable index which may replace the U.K. Retail Price Index for the purpose of calculating the amount payable on repayment of the Reference Gilt.

The **Index Figure** applicable to a particular Calculation Date shall, subject as provided in Condition 7(h) and Condition 7(j), be determined in accordance with the following formula:

$$IFA = RPI_{m-3} + \frac{(\text{Day of Calculation Date} - 1)}{(\text{Days in month of Calculation Date})} \times (RPI_{m-2} - RPI_{m-3})$$

and rounded to the nearest fifth decimal place.

"**IFA**" means the Index Figure for the applicable Calculation Date.

"**RPI<sub>m-3</sub>**" means the Index Figure for the first day of the calendar month that is three months prior to the calendar month in which the applicable Calculation Date falls;

"**RPI<sub>m-2</sub>**" means the Index Figure for the first day of the calendar month that is two months prior to the calendar month in which the Calculation Date falls;

"**Reference Gilt**" has the meaning given to that term in Condition 8.

(g) **Application of Index Ratio**

Promptly upon determining the Index Ratio, the Calculation Agent shall calculate the amount of interest and principal payable on each Nominal Holding (the "**Nominal**

**Interest Amount**" and **"Nominal Principal Amount"**, respectively) for the relevant Note Interest Period.

The Nominal Interest Amount for each Note Interest Period shall be calculated by applying the Rate of Interest to the Outstanding Principal Amount of one Nominal Holding and multiplying such product by (i) the actual number of days in the Note Interest Period concerned divided by 365 (or 366 if the relevant Note Interest Payment Date falls in a leap year) and (ii) the Index Ratio for the next Note Interest Payment Date.

If a Nominal Interest Amount is required to be calculated for any period other than a Note Interest Period, it shall be calculated by applying the Rate of Interest to the Outstanding Principal Amount of one Nominal Holding and multiplying such product by (i) the actual number of days for which interest is to be paid, divided by 365 (or 366 if such period expires in a leap year) and (ii) the Index Ratio for the next Note Interest Payment Date.

The Nominal Principal Amount due at any time shall be calculated by multiplying (i) the amount of principal due in respect of one Nominal Holding under Condition 8 by (ii) the Index Ratio for the next Note Interest Payment Date.

Any result of a calculation of Nominal Interest Amount and Nominal Principal Amount shall be rounded to four decimal places (with the fifth decimal being rounded upwards).

The determination of the Index Ratio, the Nominal Interest Amount and the Nominal Principal Amount by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

(h) **Changes in Circumstances Affecting the Index**

(i) If at any time and from time to time the Index is changed by the substitution of a new base therefor, then with effect from the month from and including that in which such substitution takes effect or the first date from and including that on which such substitution takes effect, as the case may be, (1) the definition of "Index" and "Index Figure" in Condition 7(f) shall be deemed to refer to the new date or month in substitution for January 1987 (or, as the case may be, to such other date or month as may have been substituted therefor), and (2) the new Base Index Figure shall be the product of the existing Base Index Figure and the Index Figure for the date on which such substitution takes effect, divided by the Index Figure for the date immediately preceding the date on which such substitution takes effect.

(ii) If the Index Figure relating to any month (the "**calculation month**") which is required to be taken into account for the purposes of the determination of the Index Figure for any Note Interest Payment Date is not published on or before the fourteenth Business Day before the Note Interest Payment Date on which such payment is due (the "**date for payment**"), the Index Figure applicable for the relevant calculation month shall be (1) such substitute index figure (if any) as the Controlling Party (acting solely on the advice of the Indexation Adviser) to have been published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, for the purposes of indexation of payments on the Reference Gilt or, failing such publication, on any one or more issues of index-linked Treasury Stock selected by an Indexation Adviser (and approved by the Controlling Party, (acting solely on the advice of the Indexation Adviser)) provided that, in all cases, such substitute index figure has been approved by the Parent Borrower or (2) if no such determination is made by such Indexation Adviser within seven days, the Index Figure last published (or, if later, the substitute index figure last determined pursuant to Condition 7(h)(i)) before the date for payment.

For these purposes:

The "**Controlling Party**" means either:

- (a) the then current Noteholder Representative, if one has been appointed; or
- (b) if a Noteholder Representative has not been appointed, the Facility Agent, acting on the instructions of the Note Trustee (acting upon the instructions of the Noteholders, further to the Facility Agent's request for direction).

The "**Indexation Adviser**" means any gilt-edged market maker or other adviser appointed by the Controlling Party under the Borrower Loan Agreement, provided that the identity of the Indexation Adviser has been approved by the Parent Borrowers.

- (iii) If any of the provisions in Condition 7(h)(i) or (ii) apply, the Controlling Party will be entitled to appoint an Indexation Adviser.

(i) **Application of Changes in Circumstances Affecting the Index**

- (i) Where the provisions of Condition 7(h) apply, the determination of the Indexation Adviser as to the Index Figure applicable to the month in which the date for payment falls or the date for payment, as the case may be, shall be, in the absence of manifest error, conclusive and binding. If, an Index Figure having been applied pursuant to Condition 7(h)(ii), the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while the Notes remain outstanding, then:

- (A) in relation to a payment of principal or interest in respect of the Notes other than upon final redemption of the Notes, the principal or interest (as the case may be) next payable after the date of such subsequent publication shall be increased or reduced, as the case may be, by an amount equal to the shortfall or excess, as the case may be, of the amount of the relevant payment made on the basis of the Index Figure applicable by virtue of Condition 7(h)(ii) below or above the amount of the relevant payment that would have been due if the Index Figure subsequently published had been published on or before the fourteenth business day before the date for payment; and
- (B) in relation to a payment of principal or interest upon final repayment, no subsequent adjustment to amounts paid will be made.

(j) **Cessation of or Fundamental Changes to the Index**

- (i) If (1) the Index has ceased to be published or (2) any change is made to the coverage or the calculation of the Index which constitutes a fundamental change which would, in the reasonable opinion of the Controlling Party (acting solely on the advice of the Indexation Adviser) be materially prejudicial to the interests of the Issuer, the Facility Agent will be required pursuant to the terms of the Borrower Loan Agreement, to give written notice of such occurrence to the Issuer, and the Parent Borrowers and the Controlling Party (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the Borrower Loan and the Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave Issuer in no better and no worse position than it would have been had the Index not ceased to be published or the relevant fundamental change not been made.



- (ii) If the Parent Borrowers and the Controlling Party (acting solely on the advice of the Indexation Adviser) fail to reach agreement as mentioned above within 20 Business Days following the giving of notice as mentioned in Condition 7(j)(i), a bank or other person in London shall be appointed by the Parent Borrowers and the Facility Agent under the terms of the Borrower Loan Agreement or, failing agreement on and the making of such appointment within 20 Business Days following the expiry of the initial 20 Business Day period referred to above, by the Controlling Party (acting solely on the advice of the Indexation Adviser) (in each case, such bank or other person so appointed being referred to as the "**Expert**"), to determine for the purpose of the Borrower Loan and Notes one or more adjustments to the Index or a substitute index (with or without adjustments) with the intention that the same should leave the Issuer in no better and no worse position than it would have been had the Index not ceased to be published or the relevant fundamental change not been made. Any Expert so appointed shall act as an expert and not as an arbitrator and all reasonable fees, costs and expenses of the Expert and of any Indexation Adviser and of any of the Issuer and the Facility Agent in connection with such appointment shall be borne by the Issuer, unless the same have been paid by the Parent Borrowers.
- (iii) If the Index is adjusted or replaced by a substitute index as agreed by the Parent Borrowers and the Controlling Party (acting solely on the advice of the Indexation Adviser) or as determined by the Expert pursuant to the foregoing paragraphs, as the case may be, and references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Calculation Agent or, if a Noteholder Representative has been appointed, the Noteholder Representative, (acting solely on the advice of the Indexation Adviser) and the Issuer agree are appropriate to give effect to such adjustment or replacement. Such amendments shall be effective from the date of such notification and binding upon the Issuer, the Calculation Agent and the other Finance Parties.
- (iv) If any of the provisions of Condition 7(j)(i) apply, the Controlling Party will be entitled to appoint an Indexation Adviser, provided that the identity of the Indexation Adviser has been approved by the Parent Borrowers.

(k) **Publication of Nominal Interest Amount and Nominal Principal Amount**

The Calculation Agent will cause the Index Ratio, Nominal Interest Amount and Nominal Principal Amount for each Note Interest Period and the relevant Note Interest Payment Date to be notified to the Note Trustee, the Issuer Cash Manager and the Noteholders as soon as possible after their determination but in no event later than the second Business Day thereafter in accordance with Condition 15, in the case of the Noteholders. The Nominal Interest Amount so published may subsequently be amended (or appropriate alternative arrangements made (with the consent of the Note Trustee) by way of adjustment) without notice in the event of an extension or shortening of the relevant Note Interest Period. If the Notes become due and payable, the Index Ratio, principal and accrued interest payable in respect of the Notes shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this Condition but no publication of the Nominal Interest Amount so calculated need be made unless the Note Trustee requires otherwise.

(l) **Determination by Note Trustee**

If the Calculation Agent does not at any time for any reason so determine the Index Ratio or calculate the Nominal Interest Amount for a Note Interest Period or the Nominal Principal Amount for a Note Interest Payment Date, the Note Trustee (or a person appointed by it for the purpose) may, without liability therefor, do so and such determination or calculation shall be deemed to have been made by the Calculation

Agent. In doing so, the Note Trustee, or such person appointed by it, shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances. Any determination by the Note Trustee under this Condition, or person appointed by it, at the expense of the Issuer, for such purpose pursuant to this Condition, shall (in the absence of manifest error) be final and binding upon all parties and the Note Trustee shall have no liability to the Issuer or to Noteholders therefore.

(m) **Reference Banks and Calculation Agent**

The Issuer shall procure that, so long as any Notes are outstanding, there shall at all times be a Calculation Agent and Paying Agent for the purposes of the Notes. If the Calculation Agent or the Paying Agent is unable or unwilling to continue to act as the Calculation Agent or Paying Agent, or if the Calculation Agent fails duly to establish the Index Ratio for any Note Interest Period or to calculate the Nominal Interest Amount, the Issuer shall appoint a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed.

(n) **Agents**

The names of the initial Paying Agent, Calculation Agent and Registrar and their Specified Offices are set out in the Agency Agreement. The Issuer reserves the right under the Agency Agreement, at any time by giving to the Paying Agent, Calculation Agent and the Registrar at least 60 days' prior written notice, which notice shall expire at least 30 days both before and after a due date for payment in respect of the Notes, to vary or terminate the appointment of the Paying Agent, the Calculation Agent or the Registrar and to appoint successor or additional Paying Agent, Calculation Agent or another Registrar, provided that it will at all times maintain:

- (i) a Paying Agent and Calculation Agent in London, United Kingdom; and
- (ii) a Registrar.

Notice of any such removal or appointment and of any change in the Specified Office of any Paying Agent, Calculation Agent or Registrar will be given to Noteholders in accordance with Condition 15 (Notices) as soon as practicable.

(o) **Payments Subject to Fiscal Laws**

All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 9 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(p) **Delay in Payment**

Noteholders will not be entitled to any interest or other payment in respect of any delay in payment resulting from (i) the due date for payment not being a Business Day or (ii) a cheque mailed in accordance with this Condition 7 (*Payments*) arriving after the due date for payment or being lost in the mail.

8. **REDEMPTION**

(a) **Redemption at maturity**

Unless previously redeemed in full and cancelled as provided below, the Issuer will redeem the Notes on the Note Interest Payment Date falling in August 2036 (the "**Final Maturity Date**") at an amount equal to the aggregate Outstanding Principal Amount of

the Notes, plus accrued but unpaid interest thereon, multiplied by the Index Ratio for the Final Maturity Date (the "**Final Redemption Amount**").

(b) **Mandatory redemption**

(i) The Issuer shall, on each Note Interest Payment Date falling before the Final Maturity Date and any service of an Issuer Acceleration Notice (as defined in Condition 11(b)), redeem each Note in part, at a price equal to:

- (A) the Nominal Principal Amount; multiplied by
- (B) the original Outstanding Principal Amount of such Note; divided by
- (C) the Nominal Holding,

such redemption being a "**Mandatory Scheduled Redemption**".

For the purposes of determining the Nominal Principal Amount, the principal due in respect of each Nominal Holding under this Condition 8(b)(i) on each Note Interest Payment Date shall be as follows:

<b>Note Interest Payment Date</b>	<b>Principal Due (per Nominal Holding of £100,000)</b>	<b>Note Interest Payment Date</b>	<b>Principal Due (per Nominal Holding of £100,000)</b>
28-Aug-13	1,120.98	28-Feb-25	2,383.57
28-Feb-14	1,763.47	28-Aug-25	2,455.02
28-Aug-14	1,832.58	28-Feb-26	2,423.38
28-Feb-15	1,940.93	28-Aug-26	2,494.98
28-Aug-15	2,011.93	28-Feb-27	2,464.21
28-Feb-16	1,972.75	28-Aug-27	2,535.98
28-Aug-16	2,043.74	28-Feb-28	2,506.08
28-Feb-17	2,005.27	28-Aug-28	2,578.03
28-Aug-17	2,076.27	28-Feb-29	2,549.02
28-Feb-18	2,038.52	28-Aug-29	2,621.18
28-Aug-18	2,109.54	28-Feb-30	2,593.07
28-Feb-19	2,072.52	28-Aug-30	2,665.43
28-Aug-19	2,143.58	28-Feb-31	2,638.25
28-Feb-20	2,107.29	28-Aug-31	2,710.84
28-Aug-20	2,178.39	28-Feb-32	2,684.58
28-Feb-21	2,142.86	28-Aug-32	2,757.41
28-Aug-21	2,214.02	28-Feb-33	2,732.11
28-Feb-22	2,179.25	28-Aug-33	2,822.20
28-Aug-22	2,341.05	28-Feb-34	2,797.84
28-Feb-23	2,306.90	28-Aug-34	2,846.07
28-Aug-23	2,378.08		
28-Feb-24	2,344.75		
28-Aug-24	2,416.06		

In respect of each Note, the principal due in respect of a Nominal Holding in accordance with the above, multiplied by the original Outstanding Principal Amount of such Note and divided by the Nominal Holding (such product being the scheduled principal due in respect of such Note) shall be a "**Scheduled Note Amortisation Amount**" and a "**Note Amortisation Amount**" for such Note.

(ii) If the Borrowers notify the Issuer that they are electing to prepay the Borrower Loan pursuant to Clause 7.3 (*Voluntary Prepayment of Loans*) of the Borrower Loan Agreement (a "**Borrower Voluntary Prepayment**") or pursuant to Clause

7.4 (*Right of Replacement and Cancellation in Relation to the Lender*) thereof (a "**Borrower Elected Prepayment**") or if the Issuer notifies the Borrowers of a requirement to prepay pursuant to Clause 7.1 (*Illegality*) thereof (a "**Lender Elected Prepayment**"), then the Issuer must, promptly on receipt of such notice of prepayment, in the case of a Borrower Voluntary Prepayment or a Borrower Elected Prepayment, or the giving of such notice, in the case of a Lender Elected Prepayment, give notice to the relevant Noteholders in accordance with Condition 15 and to the Note Trustee and, within seven Business Days after receiving such prepayment, in the case of a Borrower Voluntary Prepayment or upon the next Note Interest Payment Date after receipt of such prepayment, in the case of a Borrower Elected Prepayment or a Lender Elected Prepayment, redeem each Note, at a price equal to:

- (A) the Nominal Principal Amount; multiplied by
- (B) the Redemption Percentage determined in accordance with Condition 8(c)(ii), in the case of a Borrower Voluntary Prepayment or, in any other case, one; multiplied by
- (C) the original Outstanding Principal Amount of such Note; divided by
- (D) the Nominal Holding,

such redemption being a "**Mandatory Prepayment Redemption**".

For the purposes of determining the Nominal Principal Amount, the principal due in respect of each Nominal Holding under this Condition 8(b)(ii) in respect of any prepayment by the Borrowers shall be the principal amount prepaid in respect of the Borrower Loan (excluding, for these purposes, any indexation in respect of such principal amount) multiplied by the Nominal Holding and divided by the aggregate original Outstanding Principal Amount of the Notes.

In respect of each Note, the principal due in respect of a Nominal Holding on prepayment of the Borrower Loan in accordance with the above, multiplied by the original Outstanding Principal Amount of such Note and divided by the Nominal Holding (such product being the principal due in respect of such Note on prepayment of the Borrower Loan) shall also be a "**Note Amortisation Amount**" for such Note.

- (iii) The Calculation Agent is required, pursuant to the Agency Agreement, to determine each Note Amortisation Amount for the purposes of this Condition 8(b).

(c) **Redemption at the Option of the Issuer**

- (i) On giving not more than 60 nor less than 30 days' notice to the relevant Noteholders in accordance with Condition 15 and to the Note Trustee and provided that (i) on or prior to the Note Interest Payment Date on which such notice expires, no Issuer Acceleration Notice has been served and (ii) the Issuer has, immediately prior to giving such notice, certified (in accordance with clause 7.14 of the Trust Deed) to the Note Trustee that it will have the necessary funds to pay all principal, premium (if any) and interest due in respect of the Notes on the relevant Note Interest Payment Date and to discharge all other amounts required to be paid by it on the relevant Note Interest Payment Date, the Issuer may redeem on any Note Interest Payment Date the whole or part of the Notes (and, in the case of any such partial redemption, such partial redemption must be, pro rata, of at least £100,000 in aggregate Outstanding Principal Amount of the Notes and such that the Outstanding Principal Amount of each Note to be redeemed is not a fraction of a penny) at a price equal to:

- (A) the Nominal Principal Amount; multiplied by,
- (B) the Redemption Percentage determined in accordance with Condition 8(c)(ii); multiplied by
- (C) the original Outstanding Principal Amount of such Note; divided by
- (D) the Nominal Holding,

such redemption being an "**Optional Issuer Redemption**".

For the purposes of determining the Nominal Principal Amount, the principal amount due in respect of each Nominal Holding under this Condition 8(c)(i) in respect of any prepayment of the Notes by the Issuer shall be the aggregate principal amount elected to be prepaid by the Issuer, multiplied by the Nominal Holding and divided by the aggregate original Outstanding Principal Amount of the Notes.

In respect of each Note, the Principal Amount due in respect of a Nominal Holding on prepayment by the Issuer in accordance with the above, multiplied by the original Outstanding Principal Amount of such Note and divided by the Nominal Holding (such product being the principal amount due in respect of such Note on prepayment by the Issuer) shall also be a "**Note Amortisation Amount**" for such Note.

- (ii) In respect of each Mandatory Prepayment Redemption and Optional Issuer Redemption, the Calculation Agent will determine the Redemption Percentage (rounding the resulting figure to four decimal places, with the fifth decimal being rounded upwards) in accordance with the following definitions:

"**Redemption Percentage**" means, in respect of the Notes, the greater of:

- (A) 100 per cent.; and
- (B) that price (as reported in writing by the Indexation Advisor) expressed as a percentage (and rounded, if necessary, to three decimal places (0.0005 being rounded upwards)) at which the Gross Prepayment Yield on the relevant Notes on the Relevant Date is equal to the Redemption Rate on the Relevant Date.

"**Gross Redemption Yield**" means a yield calculated on the basis indicated by the United Kingdom Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields", page 5, Section One: Price/Yield Formulae" Conventional Gilts; Double-dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (third edition published 16 March 2005) or on such other basis as the Controlling Party and the Parent Borrowers, may approve;

"**Redemption Rate**" means:

- (A) the Gross Redemption Yield at 11.00 a.m. (London time) on the Relevant Date of the Reference Gilt on the basis of the arithmetic mean (rounded, if necessary, to three decimal places (0.0005 being rounded upwards)) of the offered prices of the Reference Gilt quoted by the Reference Market Makers (on a dealing basis for settlement on the next following dealing day in London) at or about 11.00 a.m. (London time) on the Relevant Date; or

- (B) if such yield is not able to be determined, such other rate as may be agreed between the Controlling Party and the Parent Borrowers;

**"Reference Market Makers"** means three brokers and/or London gilt-edged market makers approved in writing by the Controlling Party and the Parent Borrowers;

**"Reference Gilt"** means the 0.125 per cent. Index-Linked Treasury Stock due March 2024 so long as such stock is in issue, and thereafter, such issue of index-linked Treasury stock as determined to be appropriate by the Indexation Adviser.

**"Relevant Date"** means:

- (A) in relation to an Optional Issuer Redemption the date which is two Business Days prior to the publication or despatch of the notice of redemption under Condition 8(c)(i); and
- (B) in relation to a redemption pursuant to any Mandatory Prepayment Redemption, the date which is two Business Days prior to the date of the relevant notice of prepayment by the Borrowers.
- (iii) The Calculation Agent is required, pursuant to the Agency Agreement, to determine each Note Amortisation Amount for the purposes of this Condition 8(b).

(d) **Optional redemption for taxation**

If by reason of a change in law or regulations (or the application or official interpretation thereof), which change becomes effective on or after the Closing Date, on the next Note Interest Payment Date, the Issuer, or the Paying Agent on its behalf, would be required to deduct or withhold from any payment due under the Notes any amount for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by any tax authority or other authority having the power to tax, then the Issuer shall provide the Note Trustee with an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to withhold or deduct such amounts as a result of such change in law or regulations and, if the same would avoid the effect of the event described in the preceding sentence appoint a Paying Agent in another jurisdiction and/or use its reasonable endeavours to arrange the substitution of a company incorporated and/or tax resident in another jurisdiction approved in writing by the Note Trustee as principal debtor under the Notes and as lender under the Borrower Loan Agreement, provided that the Note Trustee is satisfied that such substitution will not be materially prejudicial to the interests of the Noteholders.

If the Issuer satisfies the Note Trustee (by the delivery of a certificate signed by two Directors of the Issuer, confirming that the conditions precedent to redemption set out in this paragraph have been met, together with the legal opinion referred to above) immediately before giving the notice referred to below that one or more of the events described in the first paragraph of this Condition 8(d) is continuing and that the appointment of a Paying Agent and/or a substitution as referred to above would not avoid the effect of the relevant event or that, having used its reasonable endeavours, the Issuer is unable to arrange such a substitution, then the Issuer may, on any Note Interest Payment Date and having given not more than 60 nor less than 30 days' notice to the Noteholders in accordance with Condition 15 and to the Note Trustee and having satisfied the Note Trustee (as provided above) that it will have the necessary funds to pay all principal and interest due in respect of the Notes on the relevant Note Interest Payment Date, subject to indexation in accordance with Condition 7, and to discharge all other amounts required to be paid by it on the relevant Note Interest Payment Date, redeem all, but not some only,

of the Notes at their respective Outstanding Principal Amounts together with accrued but unpaid interest up to but excluding the date of redemption, subject to indexation in accordance with Condition 7.

(e) **Outstanding Principal Amount**

- (i) The Outstanding Principal Amount of a Note on any date shall be its original principal amount less the aggregate amount of all Note Amortisation Amounts and other principal payments (excluding any premium determined in accordance with Condition 8(c)(ii)) in respect of such Note which have become due and payable since the Closing Date except to the extent that any such payment has been improperly withheld or refused or default has otherwise been made in the payment thereof.
- (ii) The Outstanding Principal Amount of any Note partially redeemed pursuant to these Conditions (excluding any premium determined in accordance with Condition 8(c)(ii) and the Scheduled Note Amortisation Amount (if any) due in respect of such Note on the date of such partial redemption) shall be applied to reduce the remaining Scheduled Note Amortisation Amounts in respect of such Note, on a pro rata basis, and the reduced Scheduled Note Amortisation Amounts shall, if necessary, be rounded upwards or downwards to the nearest penny, at the discretion of the Issuer, but so that the sum of the reduced Scheduled Note Amortisation Amounts, as so rounded, is equal to the Outstanding Principal Amount of the relevant Note following its partial redemption.
- (iii) The Calculation Agent is required, pursuant to the terms of the Agency Agreement, to determine the Outstanding Principal amount of the Notes from time to time.

(f) **Notice of redemption**

Any notice of redemption referred to in this Condition 8 shall be irrevocable and, upon expiry of such notice, the Issuer shall be bound to redeem the relevant Notes at the applicable amounts specified above.

(g) **Cancellation of Notes**

All Notes which are redeemed pursuant to this Condition will be cancelled and may not be reissued or resold. If and for so long as the Notes are admitted to trading on a stock exchange and the rules of such stock exchange so require, the Issuer shall promptly inform such stock exchange of the cancellation of any Notes under this Condition 8(g).

(h) **No other Redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 8.

9. **TAXATION**

All payments in respect of the Notes by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**"), unless the withholding or deduction of the Taxes is required by law. In that event, the Issuer or, as the case may be, the Paying Agent shall make such payment after the withholding or deduction has been made and shall account to the relevant taxing authorities for the amount required to be withheld or deducted. Neither the Issuer nor the Paying Agent nor any other person shall be obliged to make any additional payments to Noteholders in respect of such withholding or deduction.

10. **PRESCRIPTION**

Claims in respect of principal and interest will become void unless the relevant Definitive Note Certificate is surrendered for payment as required by Condition 7(a) (Principal) within a period of 10 years in the case of principal and five years in the case of interest from the appropriate due date.

11. **EVENTS OF DEFAULT**

(a) *Events of Default*

The occurrence of any of the following events shall constitute a "**Note Event of Default**":

(i) *Non payment*

The Issuer does not pay on the due date any amount payable in respect of the Notes at the place and in the currency in which it is expressed to be payable unless:

(A) its failure to pay is caused by:

(I) administrative or technical error; or

(II) a Disruption Event; and

(B) payment is made within:

(I) (in the case of paragraph (A)(I) above) 5 Business Days of its due date; or

(II) (in the case of paragraph (A)(II) above) 10 Business Days of its due date.

For these purposes "**Disruption Event**" means either or both of:

A) a material disruption to those payment or communications systems or to those financial markets which are, in each case, required to operate in order for payments to be made in connection with the Notes (or otherwise in order for the transactions contemplated by the Transaction Documents to be carried out) which disruption is not caused by, and is beyond the control of, the Issuer; or

B) the occurrence of any other event which results in a disruption (of a technical or systems-related nature) to the treasury or payments operations of the Issuer preventing it:

I) from performing its payment obligations under the Transaction Documents to which it is a party; or

II) from communicating with other parties in accordance with the terms of the Transaction Documents,

and which (in either such case) is not caused by, and is beyond the control of, the Issuer whose operations are disrupted;

(ii) *Breach of other Obligations*

The Issuer defaults in the performance or observance of any of its other obligations under these Conditions or the Transaction Documents to which it is a party and such default (A) is in the opinion of the Note Trustee, incapable of remedy or (B) being a default which is, in the opinion of the Note Trustee,



capable of remedy remains unremedied for 30 days or such longer period as the Note Trustee may agree from the earlier of the Note Trustee giving notice of the breach (by registered or certified mail or overnight courier) to the Issuer or the Issuer becoming aware of the breach;

(iii) *Breach of Representation*

Any representation made by the Issuer under these Conditions or any other Transaction Document to which it is a party and such breach (A) is in the opinion of the Note Trustee, incapable of remedy or (B) being a breach which is, in the opinion of the Note Trustee, capable of remedy remains unremedied for 30 days or such longer period as the Note Trustee may agree from the earlier of the Note Trustee giving notice of the breach to the Issuer or the Issuer becoming aware of such breach;

(iv) *Cross Default*

An "**Event of Default**" under and as defined in the Borrower Loan Agreement occurs and is continuing under the terms thereof; or

(v) *Insolvency*

- (A) (1) The Issuer becomes insolvent or is unable to pay its debts as they fall due, (2) an administrator or liquidator or other similar officer of the Issuer or the whole or a substantial (in the reasonable opinion of the Note Trustee) part of the undertaking, assets and revenues of the Issuer is appointed (or application for any such appointment is made), (3) the Issuer takes any action for a readjustment or deferral of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its indebtedness or any guarantee of any indebtedness given by it; or
- (B) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer; or
- (C) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in items (A) and (B) above.

(b) **Acceleration**

If a Note Event of Default occurs and is continuing, then the Note Trustee at its discretion may and shall:

- (i) if so requested in writing by holders of at least one quarter of the aggregate Outstanding Principal Amount of the Notes then Outstanding;
- (ii) if so directed by an Extraordinary Resolution of the Noteholders; or
- (iii) if so directed by the Noteholder Representative,

(in all cases subject to the Note Trustee having been indemnified and/or prefunded and/or provided with security to its satisfaction), deliver a written notice (an "**Issuer Acceleration Notice**") to the Issuer, copied to the Issuer Security Trustee and the Agents, declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality; provided that, if a Note Event of Default occurs under Condition 11(a)(i)(*Non-Payment*) on or after the Note Interest Payment Date falling in

February 2034 but before the Final Maturity Date, the Note Trustee shall convene a meeting of Noteholders in accordance with Condition 14 and the Trust Deed and, pursuant to an Extraordinary Resolution, to direct it to deliver an Issuer Acceleration Notice in respect of such a Note Event of Default and, for the avoidance of doubt, shall not be required to deliver an Issuer Acceleration Notice unless expressly instructed and indemnified to do so in accordance with this Condition 11(b).

## 12. ENFORCEMENT

### (a) Provisions in the Issuer Deed of Charge

The Issuer Deed of Charge contain provisions relating to the enforcement of the Security. The provisions in this Condition 12 (*Enforcement*) are summaries of, and are qualified in their entirety by, the detailed provisions of the Issuer Deed of Charge.

### (b) Security Becoming Enforceable

The Security Interests constituted under the Issuer Deed of Charge over the Secured Assets shall become enforceable upon an acceleration of the maturity of any of the Notes pursuant to Condition 11(b) (*Acceleration*).

### (c) Enforcement

At any time after the Notes become due and payable and the Security Interests under the Issuer Deed of Charge become enforceable, the Note Trustee shall, at the direction of the Noteholders acting by an Extraordinary Resolution, institute proceedings against the Issuer and/or instruct the Issuer Security Trustee to institute proceedings against the Issuer to enforce the terms of the Issuer Deed of Charge and realise and/or otherwise liquidate or sell the Secured Assets in whole or in part and/or take such action as may be permitted under applicable laws against the Issuer in respect of the Secured Assets and/or take any other action to enforce the Issuer Security (such action, "**Enforcement Action**", which term includes any other action which the Note Trustee and/or the Issuer Security Trustee may deem to fall within such definition), in each case without any liability as to the consequence of any action and without having regard (save to the extent provided in Condition 16(b) (*Entitlement of the Trustees and Conflicts of Interest*)) to the effect of such action on individual Noteholders or any other Secured Creditor provided however that the Security Trustee shall not be bound to institute any such proceedings or take any such other action unless it is indemnified and/or secured and/or prefunded to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses (including properly incurred legal fees, together in each case, with any applicable value added tax (or similar) thereon) which may be incurred by it in connection therewith.

The Note Trustee shall notify the Issuer and the Agents pursuant to Clause 16 (*Communication*) of the Trust Deed and the Noteholders in accordance with Condition 15 (*Notices*) in the event that it takes Enforcement Action at any time. The aggregate proceeds of enforcement of the Issuer Security shall be paid by the Issuer Security Trustee to the Note Trustee, who will apply such moneys, together with all moneys or other assets held by the Note Trustee in respect of amounts falling due under the Notes, in accordance with the Issuer Post-Acceleration Priority of Payments set out in Schedule 4 to the Issuer Deed of Charge.

## 13. REPLACEMENT OF NOTES

If any Definitive Note Certificate is lost, stolen, mutilated, defaced or destroyed it may be replaced at the Specified Office of the Registrar or the Paying Agent subject to all applicable laws and stock exchange or other relevant authority requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (provided that the requirement is reasonable in

the light of prevailing market practice). Mutilated or defaced Definitive Note Certificates must be surrendered before replacements will be issued.

14. **MEETINGS OF NOTEHOLDERS; MODIFICATION, WAIVER AND SUBSTITUTION**

(a) **Provisions in the Trust Deed**

The Trust Deed contains provisions for convening meetings of the Noteholders (and of passing Written Resolutions) to consider matters affecting the interests of the Noteholders including, without limitation, modifying or waiving certain of the provisions of these Conditions and the substitution of the Issuer in certain circumstances. The provisions in this Condition 14 are descriptive and subject to the detailed provisions of the Trust Deed.

(b) **Decisions and Meetings of Noteholders**

(i) *General*

The Trust Deed contains provisions for convening meetings of the Noteholders to consider matters affecting the interests of such Noteholders and any other matter in relation to which the Issuer requests directions or confirmation from the Noteholders either to itself or another person on its behalf. Decisions shall be taken by Noteholders by way of Ordinary Resolution or Extraordinary Resolution. Such resolutions can be effected either at a duly convened meeting of the Noteholders or by the Noteholders resolving in writing, in each case, in at least the minimum percentages specified in the table "Minimum Percentage Voting Requirements" in paragraph (iii) below. Meetings of the Noteholders may be convened by the Issuer or the Note Trustee and shall be convened by the Issuer or the Note Trustee upon request by Noteholders holding not less than 10 per cent. of the aggregate Outstanding Principal Amount of the Notes, subject to certain conditions including minimum notice periods.

(ii) *Quorum*

The quorum required for any meeting convened to consider an Ordinary Resolution or Extraordinary Resolution, or at any adjourned meeting to consider such an Ordinary Resolution or an Extraordinary Resolution, shall be as set out in the relevant column and row corresponding to the type of resolution in the table "Quorum Requirements" below, provided that any holdings will be disregarded for the purposes of the Quorum Requirements, to the extent that they cannot be represented by a holding of at least £100,000.

**Quorum Requirements**

<b>Type of Resolution</b>	<b>Any meeting (other than a meeting adjourned for want of quorum)</b>	<b>Meeting previously adjourned for want of quorum</b>
Ordinary Resolution of the Noteholders	One or more persons holding or representing not less than 10 per cent. of the aggregate of the Outstanding Principal Amount of the Notes	One or more persons holding or representing any Notes regardless of the aggregate Outstanding Principal Amount of such Notes so held or represented
Extraordinary Resolution of the Noteholders (other than	One or more persons holding or representing not less than 50 per cent.	One or more persons holding or representing any Notes regardless of

in respect of approval of a Basic Terms Modification)	of the aggregate of the Outstanding Principal Amount of the Notes	the aggregate Outstanding Principal Amount of such Notes so held or represented
Extraordinary Resolution of the Noteholders in respect of approval of Basic Terms Modification	One or more persons holding or representing not less than 75 per cent. of the aggregate of the Outstanding Principal Amount of the Notes	One or more persons holding or representing not less than 25 per cent. of the aggregate of the Outstanding Principal Amount of the Notes

(iii) *Minimum Voting Requirements*

Set out in the table "Minimum Percentage Voting Requirements" below are the minimum percentages required to pass the resolutions specified in such table which, (A) in the event that such Ordinary Resolution or Extraordinary Resolution is being considered at a duly convened meeting of Noteholders shall be determined by reference to the percentage which the aggregate Outstanding Principal Amount of Notes held or represented by any person or persons entitled to vote in respect of such Ordinary Resolution or Extraordinary Resolution who votes in favour thereof represents of the aggregate Outstanding Principal Amount of all Notes which are represented at such meeting and are entitled to be voted or, (B) in the case of any Written Resolution, shall be determined by reference to the percentage which the aggregate Outstanding Principal Amount of the Notes entitled to be voted in respect of such Ordinary Resolution or Extraordinary Resolution which are voted in favour thereof represents of the aggregate Outstanding Principal Amount of all the Notes entitled to be voted in respect of such Written Resolution.

<b>Minimum Percentage Voting Requirements</b>	
<b>Type of Resolution</b>	<b>Per cent.</b>
Extraordinary Resolution of all Noteholders (including, for the avoidance of doubt, in relation to approval of Basic Terms Modification)	At least 75 per cent. of the votes cast
Ordinary Resolution of all Noteholders	More than 60 per cent. of the votes cast

(iv) *Written Resolution*

A written resolution shall for all purposes be as valid and effective as a resolution passed at a meeting of Noteholders. Any written resolution may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the relevant Noteholders and the date of such written resolution shall be the date on which the latest such document is signed.

(v) *Extraordinary Resolution*

A meeting of Noteholders shall, subject to these Conditions, have power exercisable by Extraordinary Resolution:

- (A) to sanction any proposal by the Issuer or the Note Trustee for any modification, alteration, abrogation, variation or compromise of, or

arrangement in respect of, the rights of the Noteholders against the Issuer, or against any of its property whether such rights shall arise under the Trust Deed, the Notes or otherwise;

- (B) to assent to any modification of the Trust Deed, the Conditions or the Issuer Transaction Documents which shall be proposed by the Issuer or the Note Trustee;
- (C) to approve a person proposed to be appointed as a new trustee and power to remove any Note Trustee;
- (D) to authorise anyone to concur in and execute and do all such documents, acts and things as may be necessary to carry out and give effect to any Extraordinary Resolution;
- (E) to discharge or exonerate the Note Trustee from any liability in respect of any act or omission for which it may become responsible under the Trust Deed or the Notes;
- (F) to give any authority, discretion or sanction under which the provisions of the Trust Deed or the Notes is required to be given by Extraordinary Resolution; and
- (G) to appoint any persons (whether Noteholders or not) as a committee or committees to represent the interests of the Noteholders and to confer upon such committee or committees any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution.

(vi) *Basic Terms Modification*

Any resolution to sanction any of the following items will be considered a "**Basic Terms Modification**" and will be required to be passed by an Extraordinary Resolution:

- (A) the amendment to any date fixed for payment of principal or of interest on the Notes;
- (B) the modification of any provision of the Trust Deed which would directly and adversely affect the calculation of the amount of any payment of interest or principal on any Note or any indexation in respect thereof (except as contemplated by Conditions 7(h) to (j) (inclusive));
- (C) the adjustment of the method of calculation of the Outstanding Principal Amount of the Notes;
- (D) a change in the currency of payment of the Notes;
- (E) any change in the Priority of Payments (including modification of interest or principal payable on the Notes);
- (F) the modification of the provisions concerning the quorum required at any meeting of Noteholders or the minimum percentage required to pass an Extraordinary Resolution or any other provision of these Conditions which requires the written consent of the holders of a requisite principal amount of the Notes;
- (G) any modification of any Issuer Transaction Document having an adverse effect on the security over the Secured Assets constituted by the Issuer Security Documents;

(H) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(c) **Modification and Waiver**

The Note Trustee may agree, without the consent of the Noteholders, (i) to any modification of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions, the Trust Deed or any of the other Transaction Documents, which is not, in the opinion of the Note Trustee, materially prejudicial to the interests of the Noteholders or (ii) to any modification of these Conditions or any of the other Transaction Documents, which, in the opinion of the Note Trustee, is of a formal, minor or technical nature or to correct a manifest error or an error which is, in the opinion of the Note Trustee, proven. The Note Trustee may also, without the consent of the Noteholders, determine that Note Events of Default shall not, or shall not subject to specified conditions, be treated as such, provided that, in the opinion of the Note Trustee, it would not be materially prejudicial to the interests of the Noteholders to do so. Any such modification, waiver, authorisation or determination shall be binding on the Noteholders and, unless the Note Trustee agrees otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 15 (Notices) as soon as practicable thereafter.

Any such modification, authorisation or waiver shall be binding on all Noteholders and shall be notified to the Noteholders as soon as practicable in accordance with Condition 15 (Notices).

Under no circumstances shall the Note Trustee be required to give such consent on less than 21 days' notice and the Note Trustee shall be entitled to (a) obtain such professional advice and/or opinions in connection with giving such consent as it sees fit and (b) be indemnified and/or prefunded and/or secured to its satisfaction (acting reasonably) in respect of all of its costs, liabilities and expenses in obtaining such professional advice and/or opinions. Any such costs, fees (including properly incurred legal fees) and/or expenses incurred by the Note Trustee in connection with such advice and/or opinions shall be for the account of the Issuer.

(d) **Noteholder Representative**

(i) The Noteholders may by Extraordinary Resolution and notice in writing to the Note Trustee, the Issuer and the Issuer Security Trustee appoint a person, being a Noteholder or otherwise, to represent their interests in respect of any Lender Rights (as defined below) (such person, the "**Noteholder Representative**"). On receipt of such notice from or given on behalf of the Noteholders, each party to the Transaction Documents may assume that the Noteholder Representative has been validly appointed by Extraordinary Resolution and none of those parties will have an obligation to verify the validity of such Extraordinary Resolution.

(ii) The Noteholder Representative will be appointed by the Issuer as its agent to exercise all the Lender Rights of the Issuer on behalf of the Noteholders.

(iii) The Noteholder Representative shall, unless instructed to the contrary by an Extraordinary Resolution of the Noteholders, be entitled in its sole discretion to exercise all of the rights of the Issuer as Lender under the Borrower Loan Agreement, Borrower Deed of Charge and the Direct Agreements, subject to the terms thereof, which include, but are not limited to the right to give approvals, consents, waivers and to be consulted thereunder (together, the "**Lender Rights**").

(iv) The Issuer has agreed under the terms of the Issuer Deed of Charge that it will take such action as may be necessary to permit the Noteholder Representative to

exercise the Lender Rights including the execution of a power of attorney in the form attached in Schedule 6 of the Issuer Deed of Charge.

- (v) The Issuer shall have no liability to the Noteholders for any loss caused by the actions of the Noteholder Representative. The Noteholder Representative shall indemnify the Issuer in respect of any loss suffered by the Issuer arising from the actions of the Noteholder Representative in respect of the Notes.
- (vi) The Noteholder Representative shall not be entitled to any remuneration from the Issuer in respect of its role as Noteholder Representative
- (vii) The Noteholders may by Extraordinary Resolution and notice in writing to the Note Trustee, the Issuer, the Issuer Security Trustee and the current Noteholder Representative remove such Noteholder Representative and appoint a person, being a Noteholder or otherwise, in its place in accordance with paragraph (i) above.
- (viii) If the Noteholder Representative is a Noteholder, the Issuer may, at its discretion, require the Noteholder Representative to enter into a confidentiality and non-trading agreement in a form satisfactory to the Issuer and the Noteholder Representative as a condition precedent to the disclosure of or granting of access to confidential information in respect of the Borrowers or the Borrower Loan that the Issuer believes is likely to have a significant effect on the price of all or certain of the Notes and which is not already public available information.

## 15. NOTICES

Notices to Noteholders will be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Notes Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

*So long as the Notes are represented by the Global Note Certificate and held by Euroclear or Clearstream, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream for communication by it to entitled accountholders in substitution for notification as required by this Condition 15.*

## 16. NOTE TRUSTEE AND ISSUER SECURITY TRUSTEE

### (a) Indemnification

Under the Trust Deed and, as applicable, the Issuer Deed of Charge, each of the Note Trustee and the Issuer Security Trustee, respectively, is entitled to be indemnified and/or prefunded and/or secured to its satisfaction prior to any action and to be paid its costs and expenses in priority to the claims of the Noteholders.

### (b) Entitlement of the Note Trustee and Issuer Security Trustee and Conflicts of Interest

Notwithstanding whether or not it is expressly stated in these Conditions, but save where it is expressly provided otherwise in connection with the exercise of its trusts, powers, duties and discretions (including but not limited to those referred to in this Condition), the Note Trustee shall act at the direction of the Noteholders acting by Ordinary Resolution or Extraordinary Resolution where specified in the Issuer Transaction Documents without having regard to the effect of such action on the interest of other Issuer Secured Creditors. The Note Trustee shall not have regard to the consequences of such action for individual Noteholders and no Noteholder or Issuer Secured Creditor shall be entitled to claim, from the Issuer, the Note Trustee or the Issuer Security Trustee or any other person any indemnification or payment in respect of any tax consequence of any such action upon individual Noteholders.

In the event that the Note Trustee receives conflicting or inconsistent requests from two or more groups of Noteholders, each representing not more than 50 per cent. by principal amount of Notes, the Note Trustee shall comply with the instructions of the group which hold the greater amount of Notes outstanding. In the case of equality of votes the chairman of the meeting shall have a casting vote in addition to the vote or voter which he may have as a Noteholder on both a show of hands and on a poll.

When exercising its opinion and/or when exercising the rights, benefits, power, trusts, authorities, discretions and obligations expressed to be granted by the Issuer Deed of Charge, the other Transaction Documents or by operation of law, the Issuer Security Trustee shall, for so long as there are any Notes outstanding under the Trust Deed, act only at the request or in accordance with the directions of the Note Trustee to the Issuer Security Trustee and shall not be responsible for any liability, damages, claims, cost, loss, penalty, expense, demand (or actions in respect thereof) including, legal, accounting or other charges, fees, costs, disbursements and expenses in connection therewith ("**Loss**") that may result from the exercise or non-exercise thereof (including any Loss occasioned by any delay or failure on the part of the Note Trustee to make any such request or to give any such direction).

(c) **Failure to act**

Noteholders may institute any proceedings against the Issuer to enforce their rights under or in respect of the Notes, or the Secured Assets only if (i) the Note Trustee or; as the case may be the Issuer Security Trustee; has become bound to institute proceedings and has failed to do so within a reasonable time of becoming so bound; and (ii) such failure is continuing.

(d) **Confidentiality**

Unless ordered to do so by a court of competent jurisdiction, the Note Trustee shall not be required to disclose to any Noteholder any confidential financial or other information made available to the Note Trustee by the Issuer.

(e) **Instructions to the Facility Agent and Issuer Security Trustee**

Under the Trust Deed, the Note Trustee is entitled to request consent, approval or directions from the Noteholders by Ordinary Resolution in relation to a request for instructions from:

- (i) the Facility Agent (whether in its capacity as Facility Agent, Controlling Party or otherwise) under and in accordance with the Borrower Loan Agreement or any other Borrower Transaction Document; and
- (ii) the Issuer Security Trustee under and in accordance with the Issuer Deed of Charge or any other Issuer Transaction Document,

unless, in each of the above cases, the request for instructions relates to a Basic Terms Modification, in which case such request, consent, approval or directions are required to be given by Extraordinary Resolution. In the absence of the Note Trustee's gross negligence or wilful default, the Note Trustee shall not be liable for any failure to give instructions to the Facility Agent or Issuer Security Trustee, as the case may be, in the absence of consent, approval or directions from the Noteholders, as described in this paragraph.

(f) **Indemnification and exoneration of the Note Trustee and the Issuer Security Trustee**

The Trust Deed and the Issuer Deed of Charge contain provisions governing the responsibility (and relief from responsibility) of the Note Trustee and the Issuer Security Trustee respectively, including provisions relieving them from taking action or, in the



case of the Issuer Security Trustee, enforcing the Issuer Security unless indemnified and/or prefunded and/or secured to their satisfaction.

(g) **Other commercial transactions**

The Trust Deed and the Issuer Deed of Charge contain provisions stating that the Note Trustee and the Issuer Security Trustee, respectively, are entitled to make commercial contracts and to enter into commercial transactions with any party to the Issuer Transaction Documents and to accept the trusteeship of any other debenture stock, debentures or securities of any party to the Issuer Transaction Documents and that neither the Note Trustee nor the Issuer Security Trustee, as applicable, shall be accountable to any Issuer Secured Creditor or to any party to the Issuer Transaction Documents for any profit, fees, commissions, interest, discounts or share of brokerage earned, arising or resulting from any such contracts or transactions.

17. **CURRENCY INDEMNITY**

The Trust Deed provides that if any sum due from the Issuer in respect of any Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under the relevant Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to any of the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed and delivered to the Issuer or to the Specified Office of the Registrar or the Paying Agent against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof. This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

18. **GOVERNING LAW AND JURISDICTION**

(a) **Governing law**

The Trust Deed, Issuer Deed of Charge and the Notes, including any non-contractual obligations arising out of or in connection therewith, are governed by, and shall be construed in accordance with, English law.

(b) **Jurisdiction**

The Issuer has in the Trust Deed and the Issuer Deed of Charge agreed for the benefit of the Note Trustee, the Issuer Security Trustee and the Secured Creditors that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings arising out of or in connection with the Trust Deed, Issuer Deed of Charge or the Notes ("**Proceedings**") and, for such purposes, irrevocably submits to the jurisdiction of such courts.

(c) **Appropriate Forum**

For the purposes of Condition 18(b) (Jurisdiction), the Issuer has irrevocably waived any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and agreed not to claim that any such court is not a convenient or appropriate forum.

## UNITED KINGDOM TAXATION

**The following applies only to persons who are the beneficial owners of Notes and is a summary of the Issuer's understanding of current law and practice in the United Kingdom relating only to United Kingdom withholding tax treatment of payments in respect of the Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. Prospective Noteholders who are in any doubt about their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.**

Payments of interest on the Notes may be made without withholding or deduction for or on account of United Kingdom tax under the provisions of United Kingdom tax law relating to "quoted Eurobonds", within the meaning of section 987 of the Income Tax Act 2007 (the "ITA"), as long as the Notes at the time at which the interest is paid are listed on a "recognised stock exchange" within the meaning of section 1005 of the ITA. The London Stock Exchange is a recognised stock exchange for these purposes and securities will be treated as listed on the London Stock Exchange (including the Professional Securities Market) if they are included in the United Kingdom official list (within the meaning of Part 6 of FSMA) and admitted to trading on the London Stock Exchange.

If the notes are not listed on a "recognised stock exchange" at the time at which the interest is paid, interest may be paid after deduction of United Kingdom income tax at the basic rate (currently 20%) subject to such relief as may be available, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

## EUROPEAN UNION SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC (the "**EU Savings Directive**") on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) made by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On April 24, 2009, the European Parliament approved an amended version of certain changes proposed by the European Commission to the directive which, if implemented, would broaden the scope of the requirements described above.

Investors who are in any doubt as to their position as regards the EU Savings Directive should consult their professional advisers.

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 30 April 2013 between, among others, the Issuer and Mirabaud Securities LLP (acting through its appointed representative Independent Debt Capital Markets LLP) (in its capacity as "**Bookrunner**") (the "**Subscription Agreement**"), the Bookrunner has agreed to arrange subscription of and payment for, the principal amount of the Notes.

Pursuant to the terms of the Subscription Agreement, the Issuer has agreed to indemnify the Bookrunner against certain liabilities in connection with the issue and offering of the Notes.

The issue of the Notes will be conditional upon the Subscription Agreement being signed by the Issuer and the Bookrunner. The Subscription Agreement is subject to a number of conditions and may be terminated in certain circumstances prior to payment to the Issuer for the Notes.

The Notes will be offered only to persons in the United Kingdom who have professional experience in matters relating to investments and on an investor by investor basis. As such, any limit on the offer period and acceptance will be communicated to each investor to whom an offer is made. However, Notes may only be offered in an amount equal to £100,000 or multiples of £10,000 in excess thereof. Investors will be notified by the Bookrunner of their allocations and settlement arrangements on or before the Closing Date. Notes will be issued on the Closing Date free of payment.

These Listing Particulars do not constitute, and may not be used for the purpose of, an offer or a solicitation by anyone to subscribe for or purchase any of the Notes in or from any country or jurisdiction where such an offer or solicitation is not authorised or is unlawful.

### **United States**

The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except pursuant to an exemption from the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold in offshore transactions in reliance on Regulation S. The Bookrunner has agreed that it will not arrange for an offer or sale of the Notes as part of their distribution at any time or otherwise until 40 days after the later of the commencement of the offering and the Closing Date within the United States or to, or for the account or benefit of, U.S. persons and, it will have sent to each affiliate or dealer (if any) to which the Notes are sold during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

### **United Kingdom**

The Bookrunner has represented to and agreed with the Issuer that:

- (a) it has only communicated or caused to be communicated, and will only communicate or cause to be communicated any invitation or inducement to engage in any activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Bookrunner has acknowledged that, save for having obtained the approval of the Listing Particulars as listing particulars in accordance with Part VI of the FSMA and applying for the admission of the Notes to the Official List of the UK Listing Authority and admission to trading on the London Stock Exchange, no further action has been or will be taken in any jurisdiction by the Bookrunner that would, or is intended to, permit a public offering of the Notes, or possession or distribution of the Listing Particulars or any other offering material in relation to the Notes, in any country or jurisdiction where such further action for that purpose is required.

**General**

The Bookrunner has undertaken that it will not, directly or indirectly, offer or sell any of the Notes or have in its possession, distribute or publish any offering circular, prospectus, listing particulars, form of application, advertisement or other document or information in respect of the Notes in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and any such offers and sales of Notes by it will be made on the same terms.

## GENERAL INFORMATION

1. The issue of the Notes was authorised by resolution of the board of directors of the Issuer passed on or about 2 May, 2013.
2. It is expected that listing of the Notes on the Official List and admission to trading on the PSM thereof will be granted on or around 7 May, 2013, subject only to issue of the Global Note Certificate. The listing of the Notes will be cancelled if the Global Note Certificate is not issued. Transactions in respect of the Notes will normally be effected for settlement in sterling and for delivery on the third working day after the day of the transaction.
3. The Notes have been accepted for clearance through Euroclear and Clearstream Luxembourg. The Common Code and the ISIN for the Notes are:

<b>Common Code</b>	<b>ISIN</b>
0919179712	XS0919179712

4. No statutory accounts within the meaning of the Companies Act 2006 in respect of any financial year of the Issuer have been prepared. So long as the Notes are listed on the Official List, the most recently published audited annual accounts of the Issuer from time to time will be available at the specified office of the Paying Agent. The Issuer does not publish interim accounts.
5. There are no, nor have there been, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since the Issuer's incorporation on 6 March, 2013 which may have, or have had in the recent past, significant effects on its financial position or profitability.
6. There are no, nor have there been, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Borrowers are aware) since the Borrowers' respective dates of incorporation, which may have, or have had in the recent past, significant effects on their financial position or profitability.
7. There are no, nor have there been, governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Parent HoldCo is aware) since the Parent HoldCo's incorporation on 8 March, 2013 which may have, or have had in the recent past, significant effects on its financial position or profitability.
8. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement, being a contract entered into other than in its ordinary course of business.
9. Save as disclosed in these Listing Particulars, the Issuer does not have any outstanding loan capital, borrowings, indebtedness or contingent liabilities, nor has the Issuer created any mortgages or charges or given any guarantees.
10. For so long as the Notes are admitted to trading on the London Stock Exchange, the Issuer shall maintain a Paying Agent in London, United Kingdom.
11. The Trust Deed, the Issuer Deed of Charge and the Borrower Deed of Charge will provide that the Note Trustee, the Issuer Security Trustee and the Borrower Security Trustee, respectively, may rely on reports or other information from professional advisers or other experts in accordance with the provisions of the Trust Deed, the Issuer Deed of Charge and the Borrower Deed of Charge, respectively, whether or not any such report or other information provided to or document entered into by the Note Trustee, the Issuer Security Trustee or the Borrower Security Trustee (as the case may be) and the relevant person in connection therewith contains any monetary or other limit on the liability of the relevant person.
12. From the date of these Listing Particulars and for so long as the Notes are listed on the London Stock Exchange and the rules of the London Stock Exchange so require, copies of the following

documents will be available for inspection in electronic or physical form during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the offices of the Issuer and the Paying Agent:

- (a) the memorandum and articles of association of the Issuer;
  - (b) drafts (subject to modification) of the contracts and documents listed below:
    - (i) the Master Definitions Schedule;
    - (ii) the Trust Deed;
    - (iii) the Issuer Deed of Charge;
    - (iv) the Borrower Loan Agreement;
    - (v) the Borrower Deed of Charge;
    - (vi) the Agency Agreement;
    - (vii) the Issuer Cash Management Agreement;
    - (viii) the Borrower Cash Management Agreement;
    - (ix) the Corporate Services Agreement;
    - (x) the Direct Agreements;
    - (xi) the Solar Generation Company Subordinated Agreement; and
    - (xii) the Netting Agreement
  - (c) the memorandum and articles of association of the each OpCo Borrower;
  - (d) the memorandum and articles of association of each Parent Borrower;
  - (e) the memorandum and articles of association of the Parent HoldCo;
  - (f) audited accounts of each OpCo Borrower;
  - (g) audited accounts of each Parent Borrower; and
  - (h) audited accounts of the Parent HoldCo.
13. The Issuer does not intend to provide post-issuance transaction information regarding the Notes or the Borrower Loan, except for an Investor Report that will be produced by the Issuer Cash Manager in respect of each Note Interest Payment Date. Each Investor Report will be in the form attached to the Issuer Cash Management Agreement and will contain information that includes but is not limited to, the Index Ratio, the Outstanding Principal Amount of the Notes, the interest amount paid on the Notes, the principal amount paid on the Notes, income collections by the Borrowers, the amounts applied in the relevant Issuer Priorities of Payments, the amounts applied in the relevant Borrower Priority of Payments, the respective balances on the Debt Service Reserve Account, the Opex Reserve Account, the Inverter Maintenance Reserve Account, the Cash Trap Reserve Account, the Malmesbury Reserve Account and the Working Capital Reserve Account in each case in respect of such Note Interest Payment Date. Each Investor Report will also append the most recently available financial statements of the Borrowers, delivered as described in "*Summary of Principal Documents – Borrower Loan Agreement – Information undertakings – Financial statements*". The Investor Reports will be accessible to Noteholders on and from the third Business Day before each Note Interest Payment Date via the following website: [www.usbank.com/abs](http://www.usbank.com/abs) where Noteholders will be required to register. The website and the contents thereof do not form part of these Listing Particulars.

14. The Issuer confirms that the assets backing the issue of the Notes have characteristics that demonstrate the capacity to produce funds to service any payments due and payable on the Notes. However, investors are advised that this confirmation is based on the information available to the Issuer at the date of these Listing Particulars and may be affected by the future performance of such assets backing the issue of the Notes. Consequently, investors are advised to review carefully any disclosure in these Listing Particulars together with any amendments or supplements thereto.
15. Since 6 March 2013 (being the date of incorporation of the Issuer), there has been (a) no material adverse change in the financial position or prospects of the Issuer and (b) no significant change in the financial or trading position of the Issuer.
16. Cornel Partners Limited, whose registered office is at 115 Alexandra Park Road, Muswell Hill, London N10 2DP, is a member of the Institute of Chartered Accountants in England and Wales and has given and has not withdrawn its written consent to the inclusion in this document of its name and the references thereto in the form and context in which it appears.

The auditor for each of the Borrowers is Cornel Partners Limited, which has audited the financial statements of each of:

- (a) the SE Parent Borrower for the year ended 31 December 2012;
- (b) the Eris Parent Borrower for the year ended 31 December 2012;
- (c) the Leeds Parent Borrower for period from 1 December 2011 to 31 December 2012;
- (d) the Kent OpCo Borrower for the period from 7 April 2011 to 30 April 2012;
- (e) the Puriton OpCo Borrower for the period from 2 November 2010 to 30 April 2012;
- (f) the Bridgewater OpCo Borrower for the period from 10 December 2010 to 30 April 2012;  
and
- (g) the Malmesbury OpCo Borrower for the period from 1 December 2010 to 30 April 2012.

The financial information included herein does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the periods ended 31 December 2012 (in the case of the Parent Borrowers) and 30 April 2012 (in the case of the OpCo Borrowers) have been delivered to the Registrar of Companies. The auditors have reported on these accounts; their report was unqualified and did not contain a statement under section 498(2) (accounting records and returns inadequate or accounts not agreeing with records and returns) or 498(3) (failure to obtain necessary information and explanation) of the Companies Act 2006.

## TRANSFER RESTRICTIONS

Each purchaser of an interest in a Global Note or a Definitive Note (each initial purchaser of Notes, together with each subsequent transferee of Notes, the "**Purchaser**") will be deemed, or in the case of a Definitive Note required to have acknowledged, represented and agreed as follows (terms defined in Regulation S under the Securities Act have the same meaning and constructions in this section):

- (1) Legends on Global Note. Each Purchaser acknowledges that each Global Note will bear a legend substantially to the effect set forth below and that the Issuer has covenanted in the Trust Deed not to remove such legend.

BY PURCHASING OR OTHERWISE ACQUIRING ANY BENEFICIAL INTEREST IN THIS NOTE, EACH OWNER OF SUCH BENEFICIAL INTEREST WILL BE DEEMED TO HAVE AGREED FOR THE BENEFIT OF THE ISSUER THAT IF IT SHOULD DECIDE TO DISPOSE OF THE NOTES REPRESENTED BY THIS GLOBAL NOTE PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), BENEFICIAL INTERESTS IN THIS GLOBAL NOTE MAY BE OFFERED, RESOLD OR OTHERWISE TRANSFERRED ONLY TO A NON-U.S. PERSON IN A TRANSACTION OUTSIDE THE UNITED STATES AND IN COMPLIANCE WITH THE SECURITIES ACT AND UNDER CIRCUMSTANCES WHICH WILL NOT REQUIRE THE ISSUER TO REGISTER AS AN "INVESTMENT COMPANY" UNDER THE INVESTMENT COMPANY ACT.

- (2) Mandatory Transfer/Redemption. Each Purchaser acknowledges and agrees that in the event that at any time the Issuer determines (or is notified by a person acting on behalf of the Issuer) that such Purchaser was in breach, at the time given or deemed to be given, of any of the representations or agreements set forth above or otherwise determines that any transfer or other disposition of any Notes would, in the sole determination of the Issuer or the Note Trustee acting on behalf of the Issuer, require the Issuer to register as an "investment company" under the provisions of the Investment Company Act, such purchase or other transfer will be void ab initio and will not be honoured by the Note Trustee. Accordingly, any such purported transferee or other holder will not be entitled to any rights as a Noteholder and the Issuer shall have the right to force the transfer of, or redeem, any such Notes.



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**ANNEX I**

**FINANCIAL STATEMENTS OF THE OPCO BORROWERS**

**Kent Solar Limited**

**Registered number  
07596151**

**KENT SOLAR LIMITED  
REPORT AND ACCOUNTS  
30 APRIL 2012**

**Kent Solar Limited**  
**Report and accounts**

**Contents**

Company Information

Directors' Report

Statement of Directors' Responsibilities

Independent Auditors' Report

Profit and Loss Account

Balance Sheet

Notes to the Accounts

**Kent Solar Limited**  
**Company Information**

**Directors**

R Piñeiro (appointed 26/9/2011)  
WJ Aiken (appointed 11/10/2012)  
O Breidt (resigned 26/9/2011)

**Auditors**

Cornel Partners Limited  
115 Alexandra Park Road  
London  
N10 2DP

**Registered Office**

ECA Court  
South Park  
Sevenoaks  
Kent  
TN13 1DU

**Registered number**

07596151

**Kent Solar Limited**  
**Registered Number: 07596151**  
**Directors' Report**

The directors present their report and accounts for the period ended 30 April 2012.

**Principal activities**

The company is the owner of a Solar Park with approximately 5MW capacity which was commissioned on 31 July 2011 .

**Directors**

The following persons served as directors during the period :

R Piñeiro (appointed 26/9/2011)  
WJ Aiken (appointed 11/10/2012)  
O Breidt (resigned 26/9/2011)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 4 February 2013 and signed on its behalf.

R Piñeiro  
Director



**Kent Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Kent Solar Limited  
Independent Auditors' Report  
To the Shareholder of Kent Solar Limited**

We have audited the accounts of Kent Solar Limited for the period ended 30 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
4 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**Kent Solar Limited**  
**Profit and Loss Account**  
**for the period from 7 April 2011 to 30 April 2012**

	Notes	2012 £
<b>Turnover</b>		1,076,194
Cost of sales		(387,471)
<b>Gross profit</b>		<u>688,723</u>
Administrative expenses		(190,135)
Other operating income		95,540
<b>Operating profit</b>	2	<u>594,128</u>
Interest receivable		2,259
<b>Profit on ordinary activities before taxation</b>		<u>596,387</u>
Tax on profit on ordinary activities	3	(142,233)
<b>Profit for the period</b>		<u>454,154</u>

**Kent Solar Limited**  
**Balance Sheet**  
**as at 30 April 2012**

	Notes	2012 £
<b>Fixed assets</b>		
Tangible assets	4	15,354,459
<b>Current assets</b>		
Debtors	5	3,886,783
Cash at bank and in hand		320,326
		<u>4,207,109</u>
<b>Creditors: amounts falling due within one year</b>	6	(18,965,270)
<b>Net current liabilities</b>		(14,758,161)
<b>Total assets less current liabilities</b>		<u>596,388</u>
<b>Provisions for liabilities</b>	7	(142,233)
<b>Net assets</b>		<u>454,155</u>
<b>Capital and reserves</b>		
Called up share capital	8	1
Profit and loss account	9	454,154
<b>Shareholder's funds</b>		<u>454,154</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

R Piñeiro  
 Director  
 Approved by the board on 4 February 2013

**Kent Solar Limited**  
**Notes to the Accounts**  
**for the period from 7 April 2011 to 30 April 2012**

**1. Accounting policies**

*Basis of preparation*

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

*Turnover*

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

*Sales of capacity*

The company has entered into agreements to sell generating capacity to third parties for 25 years. In accordance with Urgent Issues Task Force (UITF) abstract 36 "Contracts for sales of capacity" the income from the agreements is recognised on a straight line basis over the duration of the lease.

*Depreciation*

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	4% straight line
---------------------	------------------

*Deferred taxation*

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

*Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

*Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Kent Solar Limited**  
**Notes to the Accounts**  
**for the period from 7 April 2011 to 30 April 2012**

<b>2</b>	<b>Operating profit</b>	<b>2012</b>
		<b>£</b>
	This is stated after charging:	
	Depreciation of owned fixed assets	95,451
	Auditors' remuneration	3,750
		<hr/>
<b>3</b>	<b>Taxation</b>	<b>2012</b>
		<b>£</b>
	Deferred tax	142,233
		<hr/>
<b>4</b>	<b>Tangible fixed assets</b>	
		<b>Plant and machinery etc</b>
		<b>£</b>
	<b>Cost</b>	
	Additions	15,450,000
	At 30 April 2012	15,450,000
		<hr/>
	<b>Depreciation</b>	
	Charge for the period	95,451
	At 30 April 2012	95,451
		<hr/>
	<b>Net book value</b>	
	At 30 April 2012	15,354,549
		<hr/>

The cost of plant used exclusively in each contract for sale of capacity cannot be determined from the over-arching Engineering, Procurement and Construction (EPC) contract for the site. Therefore, in accordance with UITF abstract 36 "Contracts for sales of capacity" the assets have been retained in the company's balance sheet and will be depreciated over their useful economic life.

<b>5</b>	<b>Debtors</b>	<b>2012</b>
		<b>£</b>
	Trade debtors	3,644,047
	Prepayments and accrued income	179,786
	Other debtors	62,950
		<hr/>
		3,886,783
		<hr/>

**Kent Solar Limited**  
**Notes to the Accounts**  
**for the period from 7 April 2011 to 30 April 2012**

<b>6</b>	<b>Creditors: amounts falling due within one year</b>	<b>2012</b>
		<b>£</b>
	Trade creditors	190,234
	Other taxes and social security costs	3,136,638
	Deferred income	15,577,461
	Other creditors	60,937
		<u>18,965,270</u>

Under the terms of the construction of the Solar Park the purchase price included a deferred element of £2,325,000 which is payable subject to certain operational performance tests being passed. The full amount has been accrued and is shown in other creditors net of £2,294,063 which is held in an escrow account. The funds in escrow can only be used in settlement of the purchase consideration unless the performance tests are failed in which case that unused will revert to the company.

<b>7</b>	<b>Provisions for liabilities</b>	<b>2012</b>
	Deferred taxation:	<b>£</b>
	Accelerated capital allowances	273,732
	Tax losses carried forward	(131,499)
		<u>142,233</u>
		<b>2012</b>
		<b>£</b>
	Deferred tax charge in profit and loss account	142,233
	At 30 April	<u>142,233</u>

<b>8</b>	<b>Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>
	Allotted, called up and fully paid:			
	Ordinary shares	£1 each	-	<u>1</u>
		<b>Nominal value</b>	<b>Number</b>	<b>Amount £</b>
	Shares issued during the period: Ordinary shares	£1 each	-	<u>1</u>



**Kent Solar Limited**  
**Notes to the Accounts**  
**for the period from 7 April 2011 to 30 April 2012**

<b>9 Profit and loss account</b>	<b>2012</b>
	<b>£</b>
Profit for the period	454,145
At 30 April 2012	<u>454,145</u>

<b>10 Other financial commitments</b>	<b>2012</b>
	<b>£</b>

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire: in over five years	<u>50,000</u>
--	---------------

**13 Ultimate controlling party**

The company is a wholly owned subsidiary of SE Solar Limited, which is owned by the Foresight Solar FIT Company Trust. This Trust is the ultimate controlling party of the company.

**Kent Solar Limited**  
**Detailed profit and loss account**  
**for the period from 7 April 2011 to 30 April 2012**

	<b>2012</b>
	<b>£</b>
<b>Sales</b>	1,076,194
Cost of sales	(387,471)
<b>Gross profit</b>	<u>688,723</u>
Administrative expenses	(190,135)
Other operating income	95,540
<b>Operating profit</b>	<u>594,128</u>
Interest receivable	2,259
<b>Profit before tax</b>	<u>596,387</u>

**Kent Solar Limited**  
**Detailed profit and loss account**  
**for the period from 7 April 2011 to 30 April 2012**

	<b>2012</b>
	<b>£</b>
<b>Sales</b>	
Sales	<u>1,076,194</u>
<b>Cost of sales</b>	
Electricity purchased (FiT)	272,870
Electricity purchased (Generated)	35,052
Operation and maintenance	91,934
Metering and settlement	259
Direct costs recharged	(12,644)
	<u>387,471</u>
<b>Administrative expenses</b>	
Employee costs:	14
Travel and subsistence	<u>14</u>
Premises costs:	
Rent	36,347
Rates	13,685
Light and heat	716
	<u>50,748</u>
General administrative expenses:	
Postage	7
Bank charges	324
Insurance	13,420
Software and consumables	174
Depreciation	95,451
Bad debts	257
Sundry expenses	1,328
	<u>110,961</u>
Legal and professional costs:	
Audit fees	3,750
Accountancy fees	7,959
Advisory- Technical and engineering	16,703
	<u>28,412</u>
	<u>190,135</u>
<b>Other operating income</b>	
Other operating income	<u>95,540</u>

Registered number  
07426782

**Puriton Solar Limited**  
**Report and Accounts**  
**30 April 2012**

**Puriton Solar Limited**  
**Report and accounts**  
**Contents**

Company information

Directors' report

Statement of directors' responsibilities

Independent auditors' report

Profit and loss account

Balance sheet

Notes to the accounts

**Puriton Solar Limited**  
**Company Information**

**Directors**

R Pineiro (appointed 27/02/2012)  
WJ Aiken (appointed 11/10/2012)  
D Maguire (appointed 15/11/2010; resigned 29/02/2012)  
N Holman (appointed 15/11/2010; resigned 29/02/2012)  
T Buxton (appointed 15/11/2010; resigned 29/02/2012)  
M O'Neill (appointed 15/11/2010; resigned 29/02/2012)  
Oval Nominees Limited (resigned 15/11/2010)

**Auditors**

Cornel Partners Limited  
115 Alexandra Park Road  
London  
N10 2DP

**Registered office**

ECA Court  
South Park  
Sevenoaks  
Kent  
TN13 1DU

**Registered number**

07426782

**Puriton Solar Limited**  
**Registered number: 07426782**  
**Directors' Report**

The directors present their report and accounts for the period ended 30 April 2012

**Principal activities**

The company is the owner of a Solar Park with approximately 2.97MW capacity which was fully commissioned on 13 October 2011.

**Directors**

The following persons served as directors during the period:

R Pineiro (appointed 27/02/2012)  
WJ Aiken (appointed 11/10/2012)  
D Maguire (appointed 15/11/2010; resigned 29/02/2012)  
N Holman (appointed 15/11/2010; resigned 29/02/2012)  
T Buxton (appointed 15/11/2010; resigned 29/02/2012)  
M O'Neill (appointed 15/11/2010; resigned 29/02/2012)  
Oval Nominees Limited (resigned 15/11/2010)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 4 February 2013 and signed on its behalf.

R Pineiro  
Director

**Puriton Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**Puriton Solar Limited**  
**Independent auditors' report**  
**to the shareholder of Puriton Solar Limited**

We have audited the accounts of Puriton Solar Limited for the period ended 30 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

We draw attention to the uncertainty regarding the recovery of the loan outstanding between this company and its parent disclosed in note 5 (Debtors - amounts due after more than one year) to the accounts. Our opinion is not qualified in respect of this matter.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

**Puriton Solar Limited**  
**Independent auditors' report**  
**to the shareholder of Puriton Solar Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
4 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**Puriton Solar Limited**  
**Profit and Loss Account**  
**for the period from 2 November 2010 to 30 April 2012**

	Notes	2012 £
<b>Turnover</b>		566,293
Cost of sales		(190,938)
<b>Gross profit</b>		<hr/> 375,355
Administrative expenses		(94,926)
Other operating income		29,072
<b>Operating profit</b>	2	<hr/> 309,501
Interest receivable		3,848
<b>Profit on ordinary activities before taxation</b>		<hr/> 313,349
Tax on profit on ordinary activities	3	(77,821)
<b>Profit for the period</b>		<hr/> <hr/> 235,528

**Puriton Solar Limited**  
**Balance Sheet**  
**as at 30 April 2012**

	Notes	2012 £
<b>Fixed assets</b>		
Tangible assets	4	2,299,704
<b>Current assets</b>		
Debtors - current	5	3,340,708
Debtors - due after one year	5	2,080,381
Cash at bank and in hand		38,186
		<u>5,459,275</u>
<b>Creditors: amounts falling due within one year</b>	6	(7,482,604)
<b>Net current liabilities</b>		<u>(2,023,329)</u>
<b>Total assets less current liabilities</b>		<u>276,375</u>
<b>Provisions for liabilities</b>	7	(40,746)
<b>Net assets</b>		<u>235,629</u>
<b>Capital and reserves</b>		
Called up share capital	8	101
Profit and loss account	9	235,528
<b>Shareholder's funds</b>		<u>235,629</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

R Pineiro  
 Director  
 Approved by the board on 4 February 2013

**Puriton Solar Limited**  
**Notes to the Accounts**  
**for the period from 2 November 2010 to 30 April 2012**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Sales of capacity***

The company has entered into agreements to sell generating capacity to third parties for 25 years. In accordance with Urgent Issues Task Force (UITF) abstract 36 "Contracts for sales of capacity" the income from the agreements is recognised on a straight line basis over the duration of the lease.

***Depreciation***

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery                      4% straight line

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Puriton Solar Limited**  
**Notes to the Accounts**  
**for the period from 2 November 2010 to 30 April 2012**

<b>2</b>	<b>Operating profit</b>	<b>2012</b>
		<b>£</b>
	This is stated after charging:	
	Depreciation of owned fixed assets	15,434
	Auditors' remuneration	3,750
		<hr/>
<b>3</b>	<b>Taxation</b>	<b>2012</b>
		<b>£</b>
	UK corporation tax	37,075
	Deferred tax	40,746
		<hr/>
		77,821
		<hr/>
	Tax on profits	80,934
	Adjustment for depreciation	3,987
	Capital allowances	(47,846)
		<hr/>
	UK corporation tax	37,075
		<hr/>

**4 Tangible fixed assets**

		<b>Plant and machinery etc</b>
		<b>£</b>
	<b>Cost</b>	
	Additions	10,560,626
	Transfers under sales of capacity	(8,245,488)
	At 30 April 2012	<hr/>
		2,315,138
		<hr/>
	<b>Depreciation</b>	
	Charge for the period	15,434
	At 30 April 2012	<hr/>
		15,434
		<hr/>
	<b>Net book value</b>	
	At 30 April 2012	<hr/>
		2,299,704

In accordance with UITF abstract 36 "Contracts for sales of capacity" assets have been transferred to the buyer where they have exclusive use of the equipments, the cost can be accurately determined and they have assumed the risks and rewards of ownership. The remaining assets are retained in the balance sheet and will be depreciated over their useful economic life.

**Puriton Solar Limited**  
**Notes to the Accounts**  
**for the period from 2 November 2010 to 30 April 2012**

<b>5 Debtors</b>	<b>2012</b>
	<b>£</b>
Trade debtors	3,048,722
Prepayments and accrued income	194,541
Other debtors	97,445
	<u>3,340,708</u>
<b>Amounts due after more than one year</b>	
Amounts owed by group undertakings	<u>2,080,381</u>

The amount due after more than one year represents a loan to the parent company, Eris Solar 19 Limited. The recoverability of the debt relies on the parent realising the value of its investment in the company or securing third party finance at some point in the future. The directors are confident that the full amount will be repaid.

<b>6 Creditors: amounts falling due within one year</b>	<b>2012</b>
	<b>£</b>
Trade creditors	90,022
Corporation tax	37,075
Other taxes and social security costs	2,623,389
Deferred income	4,494,066
Other creditors	238,052
	<u>7,482,604</u>

<b>7 Provisions for liabilities</b>	
Deferred taxation:	<b>2012</b>
	<b>£</b>
Accelerated capital allowances	40,746
	<u>40,746</u>
	<b>2012</b>
	<b>£</b>
Deferred tax charge in profit and loss account	40,746
At 30 April	<u>40,746</u>

**Puriton Solar Limited**  
**Notes to the Accounts**  
**for the period from 2 November 2010 to 30 April 2012**

<b>8</b>	<b>Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>
	Allotted, called up and fully paid:			
	Ordinary shares	£1 each	-	<u>101</u>
		<b>Nominal value</b>	<b>Number</b>	<b>Amount £</b>
	Shares issued during the period:			
	Ordinary shares	£1 each	-	<u>101</u>
<b>9</b>	<b>Profit and loss account</b>			<b>2012 £</b>
	Profit for the period			235,528
	At 30 April 2012			<u>235,528</u>
<b>10</b>	<b>Other financial commitments</b>			<b>2012 £</b>
	At the year end the company had annual commitments under non-cancellable operating leases as set out below:			
	Operating leases which expire: in over five years			<u>77,700</u>
<b>11</b>	<b>Related party transactions</b>			<b>2012 £</b>
	<b>Eris Solar 19 Limited</b>			
	Parent company			
	During the period the company loaned funds to Eris Solar 19 Limited. The full amount remained outstanding at the balance			
	Amount due from the related party			2,080,381

**12 Ultimate controlling party**

The company is a wholly owned subsidiary of Eris Solar 19 Limited, which is owned by the Foresight Solar FIT Company Trust. This Trust is the ultimate controlling party of the company.



**Puriton Solar Limited**  
**Detailed profit and loss account**  
**for the period from 2 November 2010 to 30 April 2012**

	<b>2012</b>
	<b>£</b>
<b>Sales</b>	566,293
Cost of sales	(190,938)
<b>Gross profit</b>	<hr/> 375,355
Administrative expenses	(94,926)
Other operating income	29,072
<b>Operating profit</b>	<hr/> 309,501
Interest receivable	3,848
<b>Profit before tax</b>	<hr/> <hr/> 313,349

**Bridgewater Solar Limited**

**Registered number  
07466576**

**BRIDGEWATER SOLAR LIMITED**

**REPORT AND ACCOUNTS**

**30 APRIL 2012**

**Bridgewater Solar Limited**  
**Report and accounts**

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Directors' Report

Statement of Directors' Responsibilities

Independent Auditors' Report

Profit and Loss Account

Balance Sheet

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**Bridgewater Solar Limited**  
**Company Information**

**Directors**

R Piñeiro (appointed 29/02/2012)  
WJ Aiken (appointed 11/10/2012)  
D Maguire (appointed 18/01/2012; resigned 29/02/2012)  
N Holman (appointed 18/01/2012; resigned 29/02/2012)  
T Buxton (appointed 18/01/2012; resigned 29/02/2012)  
M O'Neill (appointed 18/01/2012; resigned 29/02/2012)  
Oval Nominees Limited (resigned 17/01/2011)

**Auditors**

Cornel Partners Limited  
115 Alexandra Park Road  
London  
N10 2DP

**Registered office**

ECA Court  
South Park  
Sevenoaks  
Kent  
TN131DU

**Registered number**

07466576

**Bridgewater Solar Limited**  
**Registered Number: 07466576**  
**Directors' Report**

The directors present their report and accounts for the period ended 30 April 2012.

**Principal activities**

The company is the owner of a Solar Park with approximately 1.9MW capacity which was fully commissioned on 17 October 2011.

**Directors**

The following persons served as directors during the period:

R Piñeiro (appointed 29/02/2012)  
WJ Aiken (appointed 11/10/2012)  
D Maguire (appointed 18/01/2012; resigned 29/02/2012)  
N Holman (appointed 18/01/2012; resigned 29/02/2012)  
T Buxton (appointed 18/01/2012; resigned 29/02/2012)  
M O'Neill (appointed 18/01/2012; resigned 29/02/2012)  
Oval Nominees Limited (resigned 17/01/2011)

**Disclosure of Information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 30 January 2013 and signed on its behalf.

R Piñeiro  
Director

**Bridgewater Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts In accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Bridgewater Solar Limited  
Independent Auditors' Report  
To the Shareholder of Bridgewater Solar Limited**

We have audited the accounts of Bridgewater Solar Limited for the period ended 30 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard- Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

We draw attention to the uncertainty regarding the recovery of the loan outstanding between this company and its parent disclosed in note 6 to the accounts. Our opinion is not qualified in respect of this matter.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

**Bridgewater Solar Limited  
Independent Auditors' Report  
To the Shareholder of Bridgewater Solar Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
30 January 2013

115 Alexandra Park Road  
London  
N10 2DP



**Bridgewater Solar Limited**  
**Profit and Loss Account**  
**for the period from 10 December 2010 to 30 April 2012**

	<b>Notes</b>	<b>2012 £</b>
<b>Turnover</b>		276,862
Cost of sales		(103,097)
<b>Gross profit</b>		<u>173,765</u>
Administrative expenses		(97,781)
Other operating income		18,885
<b>Operating profit</b>	2	<u>94,869</u>
Interest payable	3	(12)
<b>Profit on ordinary activities before taxation</b>		<u>94,857</u>
Tax on profit on ordinary activities	4	(22,882)
<b>Profit for the period</b>		<u>71,975</u>

**Bridgewater Solar Limited**  
**Balance Sheet**  
**as at 30 April 2012**

	Notes	2012 £
<b>Fixed assets</b>		
Tangible assets	5	1,197,028
<b>Current assets</b>		
Debtors - current	6	1,632,792
Debtors - due after one year	6	1,410,619
Cash at bank and in hand		25,248
		<u>3,068,659</u>
<b>Creditors: amounts falling due within one year</b>	7	(4,172,367)
<b>Net current liabilities</b>		<u>(1,103,708)</u>
<b>Total assets less current liabilities</b>		<u>93,320</u>
<b>Provisions for liabilities</b>	8	(21,244)
<b>Net assets</b>		<u>72,076</u>
<b>Capital and reserves</b>		
Called up share capital	9	101
Profit and loss account	10	71,975
<b>Shareholder's funds</b>		<u>72,076</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

R Piñeiro  
 Director  
 Approved by the board on 30 January 2013

**Bridgewater Solar Limited**  
**Notes to the Accounts**  
**for the period from 10 December 2010 to 30 April 2012**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Sales of capacity***

The company has entered into agreements to sell generating capacity to third parties for 25 years. In accordance with Urgent Issues Task Force (UITF) abstract 36 "Contracts for sales of capacity" the income from the agreements is recognised on a straight line basis over the duration of the lease.

**Depreciation**

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	4% straight line
---------------------	------------------

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Bridgewater Solar Limited**  
**Notes to the Accounts**  
**for the period from 10 December 2010 to 30 April 2012**

<b>2</b>	<b>Operating profit</b>	<b>2012</b>	
		£	
	This is stated after charging:		
	Depreciation of owned fixed assets	7,875	
	Auditors' remuneration	3,500	
		<hr/>	
<b>3</b>	<b>Interest payable</b>	<b>2012</b>	
		£	
	Interest payable	12	
		<hr/>	
<b>4</b>	<b>Taxation</b>	<b>2012</b>	
		£	
	UK corporation tax	1,638	
	Deferred tax	21,244	-
		<hr/>	
		22,882	
		<hr/>	
<b>5</b>	<b>Tangible fixed assets</b>		
			<b>Plant and machinery etc</b>
			£
	<b>Cost</b>		
	Additions	4,969,077	
	Transfers under sales of capacity	(3,764,174)	
	At 30 April 2012	<hr/>	
		1,204,903	
		<hr/>	
	<b>Depreciation</b>		
	Charge for the period	7,875	
	At 30 April 2012	<hr/>	
		7,875	
		<hr/>	
	<b>Net book value</b>		
	At 30 April 2012	<hr/>	
		1,197,028	
		<hr/>	

In accordance with UITF abstract 36 Contracts for sales of capacity assets have been transferred to the buyer where they have exclusive use of the equipments, the cost can be accurately determined and they have assumed the risks and rewards of ownership. The remaining assets are retained in the balance sheet and will be depreciated over their useful economic life.

**Bridgewater Solar Limited**  
**Notes to the Accounts**  
**for the period from 10 December 2010 to 30 April 2012**

<b>6 Debtors</b>	<b>2012</b>
	<b>£</b>
Trade debtors	1,544,795
Prepayments and accrued income	79,902
Other debtors	8,095
	<u>1,632,792</u>

**Amounts due after more than one year included above**

Amounts owed by group undertakings	<u>1,410,619</u>
------------------------------------	------------------

The amount due after more than one year represents a loan to the parent company, Eris Solar 19 Limited. The recoverability of the debt relies on the parent realising the value of its investment in the company or securing third party finance at some point in the future. The directors are confident that the full amount will be repaid.

<b>7 Creditors: amounts falling due within one year</b>	<b>2012</b>
	<b>£</b>
Trade creditors	68,054
Corporation tax	1,638
Other taxes and social security costs	1,319,978
Deferred income	2,663,288
Other creditors	119,409
	<u>4,172,367</u>

**8 Provisions for liabilities**

Deferred taxation:	<b>2012</b>
	<b>£</b>

Advanced capital allowances	<u>21,244</u>
-----------------------------	---------------

	<b>2012</b>
	<b>£</b>

Deferred tax charge in profit and loss account	21,244
--	--------

At 30 April	<u>21,244</u>
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**Bridgewater Solar Limited**  
**Notes to the Accounts**  
**for the period from 10 December 2010 to 30 April 2012**

<b>9</b>	<b>Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>
	Allotted, called up and fully paid:			
	Ordinary shares	£1 each	-	<u>101</u>
		<b>Nominal value</b>	<b>Number</b>	<b>Amount £</b>
	Shares issued during the period: Ordinary shares	£1 each	-	<u>101</u>
<b>10</b>	<b>Profit and loss account</b>			<b>2012 £</b>
	Profit for the period			71,975
	At 30 April 2012			<u>71,975</u>
<b>11</b>	<b>Other financial commitments</b>			<b>2012 £</b>
	At the year end the company had annual commitments under non-cancellable operating leases as set out below:			
	Operating leases which expire: in over five years			<u>25,804</u>
<b>12</b>	<b>Related party transactions</b>			<b>2012 £</b>
	<b>Eris Solar 19 Limited</b>			
	Parent company			
	During the period the company loaned funds to Eris Solar 19 Limited. The full amount remained outstanding at the balance			
	Amount due from the related party			1,410,619

**13 Ultimate controlling party**

The company is a wholly owned subsidiary of Eris Solar 19 Limited, which is owned by the Foresight Solar FIT Company Trust. This Trust is the ultimate controlling party of the company.

**Malmesbury Solar Limited**

**Registered number  
06007784**

**MALMESBURY SOLAR LIMITED**

**REPORT AND ACCOUNTS**

**30 APRIL 2012**

**Malmesbury Solar Limited**  
**Reports and accounts**

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Company Information

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**Malmesbury Solar Limited  
Company Information**

**Directors**

R Piñeiro (appointed 19/12/2011)  
WJ Aiken (appointed 11 /10/2012)  
I Morrison (resigned 19/12/2011)  
S Diaz (resigned 19/12/2011)  
R Das (resigned 19/12/2011)  
A Hibbard (resigned 19/12/2011)

**Auditors**

Cornel Partners Limited  
115 Alexandra Park Road  
London  
N10 2DP

**Registered office**

ECA Court  
South Park  
Sevenoaks  
Kent  
TN13 1DU

**Registered number**

06007784

**Malmesbury Solar Limited**  
**Registered Number: 06007784**  
**Directors' Report**

The directors present their report and accounts for the period ended 30 April 2012.

**Principal activities**

The company is the owner of a Solar Park with approximately 5MW capacity which was commissioned on 31 July 2011 .

**Directors**

The following persons served as directors during the period :

R Piñeiro (appointed 19/12/2011)  
WJ Aiken (appointed 11 /10/2012)  
I Morrison (resigned 19/12/2011)  
S Diaz (resigned 19/12/2011)  
R Das (resigned 19/12/2011)  
A Hibbard (resigned 19/12/2011)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware , there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 4 February 2013 and signed on its behalf.

R Piñeiro  
Director

**Malmesbury Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to :

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Malmesbury Solar Limited**  
**Independent Auditors' Report**  
**To the Shareholder of Malmesbury Solar Limited**

We have audited the accounts of Malmesbury Solar Limited for the period ended 30 April 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

In accordance with the exemption provided by APB Ethical Standard - Provisions Available for Smaller Entities (Revised), we have prepared and submitted the company's returns to the tax authorities and assisted with the preparation of the accounts.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 30 April 2012 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Emphasis of matter**

We draw attention to the uncertainty regarding the recovery of the loan outstanding between this company and its parent disclosed in note 6 (Debtors -amounts due after more than one year) to the accounts. Our opinion is not qualified in respect of this matter.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial period for which the accounts are prepared is consistent with the accounts.

**Malmesbury Solar Limited**  
**Independent Auditors' Report**  
**To the Shareholder of Malmesbury Solar Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
4 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**Malmesbury Solar Limited**  
**Profit and Loss Account**  
**for the period from 1 December 2010 to 30 April 2012**

	Notes	2012 £	2010 £
<b>Turnover</b>		1,034,663	-
Cost of sales		(431,387)	-
<b>Gross profit</b>		<u>603,276</u>	<u>-</u>
Administrative expenses		(582,210)	(18,073)
Other operating income		91,397	-
<b>Operating profit/(loss)</b>	2	<u>112,463</u>	<u>(18,073)</u>
Interest payable	3	(5,900)	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>106,563</u>	<u>(18,073)</u>
Tax on profit/(loss) on ordinary activities	4	(25,575)	-
<b>Profit/(loss) for the period</b>		<u>80,988</u>	<u>(18,073)</u>

**Malmesbury Solar Limited**  
**Balance Sheet**  
**as at 30 April 2012**

	Notes	2012 £	2010 £
<b>Fixed assets</b>			
Tangible assets	5	3,503,964	-
<b>Current assets</b>			
Debtors - current	6	3,359,810	6,196
Debtors - due after one year	6	3,200,788	
Cash at bank and in hand		20,286	16,174
		<u>6,580,884</u>	<u>22,370</u>
<b>Creditors: amounts falling due within one year</b>	7	(9,996,354)	(40,439)
<b>Net current liabilities</b>		(3,415,470)	(18,069)
<b>Total assets less current liabilities</b>		<u>88,494</u>	<u>(18,069)</u>
<b>Provisions for liabilities</b>	8	(25,575)	-
<b>Net assets/(liabilities)</b>		<u>62,919</u>	<u>(18,069)</u>
<b>Capital and reserves</b>			
Called up share capital	9	4	4
Profit and loss account	10	62,915	(18,073)
<b>Shareholder's funds</b>		<u>62,919</u>	<u>(18,069)</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

R Piñeiro  
 Director  
 Approved by the board on 4 February 2013

**Malmesbury Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2010 to 30 April 2012**

**1. Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

***Turnover***

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

***Sales of capacity***

The company has entered into agreements to sell generating capacity to third parties for 25 years. In accordance with Urgent Issues Task Force (UITF) abstract 36 "Contracts for sales of capacity" the income from the agreements is recognised on a straight line basis over the duration of the lease.

***Depreciation***

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant and machinery	4% straight line
---------------------	------------------

***Deferred taxation***

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes. Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.



**Malmesbury Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2010 to 30 April 2012**

<b>2</b>	<b>Operating profit</b>	<b>2012</b>	<b>2010</b>
		£	£
	This is stated after charging:		
	Depreciation of owned fixed assets	47,351	-
	Auditors' remuneration	3,750	-
		<hr/>	<hr/>
<b>3</b>	<b>Interest payable</b>	<b>2012</b>	<b>2010</b>
		£	£
	Interest payable	5,900	-
		<hr/>	<hr/>
<b>4</b>	<b>Taxation</b>	<b>2012</b>	<b>2010</b>
		£	£
	Deferred tax	25,575	-
		<hr/>	<hr/>
<b>5</b>	<b>Tangible fixed assets</b>		
			<b>Plant and machinery etc</b>
			£
	<b>Cost</b>		
	Additions		10,034,226
	Disposals		(6,482,911)
	At 30 April 2012		<hr/> 3,551,315
	<b>Depreciation</b>		
	Charge for the period		47,351
	At 30 April 2012		<hr/> 47,351
	<b>Net book value</b>		
	At 30 April 2012		<hr/> 3,503,964

In accordance with UITF abstract 36 "Contracts for sales of capacity" assets have been transferred to the buyer where they have exclusive use of the equipments, the cost can be accurately determined and they have assumed the risks and rewards of ownership. The remaining assets are retained in the balance sheet and will be depreciated over their useful economic life.

**Malmesbury Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2010 to 30 April 2012**

<b>6 Debtors</b>	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade debtors	2,821,618	-
Prepayments and accrued income	529,874	
Other debtors	8,318	6,196
	<u>3,359,810</u>	<u>6,196</u>

**Amounts due after more than one year**

Amounts owed by group undertakings	<u>3,200,788</u>	<u>-</u>
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The amount due after more than one year represents a loan to the parent company, Leeds Solar Limited. The recoverability of the debt relies on the parent realising the value of its investment in the company or securing third party finance at some point in the future. The directors are confident that the full amount will be repaid.

<b>7 Creditors: amounts falling due within one year</b>	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Trade creditors	234,077	5,939
Other taxes and social security costs	2,780,565	-
Deferred income	6,981,712	-
Other creditors	-	34,500
	<u>9,996,354</u>	<u>40,439</u>

**8 Provisions for liabilities**

Deferred taxation:	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Accelerated capital allowances	56,821	-
Tax losses carried forward	(31,246)	-
	<u>25,575</u>	<u>-</u>

	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Deferred tax charge in profit and loss account	25,575	-
At 30 April	<u>25,575</u>	<u>-</u>

**Malmesbury Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2010 to 30 April 2012**

<b>9 Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2010 £</b>
Allotted, called up and fully paid: Ordinary shares	£1 each	-	4	4
	<b>Nominal value</b>	<b>Number</b>	<b>Amount £</b>	
Shares issued during the period: Ordinary shares	£1 each	-	4	

<b>10 Profit and loss account</b>	<b>2012 £</b>
At 1 December 2010	(18,073)
Profit for the period	80,988
At 30 April 2012	62,915

<b>11 Other financial commitments</b>	<b>2012 £</b>	<b>2010 £</b>
At the year end the company had annual commitments under non-cancellable operating leases as set out below:		
Operating leases which expire: in over five years	67,720	-

<b>12 Related party transactions</b>	<b>2012 £</b>	<b>2010 £</b>
<b>Leeds Solar Limited</b>		
During the period the company loaned funds to Leeds Solar Limited. The full amount remained outstanding at the balance sheet date. Amount due from the related party	3,200,788	

<b>13 Ultimate controlling party</b>
The company is a wholly owned subsidiary of Leeds Solar Limited, which is owned by the Foresight Solar FIT Company Trust. This Trust is the ultimate controlling party of the company.

**Malmesbury Solar Limited**  
**Detailed profit and loss account**  
**for the period from 1 December 2010 to 30 April 2012**

	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>	1,034,663	-
Cost of sales	(431,387)	-
<b>Gross profit</b>	<u>603,276</u>	<u>-</u>
Administrative expenses	(582,210)	(18,073)
Other operating income	91,397	-
<b>Operating profit/(loss)</b>	<u>112,463</u>	<u>(18,073)</u>
Interest payable	(5,900)	-
<b>Profit/(loss) before tax</b>	<u>106,563</u>	<u>(18,073)</u>

**Malmesbury Solar Limited**  
**Detailed profit and loss account**  
**for the period from 1 December 2010 to 30 April 2012**

	<b>2012</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Sales</b>		
Sales	<u>1,034,663</u>	<u>-</u>
<b>Cost of sales</b>		
Electricity purchased (FiT)	311,247	-
Electricity purchased (Generated)	70,430	-
Operation and maintenance	31,250	-
Metering and settlement	3,557	-
Direct costs recharged	(24,212)	-
Security	39,115	-
	<u>431,387</u>	<u>-</u>
<b>Administrative expenses</b>		
Employee costs:	3,890	-
Travel and subsistence	<u>3,890</u>	<u>-</u>
Premises costs:		
Rent	69,994	-
Rates	14,167	-
	<u>84,161</u>	<u>-</u>
General administrative expenses:		
Telephone and tax	2,994	-
Bank charges	311	-
Insurance	6,808	-
Repairs and maintenance	220	-
Depreciation	47,351	-
Sundry expenses	8,181	11,737
	<u>65,865</u>	<u>11,737</u>
Legal and professional costs:		
Audit fees	3,750	-
Accountancy fees	25,266	366
Solicitors fees	-	6,000
Advisory- Technical and engineering	1	-
Other legal and professional	399,277	-
	<u>428,294</u>	<u>6,336</u>
	<u>582,210</u>	<u>18,073</u>
<b>Other operating income</b>		
Other operating income	<u>91,397</u>	<u>-</u>

**ANNEX II**  
**FINANCIAL STATEMENTS OF THE PARENT BORROWERS**

**SE Solar Limited**

**Registered number**  
**07472592**

**SE SOLAR LIMITED**  
**REPORT AND ACCOUNTS**  
**31 DECEMBER 2012**

**SE Solar Limited**  
**Registered number: 07472592**  
**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2012.

**Principal activities**

During the year the company continued to be a non-trading holding company.

**Directors**

The following persons served as directors during the year:

R Piñeiro  
W J Aiken (appointed 11 October 2012)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 22 February 2013 and signed on its behalf.

W J Aiken

Director

**SE Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**SE Solar Limited**  
**Independent auditors' report**  
**to the shareholder of SE Solar Limited**

We have audited the accounts of SE Solar Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
22 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**SE Solar Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2012**

	Notes	2012 £	2011 £
<b>Operating Profit</b>		-	-
Income from investments		450,000	-
<b>Profits on ordinary activities before taxation</b>		450,000	-
Tax on profits on ordinary activities		-	-
<b>Profits for the financial year</b>		450,000	-

**SE Solar Limited**  
**Balance Sheet**  
**as at 31 December 2012**

	Notes	2012 £	2011 £
<b>Fixed Assets</b>	2	100	100
Investment			
<b>Current assets</b>		1	1
Cash at bank and in hand		<u>1</u>	<u>1</u>
<b>Net current assets</b>		<u>1</u>	<u>1</u>
<b>Total assets less current liabilities</b>		101	101
<b>Creditors: amounts falling due after more than one year</b>	3	(100)	(100)
<b>Net Assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>	4	1	1
Called up share capital			
<b>Shareholders funds</b>		<u>1</u>	<u>1</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

W J Aiken

Director

Approved by the board on 22 February 2013

**SE Solar Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1. Accounting policies**

*Basis of preparation*

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

*Turnover*

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

**2. Investments**

	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>	
At 1 January 2012	100
At 31 December 2012	<u>100</u>

The company holds 20% or more of the share capital of the following companies:

<b>Company As at 30 April 2012</b>	<b>Shares held Class</b>	<b>%</b>	<b>Capital and reserves £</b>	<b>Profit (loss) for the year £</b>
Kent Solar Limited	Ordinary	100	454,155	454,154

**3. Creditors: amounts falling due after one year**

	<b>2012 £</b>	<b>2011 £</b>
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>100</u>	<u>100</u>

**4. Share Capital**

	<b>Nominal Value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2011 £</b>
Allocated, called up and fully paid:				
Ordinary shares	£1 each	1	<u>1</u>	<u>1</u>

**SE Solar Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>5. Profit and loss account</b>	<b>2012</b>	
	<b>£</b>	
Profit for the year	450,000	
Dividends	(450,000)	
	<hr/>	-
At 31 December 2012	<hr/>	<hr/>
	-	
<b>6. Dividends</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Dividends for which the company became liable during the year:		
Dividends paid	450,000	-
	<hr/>	<hr/>

**7. Ultimate Controlling Party**

The ultimate controlling party is Foresight Solar FIT Company Trust.

**Eris Solar 19 Limited**

**Registered number  
07699638**

**ERIS SOLAR 19 LIMITED  
REPORT AND ACCOUNTS  
31 DECEMBER 2012**

**Eris Solar 19 Limited**  
**Registered number: 07699638**  
**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2012.

**Principal activities**

During the year the company continued to be a non-trading holding company.

**Directors**

The following persons served as directors during the year:

R Piñeiro  
W J Aiken (appointed 11 October 2012)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 22 February 2013 and signed on its behalf.

W J Aiken  
Director



**Eris Solar 19 Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Eris Solar 19 Limited**  
**Independent auditors' report**  
**to the shareholder of Eris Solar 19 Limited**

We have audited the accounts of Eris Solar 19 Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
22 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**Eris Solar 19 Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2012**

	Notes	2012 £	2011 £
<b>Operating Profit</b>		<u>-</u>	<u>-</u>
<b>Profits on ordinary activities before taxation</b>		<u>-</u>	<u>-</u>
Tax on profits on ordinary activities		-	-
<b>Profits for the financial year</b>		<u>-</u>	<u>-</u>

**Eris Solar 19 Limited**  
**Balance Sheet**  
**as at 31 December 2012**

	Notes	2012 £	2011 £
<b>Fixed Assets</b>	2	3,491,000	-
Investment			
<b>Current assets</b>	1	1	1
Cash at bank and in hand		<u>1</u>	<u>1</u>
<b>Net current assets</b>		<u>1</u>	<u>1</u>
<b>Total assets less current liabilities</b>		3,491,001	1
<b>Creditors: amounts falling due after more than one year</b>	3	(3,491,000)	-
<b>Net Assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>	4	1	1
Called up share capital			
<b>Shareholders funds</b>		<u>1</u>	<u>1</u>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

W J Aiken  
 Director  
 Approved by the board on 22 February 2013

**Eris Solar 19 Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1. Accounting policies**

*Basis of preparation*

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

*Turnover*

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

**2. Investments**

	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>	3,491,000
Additions	
At 31 December 2012	3,491,000

The company holds 20% or more of the share capital of the following companies:

<b>Company As at 30 April 2012</b>	<b>Shares held Class</b>	<b>%</b>	<b>Capital and reserves £</b>	<b>Profit (loss) for the year £</b>
Bridgewater Solar Limited	Ordinary	100	72,076	71,975
Puriton Solar Limited	Ordinary	100	235,629	235,528

<b>3. Creditors: amounts falling due after one year</b>	<b>2012 £</b>	<b>2011 £</b>
Amounts owed to group undertakings and undertakings in which the company has a participating interest	3,491,000	-

<b>4. Share Capital</b>	<b>Nominal Value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2011 £</b>
Allocated, called up and fully paid:				
Ordinary shares	£1 each	1	1	1

**Eris Solar 19 Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>5. Related Party Transactions</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Bridgewater Solar Limited</b>		
<b>Subsidiary company</b>		
The amount payable after more than one year represents a loan from subsidiary company, Bridgewater Solar Limited. The amount is only repayable once the company disposes of its investment or secures third party finance against it at some point in the future.		
Amount due (to) the related party	(1,410,619)	-
<b>Puriton Solar Limited</b>		
<b>Subsidiary company</b>		
The amount payable after more than one year represents a loan from subsidiary company, Puriton Solar Limited. The amount is only repayable once the company disposes of its investment or secures third party finance against it at some point in the future.		
Amount due (to) the related party	(2,080,381)	-
<b>6. Ultimate Controlling Party</b>		
The ultimate controlling party is Foresight Solar FIT Company Trust.		

**Leeds Solar Limited**

**Registered number  
07578911**

**LEEDS SOLAR LIMITED  
REPORT AND ACCOUNTS  
31 DECEMBER 2012**



**Leeds Solar Limited**  
**Registered number: 07578911**  
**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2012.

**Principal activities**

During the year the company continued to be a non-trading holding company.

**Directors**

The following persons served as directors during the year:

- R Piñeiro (appointed 13 December 2011)
- W J Aiken (appointed 13 December 2011; appointed 11 October 2012)

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**Small company provisions**

This report has been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

This report was approved by the board on 22 February 2013 and signed on its behalf.

W J Aiken  
Director

**Leeds Solar Limited**  
**Statement of Directors' Responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Leeds Solar Limited**  
**Independent auditors' report**  
**to the shareholder of Leeds Solar Limited**

We have audited the accounts of Leeds Solar Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard For Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm)

**Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the accounts and the directors' report in accordance with the small companies regime.

Richard Jones FCA  
(Senior Statutory Auditor)  
for and on behalf of  
Cornel Partners Limited  
Accountants and Statutory Auditors  
22 February 2013

115 Alexandra Park Road  
London  
N10 2DP

**Leeds Solar Limited**  
**Profit and Loss Account**  
**for the year from 1 December 2011 to 31 December 2012**

<b>Notes</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Operating Profit</b>	<u>-</u>	<u>-</u>
<b>Profits on ordinary activities before taxation</b>	<u>-</u>	<u>-</u>
Tax on profits on ordinary activities	-	-
<b>Profits for the financial year</b>	<u>-</u>	<u>-</u>

**Leeds Solar Limited**  
**Balance Sheet**  
**as at 31 December 2012**

	Notes	2012 £	2011 £
<b>Fixed Assets</b>	2	3,200,788	-
Investment			
		<hr/>	<hr/>
<b>Net current assets</b>		-	-
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		3,200,788	
<b>Creditors: amounts falling due after more than one year</b>	3	(3,200,788)	-
<b>Net Assets</b>		<hr/>	<hr/>
		-	-
<b>Capital and reserves</b>			
Called up share capital			
		<hr/>	<hr/>
<b>Shareholders funds</b>		-	-
		<hr/>	<hr/>

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

W J Aiken  
 Director  
 Approved by the board on 22 February 2013

**Leeds Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2011 to 31 December 2012**

**1. Accounting policies**

*Basis of preparation*

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

*Turnover*

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

**2. Investments**

	<b>Investments in subsidiary undertakings £</b>
<b>Cost</b>	3,200,788
Additions	
At 31 December 2012	<u>3,200,788</u>

The company holds 20% or more of the share capital of the following companies:

<b>Company As at 30 April 2012</b>	<b>Shares held Class</b>	<b>%</b>	<b>Capital and reserves £</b>	<b>Profit (loss) for the year £</b>
Malmesbury Solar Limited	Ordinary	100	62,919	80,988

**3. Creditors: amounts falling due after one year**

	<b>2012 £</b>	<b>2011 £</b>
Amounts owed to group undertakings and undertakings in which the company has a participating interest	<u>3,200,788</u>	<u>-</u>

**4. Share Capital**

	<b>Nominal Value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2011 £</b>
Allocated, called up and fully paid:				
Ordinary shares	£0.01 each	1	<u>0.01</u>	<u>0.01</u>

**Leeds Solar Limited**  
**Notes to the Accounts**  
**for the period from 1 December 2011 to 31 December 2012**

<b>5. Related Party Transactions</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Malmesbury Solar Limited</b>		
<b>Subsidiary company</b>		
The amount payable after more than one year represents a loan from subsidiary company, Malmesbury Solar Limited. The amount is only repayable once the company disposes of its investment or secures third party finance against it at some point in the future.		
Amount due (to) the related party	(3,200,788)	-

**6. Ultimate Controlling Party**

The ultimate controlling party is Foresight Solar FIT Company Trust.



**REGISTERED AND HEAD OFFICE OF THE ISSUER**

**Malina Financing 2013-1 Plc**

35 Great St. Helen's  
London EC3A 6AP

**NOTE TRUSTEE, ISSUER SECURITY TRUSTEE AND BORROWER SECURITY TRUSTEE**

**U.S. Bank Trustees Limited**

Fifth Floor  
125 Old Broad Street  
London  
EC2N 1AR

**LEGAL ADVISERS**

<i>To the Borrowers</i>	<i>To the Note Trustee, Issuer Security Trustee and the Borrower Security Trustee</i>	<i>To the Arranger and Bookrunner</i>
<b>Osborne Clarke</b> 1 London Wall London EC2Y 5EB	<b>Reed Smith LLP</b> The Broadgate Tower 20 Primrose Street London EC2A 2RS	<b>Sidley Austin LLP</b> Woolgate Exchange 25 Basinghall Street London EC2V 5HA
<b>RW Blears LLP</b> 125 Old Broad Street London EC2N 1AR		

**REGISTRAR, ISSUER CASH MANAGER, BORROWER CASH MANAGER, PAYING AGENT, CALCULATION AGENT, ISSUER ACCOUNT BANK, BORROWER ACCOUNT BANK AND FACILITY AGENT**

**Elavon Financial Services Limited**

125 Old Broad Street  
London  
EC2N 1AR

**AUDITORS TO THE ISSUER**

**Cornel Partners Limited**

115 Alexandra Park Road  
London N10 2DP

**ARRANGER AND BOOKRUNNER**

**Independent Debt Capital Markets**

33 Grosvenor Place  
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SW1X 7HY