

TRFC 2014-2 PLC
(incorporated with limited liability in England and Wales with company number 9341434)
Issue of £40,000,000 1.713 per cent. Secured RPI-linked Notes due 2033
Issue Price: 100 per cent.

TRFC 2014-2 PLC (the **Issuer**) has issued £40,000,000 1.713 per cent. Secured RPI-linked Notes due 2033 (the **Notes**) on 5 May 2015 (the **Closing Date**). The Notes are constituted by a trust deed dated or about the Closing Date (the **Note Trust Deed**) between the Issuer and U.S. Bank Trustees Limited (the **Note Trustee**).

The Notes are secured by fixed and floating charges over the assets of the Issuer, including the rights of the Issuer in respect of a loan secured over the assets of Grid Essence UK Limited (the **Parent Borrower**) and its operating company subsidiaries: Clawdd Ddu Farm Limited (the **Clawdd Ddu OpCo Borrower**), Bypass Nurseries LSPV Ltd (the **Evesham OpCo Borrower**), IOW Solar Ltd (the **IOW OpCo Borrower**), Trequite Farm Limited (the **Trequite OpCo Borrower**), Trewidland Farm Limited (the **Trewidland OpCo Borrower**), MonSolar IQ Ltd (the **Woden Park (1) OpCo Borrower**), GlenSolar IQ Ltd (the **Woden Park (2) OpCo Borrower**) and, together with the Woden Park (1) OpCo Borrower, the **Woden Park OpCo Borrowers**) and Blestium Ltd (being the holding company of the Woden Park OpCo Borrowers) (**HoldCo Woden Park**) (each, an **OpCo Borrower** and, together, the **OpCo Borrowers** and, together with the Parent Borrower the **Borrowers**).

Except for the Woden Park OpCo Borrowers (which are indirectly wholly-owned by the Parent Borrower via HoldCo Woden Park), each of the OpCo Borrowers is a directly wholly-owned subsidiary of the Parent Borrower and the Parent Borrower, in turn, is a directly wholly-owned subsidiary of CSG IPP GmbH (the **Shareholder**).

The assets of the OpCo Borrowers include certain tariff payments payable to such OpCo Borrowers under power purchase agreements (the **Power Purchase Agreements**) entered into by certain licensed electricity suppliers (**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.

Interest on the Notes is payable in arrear on 3 March and 3 September in each year commencing on 3 September 2015 (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 (as defined below), 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, it will be the immediately preceding Business Day).

Unless previously redeemed or purchased and cancelled in accordance with the terms and conditions of the Notes as summarised below, the Notes will be redeemed at their Outstanding Principal Amount (as defined below) on 3 March 2033 together with interest accrued to (and including) the date of redemption, subject to indexation (the **Final Maturity Date**).

The Notes constitute secured indebtedness of the Issuer and rank *pari passu* without any preference among themselves.

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 and Bookrunner. 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 under the Securities Act (**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. See “*Subscription and Sale*” below.

See “*Risk Factor*” for a discussion of certain factors that should be considered by prospective investors.

**Arranger and Bookrunner
IDCM Limited**

The date of these Listing Particulars is 16 June 2015

These 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 has been 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) as implemented in member states of the European Economic Area (the **EEA**).

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

These Listing Particulars give information with regard to, among other things, the Issuer, the Borrowers and the Notes in respect of the assets and liabilities, financial position, profit and losses and prospects of the Issuer, the Borrowers 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. Where information is disclosed about the Borrowers, the Issuer confirms that the information relating to the Borrowers has been accurately reproduced from information published by the Borrowers. So far as the Issuer is aware and is able to ascertain from information published by the Borrowers no facts have been omitted which would render the reproduced information misleading. Where information has been sourced from Elavon Financial Services Limited as contained in paragraph 17 of the section headed “General Information” of these Listing Particulars, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by Elavon Financial Services Limited, no facts have been omitted which would render the reproduced information inaccurate or misleading.

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 terms and 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.

Boston & Alexander LLP, which is authorised and regulated by the Financial Conduct Authority, acting through its appointed representative IDCM Limited (in its capacity as arranger, the **Arranger** and, in its capacity as bookrunner, the **Bookrunner**). None of the Arranger, the Bookrunner, the Note Trustee or the Issuer Security Trustee (as defined below) (or any of their respective directors, officers, employees, agents, advisers or affiliates) has 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 any of the Arranger, the Bookrunner, the Note Trustee or the Issuer Security Trustee (or any of their respective directors, officers, employees, agents, advisers or affiliates) 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. None of the Arranger, the Bookrunner, the Note Trustee or the Issuer Security Trustee (or any of their respective directors, officers, employees, agents, advisers or affiliates) accepts any liability in relation to the information provided by the Issuer in respect of the Notes.

In particular, the Notes are not obligations or responsibilities of, or guaranteed by, the Borrowers, the Note Trustee, the Issuer Security Trustee, the Borrower Security Trustee (as defined below), the Paying Agent (as defined below), the Corporate Services Provider (as defined below), the Issuer Cash Manager (as defined below), the Arranger, the Bookrunner or any other person. None of such persons (or any of their respective directors, officers, employees, agents, advisers or affiliates) 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. None of the Issuer, the Borrowers, the Arranger or the Bookrunner (or any of their respective directors, officers, employees, agents, advisers or affiliates) undertakes 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.

*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 benefits from security over seven leasehold solar photovoltaic array parks (as listed below and described in more detail elsewhere in these Listing Particulars), each of which is accredited under the Renewable Obligation scheme to receive payments pursuant to Renewable Obligation Certificates (**ROC Payments**) at the applicable rate:

- (a) Clawdd Ddu OpCo Borrower owns Clawdd Ddu, a 13,521 kWp solar photovoltaic array park located at Clawdd Ddu, Tycroes, South Wales SA18 3RE (the **Clawdd Ddu Solar Park**). The Clawdd Ddu Solar Park was commissioned and became operational in March 2014.
- (b) Evesham OpCo Borrower owns Evesham, a 3,740 kWp solar photovoltaic array park located at Bypass Nurseries, Evesham Bypass (A46), Evesham, Worcestershire WR11 8UB (the **Evesham Solar Park**). The Evesham Solar Park was commissioned and became operational in March 2014.
- (c) IOW OpCo Borrower owns IOW, a 6,979 kWp solar photovoltaic array park located at East Fairlee Farm, Farley Road, Newport, Isle of Wight (the **IOW Solar Park**). The IOW Solar Park was commissioned and became operational in February 2015.
- (d) Trequite OpCo Borrower owns Trequite, a 10,988 kWp solar photovoltaic array park located at Trequite Farm, Menheniot, Liskeard, Cornwall PL14 3RQ (the **Trequite Solar Park**). The Trequite Solar Park was commissioned and became operational in March 2014.
- (e) Trewidland OpCo Borrower owns Trewidland, a 5,045 kWp solar photovoltaic array park located at Pensipple Farm, Trewidland, St Keyne, Liskeard, Cornwall PL14 4SP (the **Trewidland Solar Park**). The Trewidland Solar Park was commissioned and became operational in March 2014.
- (f) Woden Park (1) OpCo Borrower owns Woden Park, a 2,645.76 kWp solar photovoltaic array park located at Woden Park, South Wales (the **Woden Solar Park**). The Woden Solar Park was commissioned and became operational in March 2014.
- (g) Woden Park (1) OpCo Borrower also owns Beggan Park, a 2,346.24 kWp solar photovoltaic array park located adjacent to the Woden Solar Park at Beggan Farm, Leckwith, Cardiff, CF11 8AS (the **Beggan Farm Solar Park**). The Beggan Farm Solar Park was commissioned and became operational in March 2014.

The Clawdd Ddu Solar Park, the Evesham Solar Park, the IOW Solar Park, the Trequite Solar Park, the Trewidland Solar Park, the Woden Solar Park and the Beggan Farm Solar Park are together referred to in these Listing Particulars as the **Solar Parks**.

Structure Diagrams

The structure diagrams below 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.

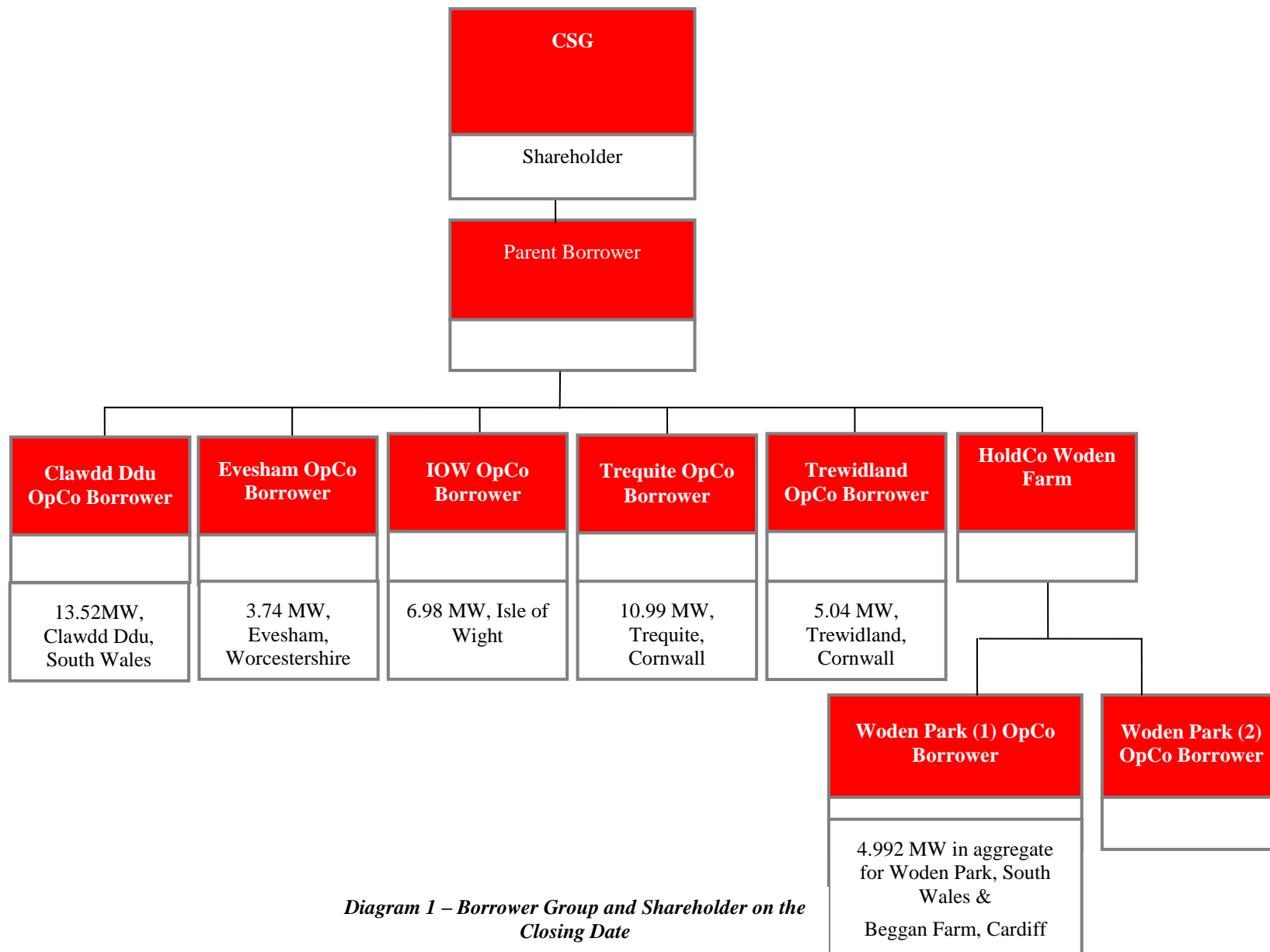


Diagram 1 – Borrower Group and Shareholder on the Closing Date

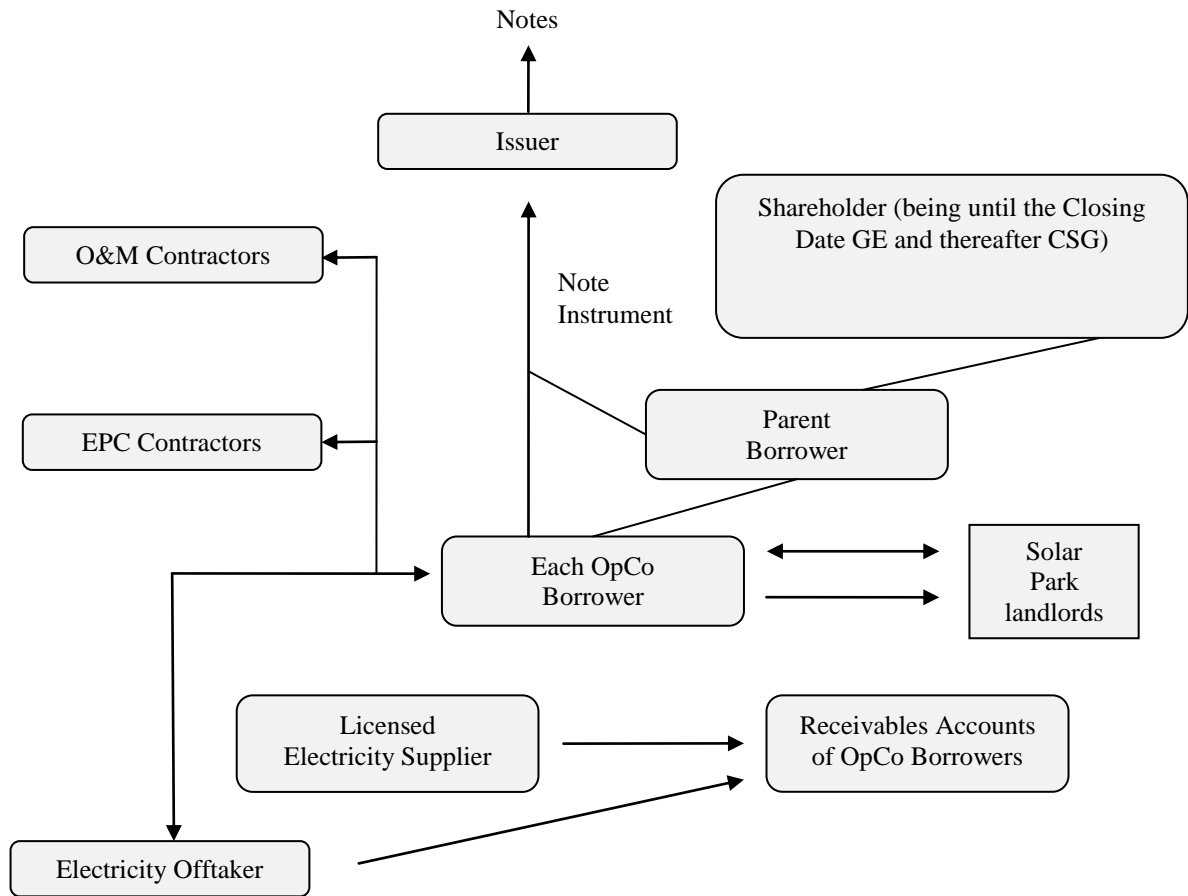


Diagram 2 – Electricity Generation Structure

Issue of the Notes and the Note Instrument

On the Closing Date, the Issuer issued the Notes and entered into a loan note instrument (the **Note Instrument**) and related note subscription agreement (the **Note Subscription Agreement**) pursuant to which the Issuer subscribed for loan notes constituting joint and several obligations of the Borrowers (the **Loan**) on the Closing Date, in an amount equal to the initial aggregate principal amount of the Notes.

The Borrowers are obliged to pay interest on the Loan at a percentage rate of 1.713 per cent. per annum. Interest and principal payments in respect of the Loan are index-linked to the UK Retail Price Index (**RPI**).

Structure of the Borrower Group

Clawdd Ddu OpCo Borrower, Evesham OpCo Borrower, IOW OpCo Borrower, Trequite OpCo Borrower and Trewidland Farm Limited are each directly wholly-owned subsidiaries of the Parent Borrower which, in turn, is a directly wholly-owned subsidiary of the Shareholder. Woden Park (1) OpCo Borrower and Woden Park (2) OpCo Borrower are indirectly wholly-owned subsidiaries of the Parent Borrower via HoldCo Woden Park. HoldCo Woden Park is a directly wholly-owned subsidiary of the Parent Borrower.

The Solar Park Leases

Each of the Solar Parks is leased from its respective landowner by the relevant OpCo Borrower on the following basis:

- (a) Clawdd Ddu Solar Park is leased to Clawdd Ddu OpCo Borrower under a 25-year occupational lease (the **Clawdd Ddu Solar Park Lease**) which is scheduled to expire on 24 January 2039.
- (b) Evesham Solar Park is leased to Evesham OpCo Borrower under a 25-year occupational lease (the **Evesham Solar Park Lease**) which is scheduled to expire on 4 February 2039.
- (c) Evesham OpCo Borrower has been granted a right of way of an accessway under 25-year lease of rights (the **Evesham Solar Park Lease of Rights**).
- (d) IOW Solar Park is leased to IOW OpCo Borrower under a 25-year occupational lease (the **IOW Solar Park Lease**) which is scheduled to expire on 12 March 2039.
- (e) Trequite Solar Park is leased to Trequite OpCo Borrower under a 25-year occupational lease (the **Trequite Solar Park Lease**) which is scheduled to expire on 15 January 2039.
- (f) Trewidland Solar Park is leased to Trewidland OpCo Borrower under a 21-year occupational lease (the **Trewidland Solar Park Lease**) which is scheduled to expire on 15 January 2035.
- (g) Woden Solar Park is leased to Woden Park (1) OpCo Borrower under a 25.5-year occupational lease (the **Woden Solar Park Lease**) which is scheduled to expire on 8 January 2039.
- (h) Beggan Farm Solar Park is leased to Woden Park (1) OpCo Borrower under a 25-year occupational lease (the **Beggan Farm Solar Park Lease**) which is scheduled to expire on 26 November 2038.

The Clawdd Ddu Solar Park Lease, the Evesham Solar Park Lease, the IOW Solar Park Lease, the Evesham Solar Park Lease of Rights, the Trequite Solar Park Lease, the Trewidland Solar Park Lease, the Woden Solar Park Lease and the Beggan Farm Solar Park Lease are together referred to in these Listing Particulars as the **Solar Park Leases**.

Each of the Solar Park Leases other than the Evesham Solar Park Lease of Rights is registered at the Land Registry.

Rent is paid by each OpCo Borrower to the relevant landlord from amounts standing to the credit of the Operating Account in accordance with the relevant Borrower Priority of Payment (as defined below) (see "*Resources Available to the Issuer and the Borrowers – Borrower Priority of Payments*" below).

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

Power Purchase Agreements

Each OpCo Borrower (other than the Woden Park (2) OpCo Borrower) has the benefit of a Power Purchase Agreement entered into with Total Gas & Power Limited (**Total**), a Licensed Electricity Supplier. All the Power Purchase Agreements are currently long-term agreements providing for the sale of electricity (and certain related benefits) for a period (subject to early termination of the relevant Power Purchase Agreement in accordance with its terms) of 15 years from the commercial operations date as set out in the relevant Power Purchase Agreement.

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**).

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 electricity in return for payments at specified amounts per unit, as set out in the Power Purchase Agreements.

The Solar Parks are also accredited under the Renewables Obligation Order 2009 and for the Climate Change Levy (**CCL**) scheme and entitled to Renewables Obligation Certificates (**ROCs**) and Levy Exemption Certificates (**LECs**). ROCs and LECs are also sold under the existing Power Purchase Agreements.

Each OpCo Borrower (other than the Woden Park (2) OpCo Borrower) has entered into a further conditional power purchase agreement (each a **Further Power Purchase Agreement** and, together, the **Further Power Purchase Agreements**) with Statkraft Markets GmbH (**Statkraft**). Each Further Power Purchase Agreement provides, subject to satisfaction or waiver of the conditions precedent contained in it, for the sale of electricity (and certain related benefits) for a period commencing on 1 April 2020 and ending (subject to early termination or extension of the relevant Further Power Purchase Agreement in accordance with its terms) on 31 March 2030. The conditions precedent includes a condition that the relevant OpCo Borrower has served an effective notice to terminate the existing Power Purchase Agreement in respect of the relevant Solar Park with effect from 1 April 2020.

Under the Further 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 (**Electricity Payments**). The Further Power Purchase Agreements also provide for the sale of ROCs and LECs.

Other principal contracts

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

- (a) an engineer, procure and construct contract (the **EPC Contract**) entered into with the contractor who was originally responsible for the construction of the relevant Solar Parks;
- (b) an operation and maintenance contract (the **O&M Contract**). The services provided pursuant to these contracts are currently provided by the original contractor responsible for the construction of each of the relevant Solar Parks; and
- (c) an agreement for the ongoing connection of the Solar Parks to the distribution network (the **Connection Agreements**).

See the sections entitled “*EPC Contracts*”, “*O&M Contracts*” and “*Connection Agreements and Adoption Agreements*” in the section “*Summary of Principal Documents*” – below for further details of these contracts.

Use of proceeds

The gross proceeds from the issue of the Notes amounted to £40,000,000. On the Closing Date, the Issuer will advance the Loan to the Borrowers pursuant to the Note Instrument. The Borrowers have applied the proceeds of the Note Instrument as described in detail in “*Note Instrument – Purpose*” in the section “*Summary of Principal Documents*” below.

Repayment of Notes

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

The Borrowers' obligation to pay interest and principal on the Loan is being met from Export Payments received under the Power Purchase Agreements entered into by the OpCo Borrowers.

The Issuer Security Structure

Under the Issuer Deed of Charge (as defined below), the obligations of the Issuer under the Notes have been 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 Loan and the Borrower Security) (collectively, the **Issuer Security**). See "*Summary of Principal Documents – Issuer Deed of Charge*" below.

The Borrower Security Structure

Under the Composite Debenture and the Assignment Agreements (each as defined below), the obligations of the Borrowers in respect of the Loan (such obligations being joint and several) have been secured in favour of the Borrower Security Trustee (for the benefit of the Finance Parties, as defined below) 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 relevant Solar Park, the Solar Park Leases, the Power Purchase Agreements (including Export Payments), equipment and plant at the Solar Parks, the EPC Contract and the O&M Contract)(collectively, the **Borrower Security**). See "*Summary of Principal Documents – Composite Debenture*" below.

The Shareholder owns all of the shares in the Parent Borrower, but is not a borrower under the Note Instrument. It has, however, granted security over the shares it owns in the Parent Borrower. See "*Summary of Principal Documents – Shareholder Charge*" below.

Conflicts of interest

Mr. Jonas Benholz and Mr. Alexander Kolb are directors of each Borrower. Such cross-directorships may give rise to a conflict of interest in situations where relevant companies have conflicting interests.

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.

Other than the directorships 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 between the Borrowers:

- (a) the Clawdd Ddu OpCo Borrower will owe £7,150,689 to the Parent Borrower;
- (b) the Evesham OpCo Borrower will owe £2,522,952 to the Parent Borrower;
- (c) the IOW OpCo Borrower will owe £3,957,199 to the Parent Borrower;
- (d) the Trewidland OpCo Borrower will owe £3,357,052 to the Parent Borrower; and
- (e) the Woden Park (1) OpCo Borrower will owe £3,130,613 to the Parent Borrower.

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 (as defined below).

1. The principal parties

Issuer	The Issuer, registration number 09341434, 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.
Issuer Security Trustee	U.S. Bank Trustees Limited acts as security trustee (the Issuer Security Trustee) and holds 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 a deed of charge (the Issuer Deed of Charge).
Note Trustee	The Note Trustee acts as trustee for and on behalf of the holders of the Notes pursuant to the Note Trust Deed.
Issuer Cash Manager	Elavon Financial Services Limited, UK Branch acts as cash manager (the Issuer Cash Manager) pursuant to a cash management agreement (the Issuer Cash Management Agreement) entered into on or about the Closing Date between the Issuer, Security Trustee, the Issuer Cash Manager, the Issuer Account Bank and the Calculation Agent.
Paying Agent	Elavon Financial Services Limited, UK Branch acts as paying agent (the Paying Agent) pursuant to a paying agency agreement (the Agency Agreement) entered into on or about the Closing Date between the Paying Agent, the Note Trustee and the Issuer.
Calculation Agent	Elavon Financial Services Limited, UK Branch acts as calculation agent (the Calculation Agent) pursuant to the Agency Agreement.
Issuer Account Bank	Elavon Financial Services Limited, UK Branch acts as Issuer account bank (the Issuer Account Bank) pursuant to an Issuer account mandate (the Issuer Account Mandate) entered into with the Issuer.
Registrar	Elavon Financial Services Limited acts as registrar (the Registrar) pursuant to the Agency Agreement.

Corporate Services Provider

Structured Finance Management Limited acts as a corporate services provider to the Issuer (the **Corporate Services Provider**) pursuant to a corporate services agreement (the **Corporate Services Agreement**) entered into on or about the Closing Date between the Issuer, the Corporate Services Provider, the Note Trustee and the Share Trustee.

Share Trustee

SFM Corporate Services Limited (the **Share Trustee**) holds the issued share capital of the Issuer under the terms of a declaration of trust dated 26 February 2015.

Borrower Security Trustee

U.S. Bank Trustees Limited acts as security trustee (the **Borrower Security Trustee**) and holds on trust for the Finance Parties (a) the security granted by the Borrowers pursuant to a composite debenture (the **Composite Debenture**), (b) the security granted by CSG pursuant to a shareholder charge (the **Shareholder Charge**) and (c) the security constituted by the relevant OpCo Borrower assigning to it the security pursuant to an assignment agreement (each an **Assignment Agreement**).

Borrower Cash Manager

Elavon Financial Services Limited, UK Branch acts as cash manager (the **Borrower Cash Manager**) pursuant to a cash management agreement (the **Borrower Cash Management Agreement**) entered into on or about the Closing Date between the Borrowers, the Borrower Security Trustee, the Borrower Cash Manager, the Borrower Account Bank and the Calculation Agent.

Borrower Account Bank

Elavon Financial Services Limited, UK Branch acts as Borrower account bank (the **Borrower Account Bank**) pursuant to a Borrower account mandate (the **Borrower Account Mandate**) entered into with each Borrower.

Facility Agent

Elavon Financial Services Limited, UK Branch acts as agent for the Issuer (the **Facility Agent**) under the Note Instrument.

Finance Parties

Facility Agent, Borrower Security Trustee, Borrower Account Bank, Borrower Cash Manager and Issuer.

Shareholder

The Shareholder, registration number HRB 134004 a limited liability company incorporated under the laws of Germany, whose registered office is at Große Elbstraße 45, 22767, Hamburg,

Germany.

Parent Borrower

The Parent Borrower, registration number 8766702, a limited liability company incorporated under the laws of England and Wales, whose registered office is 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

OpCo Borrowers

The Clawdd Ddu OpCo Borrower was incorporated in England and Wales on 3 January 2013 under registered number 8346119 as a private company with limited liability under the Companies Act 2006. The registered office of the Clawdd Ddu OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The Evesham OpCo Borrower was incorporated in England and Wales on 5 April 2013 under registered number 8476135 as a private company with limited liability under the Companies Act 2006. The registered office of the Evesham OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The IOW OpCo Borrower was incorporated in England and Wales on 25 November 2013 under registered number 8789592 as a private company with limited liability under the Companies Act 2006. The registered office of the IOW OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The Trequite OpCo Borrower was incorporated in England and Wales on 4 October 2013 under registered number 8719097 as a private company with limited liability under the Companies Act 2006. The registered office of the Trequite OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The Trewidland OpCo Borrower was incorporated in England and Wales on 4 October 2013 under registered number 8718901 as a private company with limited liability under the Companies Act 2006. The registered office of the Trewidland OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The Woden Park (1) OpCo Borrower was incorporated in England and Wales on 12 April 2013 under registered number 8485585 as a private company with limited liability under the

Companies Act 2006. The registered office of the Woden Park (1) OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The Woden Park (2) OpCo Borrower was incorporated in England and Wales on 12 April 2013 under registered number 8485592 as a private company with limited liability under the Companies Act 2006. The registered office of the Woden Park (2) OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

The HoldCo Woden Park was incorporated in England and Wales on 11 April 2013 under registered number 8484782 as a private company with limited liability under the Companies Act 2006. The registered office of the HoldCo Woden Park is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ.

Arranger and Bookrunner

Boston & Alexander LLP, which is authorised and regulated by the Financial Conduct Authority, acting through its appointed representative IDC Limited.

2. Summary of the Notes

The Notes

On the Closing Date, the Issuer issued £40,000,000 1.713 per cent. Secured RPI-linked Notes due 2033.

The Notes will constitute limited recourse obligations of the Issuer. The Notes are governed by English law and are constituted by the Note Trust Deed.

The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any other party to the Transaction Documents.

Limited recourse nature of the Issuer's obligations under the Notes

The obligations of the Issuer to each of the Noteholders are limited recourse obligations of the Issuer. The Noteholders 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.

Form and denomination of the Notes

The authorised denominations of the Notes are £100,000 and integral multiples of £10,000 in excess thereof.

Interest on the Notes

The Notes 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 is payable in sterling in arrears on each Note Interest Payment Date, subject to the applicable Issuer Priorities of Payments and subject as provided in Condition 6.

Rate of Interest means 1.713 per cent. per annum.

Indexation of Interest

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 Note Interest Period (as defined below), multiplied by the Index Ratio calculated in accordance with Condition 7 on the basis of the RPI.

Withholding tax on the Notes

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.

Security for the Notes

The obligations of the Issuer to the Issuer Secured Creditors are secured by and pursuant to the Issuer Deed of Charge entered into on or about the Closing Date.

Final Maturity Date of the Notes

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 March 2033, being the Final Maturity Date.

The Notes may also be mandatory redeemed in accordance with Condition 8(b) and optionally redeemed for taxation in accordance with Condition 8(c).

Listing of the Notes

Application has been made for the Notes to be admitted to trading on the PSM of the London Stock Exchange.

Governing law

The Conditions, the Notes and the Issuer Transaction Documents are governed by English law.

Selling restrictions

There are restrictions on the sale of the Notes and on the distribution of information in respect thereof. See "*Subscription and Sale*" below.

3. Project Accounts

Receivables Account

The Parent Borrower will procure that all monies paid to (or to the order of) the Parent Borrower or received by the Parent Borrower that are not required by the Note Instrument to be paid into another Project Account are

deposited directly in a receivables account opened in the name of the Parent Borrower and held with the Borrower Account Bank (the **Receivables Account**).

The Parent Borrower shall only withdraw monies from the Receivables Account to make payments in accordance with the Borrower Priority of Payments.

Debt Service Reserve Account

On the Closing Date, the Parent Borrower shall procure that an amount of the proceeds of the Loan equal to the DSR Required Amount (as defined below) at such date is paid into an account in the name of the Parent Borrower and held with the Borrower Account Bank (the **Debt Service Reserve Account**).

From the Closing Date, the Parent Borrower shall, to the extent that it is able to do so in accordance with the operation of the Borrower Priority of Payments, maintain a credit balance on the Debt Service Reserve Account of an amount at least equal to the DSR Required Amount by making transfers from the Receivables Account to the Debt Service Reserve Account.

The Parent Borrower may only withdraw amounts from the Debt Service Reserve Account:

- (a) to pay Portfolio Debt Service Costs (as defined below) that have fallen due, to the extent that there are insufficient credit balances in the Receivables Account to pay such Portfolio Debt Service Costs in accordance with the Borrower Priority of Payments; and
- (b) on a Borrower Note Payment Date (as defined below), to transfer the DSR Excess Amount (as defined below) to the Receivables Account.

Panel Reserve Account

On each Borrower Note Payment Date, the Parent Borrower shall, in accordance with the operation of the Borrower Priority of Payments, procure transfer of an amount equal to the amount set out in the Financial Model (as defined below) as being required to be paid into an account in the name of the Parent Borrower and held with the Borrower Account Bank (the Panel Reserve Account) from the Receivables Account up to the Panel Reserve Amount (as

defined below).

The Parent Borrower shall procure that all proceeds received by it or any OpCo Borrower in respect of manufacturer's warranty claims relating to the repair or replacement of panels are paid directly into the Panel Reserve Account.

The Parent Borrower may only withdraw amounts from the Panel Reserve Account:

- (i) to pay Panel Replacement Costs (as defined below) that have fallen due for payment, provided that the notice delivered to the Facility Agent pursuant to the relevant provisions of the Note Instrument in respect of the relevant withdrawal certifies that:
 - (A) one or more panels relating to a Solar Park is defective;
 - (B) the replacement of such panels is desirable or necessary in accordance with prudent business practices; and
 - (C) if a warranty is available in respect of the solar panels being replaced, the OpCo Borrower has first made a claim under such warranty and the relevant warranty provider has failed to provide replacement solar panels under its warranty, of the same or substantially the same technical specification, within a reasonable time of being required to do so by the relevant OpCo Borrower; and
- (ii) on a Panel Reserve Adjustment Date (as defined below), to transfer any Panel Reserve Release Amount (as defined below) to the Receivables Account.

On each Panel Reserve Adjustment Date, the Facility Agent, following advice from the Technical Adviser (as defined below) and in consultation with the Parent Borrower, may, by notice to the Parent Borrower:

- (i) adjust the Panel Reserve Amount that will apply for each or any Borrower

Note Payment Date falling on or after such Panel Reserve Adjustment Date; and/or

- (ii) permit the Parent Borrower to transfer an amount determined by the Facility Agent (the **Panel Reserve Release Amount**) from the Panel Reserve Account to the Receivables Account,

if it determines that the Balance on the Panel Reserve Account together with the amounts projected to be paid into the Panel Reserve Account based on the existing Panel Reserve Amount are greater or less than may reasonably be expected to be required for the replacement of solar panels at the Solar Parks until the Final Repayment Date (taking into account amounts projected to be paid into the Panel Reserve Account until the Final Repayment Date, the actual Panel Replacement Costs paid by the OpCo Borrowers and the actual and forecast solar panel failure rate, together with the then current market price for solar panels (including any changes in foreign exchange rates and inflation)).

Inverter Reserve Account

On each Borrower Note Payment Date, the Parent Borrower shall, in accordance with the operation of the Borrower Priority of Payments, procure transfer of an amount equal to the amount set out in the Financial Model as being required to be paid into an account in the name of the Parent Borrower and held with the Borrower Account Bank (the **Inverter Reserve Account**) from the Receivables Account up to the Inverter Reserve Account.

The Parent Borrower shall procure that all proceeds received by it or any OpCo Borrower in respect of manufacturer's warranty claims relating to the repair or replacement of inverters are paid directly into the Inverter Reserve Account.

The Parent Borrower may only withdraw amounts from the Inverter Reserve Account:

- (i) to pay Inverter Replacement Costs that have fallen due for payment, provided that the notice delivered by the Parent Borrower pursuant to the relevant provisions of the Note Investment in respect of the relevant withdrawal certifies that:
 - (A) one or more inverters relating

to a Solar Park is defective;

(B) the replacement of such inverters is desirable or necessary in accordance with prudent business practices; and

(C) if a warranty is available in respect of the inverter being replaced, the OpCo Borrower has first made a claim under such warranty and the relevant warranty provider 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 the relevant OpCo Borrower; and

(ii) on an Inverter Reserve Adjustment Date (as defined below), to transfer any Inverter Reserve Release Amount (as defined below) to the Receivables Account.

On each Inverter Reserve Adjustment Date, the Facility Agent, following advice from the Technical Adviser and in consultation with the Parent Borrower, may, by notice to the Parent Borrower:

(i) adjust the Inverter Reserve Amount that will apply for each or any Borrower Note Payment Date falling on or after such Inverter Reserve Adjustment Date; and/or

(ii) permit the Parent Borrower to transfer an amount determined by the Facility Agent (the **Inverter Reserve Release Amount**) from the Inverter Reserve Account to the Receivables Account (provided that no amounts shall be permitted to be transferred from the Inverter Reserve Account unless the Technical Adviser is satisfied, acting reasonably that the majority of the expenditure for inverters in relation to the Solar Parks has been incurred),

if it determines that the Balance on the Inverter Reserve Account together with the amounts projected to be paid into the Inverter Reserve Account based on the existing Inverter Reserve

Amount are greater or less than may reasonably be expected to be required for the replacement of inverters at the Solar Parks until the Final Repayment Date (taking into account amounts projected to be paid into the Inverter Reserve Account until the Final Repayment Date, the actual Inverter Replacement Costs (as defined below) paid by the OpCo Borrowers and the actual and forecast inverter failure rate, together with the then current market price for inverters (including any changes in foreign exchange rates and inflation).

Cash Trap Reserve Account

On each Borrower Note Payment Date on which a Trigger Event (as defined below) has occurred and is continuing, the Parent Borrower will transfer all amounts standing to the credit of the Receivables Account to an account in the name of the Parent Borrower and held with the Borrower Account Bank (the **Cash Trap Reserve Account**) in accordance with the operation of the Borrower Priority of Payments.

On any Borrower Note Payment Date following the occurrence of a Trigger Event:

- (i) if the Ratio Target Condition (as defined below) has been met in respect of such Trigger Event (and provided that no other Trigger Event has occurred and is continuing), the Parent Borrower may transfer the Balance on the Cash Trap Reserve Account to the Receivables Account for application in accordance with the Borrower Priority of Payments; or
- (ii) if the CTRA Balance Condition (as defined below) on such date is met, and the Distribution Conditions have been satisfied, the Parent Borrower may withdraw an amount equal to the Portfolio Debt Service Costs (as defined below) falling due on such Borrower Note Payment Date to be applied in payment of such Portfolio Debt Service Costs.

Insurance and Compensation Proceeds Account

The Parent Borrower shall procure that all Physical Damage Insurance Proceeds (as defined below) and Compensation Proceeds (as defined below) shall be paid into an account in the name and held with the Borrower Account Bank (the **Insurance and Compensation Proceeds Account**).

The Parent Borrower may only withdraw amounts from the Insurance Receivables

Account:

- (i) to pay for the repair or reinstatement of Project Assets, if required in accordance with the relevant provisions of the Note Instrument; or
- (ii) provided that the Facility Agent has confirmed (following receipt by it of a suitable written report from the Technical Adviser) that the event or circumstance giving rise to the relevant Insurance Proceeds or Compensation Proceeds has been repaired, reinstated or remedied, to make transfers to the Cash Trap Reserve Account.

After the Enforcement Date, the Parent Borrower shall, and shall procure that each OpCo Borrower shall, deposit all Insurance Proceeds or Compensation Proceeds paid to or received by the Parent Borrower or any OpCo Borrower directly into the Insurance and Compensation Proceeds Account or to any other account directed by the Borrower Security Trustee.

EPC Retention Account

On the Closing Date, the Parent Borrower shall procure that an amount of the proceeds of the Loan equal to the EPC Retention Amount (as defined below) at such date is paid into an account in the name of the Parent Borrower and held with the Borrower Account Bank (the **EPC Retention Account**).

The Parent Borrower may only withdraw amounts from the EPC Retention Account to pay amounts due and payable to an EPC Contractor under and in accordance with an EPC Contract as set out in an EPC Retention Certificate (as such term is defined in the Borrower Cash Management Agreement).

Distribution Account

The Parent Borrower may pay any amounts that are to be declared or paid as Distributions (as defined below) into an account opened in the name of the Parent Borrower and held with the Borrower Account Bank (the **Distribution Account**), to the extent that there are sufficient funds available for this purpose in accordance with the operation of the Borrower Priority of Payments, by making transfers from the Receivables Account to the Distribution Account. The Parent Borrower

shall not transfer any amounts from the Receivables Account to the Distribution Account unless all the requirements specified in the relevant provisions of the Note Instrument have been satisfied.

The Parent Borrower may withdraw amounts standing to the credit of the Distribution Account at any time.

Operating Accounts

Each OpCo Borrower has opened in its name with the Borrower Account Bank an operating account (each, an **Operating Account**).

On the Closing Date, the Parent Borrower shall procure that an equal share of £665,000 divided between each OpCo Borrower, is paid into each Operating Account.

On the day before each Borrower Note Payment Date, the Parent Borrower shall procure that

- (a) if the Balance on any Operating Account on such date is less than the Required Operating Balance (as defined below), an amount sufficient to ensure that the Balance on such Operating Account is no less than the Required Operating Balance is transferred from the Receivables Account in accordance with the Borrower Priority of Payments; and
- (b) if a floor-price rebate payment is due to the PPA Offtaker under a PPA, to transfer an amount equal to the amount due to the PPA Offtaker in respect of such floor-price rebate payment in accordance with the Borrower Priority of Payments.

An OpCo Borrower may only withdraw amounts from its Operating Account:

- (a) to pay Operating Costs, as and when they fall due in accordance with the relevant provisions of the Note Instrument;
- (b) to pay any floor-price rebate payment due to the PPA Offtaker under a PPA, together with interest thereon as provided in the relevant PPA, in accordance with the relevant PPA; and
- (c) to transfer any amounts not required to pay Operating Costs to the Receivables Account.

4. Issuer Priorities of Payments

Issuer Transaction Account

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 payments in respect of the Notes (the **Issuer Transaction Account**).

Issuer Pre-Acceleration Priority of Payments

Prior to the service of an Issuer Acceleration Notice (as defined below), the Issuer Cash Manager will apply amounts standing to the credit of the Issuer Transaction Account (other than an amount in respect of £1,000 retained in the Issuer Transaction Account and retained as a six monthly profit of the Issuer (the **Issuer Retained Profit**)) (unless otherwise paid or provided for) on behalf of the Issuer on each Note Interest Payment Date in the following order of priority (the **Issuer Pre-Acceleration Priority of Payments**), 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 the fees or other remuneration then payable to the Note Trustee and the Issuer Security Trustee, together with value added tax (**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 Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, as the case may be, together with interest thereon as provided in the Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, 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 relevant fee letter, the Issuer Cash Management Agreement and the Issuer Account Mandate, (iii) the Issuer Cash Manager under Issuer Cash Management Agreement or the relevant fee letter and (iv) the

Corporate Services Provider under the Corporate Services Agreement (together with, in each case, VAT thereon, if applicable, as provided in the Agency Agreement, the relevant fee letter, the Issuer Cash Management Agreement, the Issuer Account Mandate 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; and
- (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).

Issuer Post-Acceleration Priority of Payments

Following the service of an Issuer Acceleration Notice, the Issuer Security Trustee (or a receiver) or the Issuer Cash Manager acting under the instruction of the Issuer Security Trustee is requested 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 (the **Issuer Post-Acceleration Priority of Payments** and, together with the Issuer Pre-Acceleration Priority of Payments, the **Issuer Priorities of Payments**), 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 Note Trust Deed, the relevant fee letter 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 relevant fee letter, the Issuer Cash Management Agreement or the Issuer Account Mandate, as the case may be, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement or the relevant fee letter and (iv) the Corporate Services Provider under the Corporate Services Agreement (together with, in each case, VAT thereon, if applicable as provided in the Agency Agreement, the relevant fee letter, the Issuer Cash Management Agreement, the Issuer Account Mandate 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 (other than those referred to elsewhere in the Issuer Post-Acceleration Priority of Payments); and

- (e) *fifth*, 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).

5. Transaction Documents

Issuer Transaction Documents

Note Trust Deed, Issuer Deed of Charge, Issuer Cash Management Agreement, Agency Agreement, Corporate Services Agreement, Subscription Agreement, Issuer Account Mandate, relevant fee letter and Direct Agreements (as defined below) (each an **Issuer Transaction Document** and together, the **Issuer Transaction Documents**).

Borrower Transaction Documents

Note Instrument, Note Subscription Agreement, Composite Debenture, Assignment Agreements, Security Trust and Intercreditor Deed, Assignment Agreements, Shareholder Charge, Borrower Cash Management Agreement, Borrower Account Mandate and Direct Agreements (each a **Borrower Transaction Document** and together, the **Borrower Transaction Documents**).

Direct Agreements

PPA Direct Agreements, Direct Agreements (O&M and EPC Contract) and Solar Park Lease Direct Agreements.

Transaction Documents

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

6. Affiliations and certain relationships and related transactions of transaction parties

U.S. Bank Trustees Limited, Elavon Financial Services Limited, UK Branch and Elavon Financial Services Limited

U.S. Bank Trustees Limited performs the following roles in connection with the Notes and the Note Instrument: Note Trustee, Issuer Security Trustee, Borrower Security Trustee and Security Agent and Security Agent.

Elavon Financial Services Limited, UK Branch performs the following roles in connection with the Notes and the Note Instrument: Issuer Cash

Manager, Borrower Cash Manager, Paying Agent, Calculation Agent, Issuer Account Bank, Borrower Account Bank and Facility Agent, and Elavon Financial Services Limited performs the role of Registrar.

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

Parent Borrower, OpCo Borrowers and Shareholder

The OpCo Borrowers and the Parent Borrower are part of the same group of companies, having Shareholder (as the case may be) 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 Contractor and the O&M Contractor (each as defined below); 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 Loan. Those circumstances are summarised in the next two paragraphs.

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(c).

Furthermore, prepayments by the Borrowers in certain circumstances will require the Issuer to make corresponding prepayments on the Notes, as described in Condition 8(b)(ii).

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 Loan, or an accelerated repayment in full, in the case of prepayment in full of the 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, as applicable, 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 Note Instrument, and without the consent of 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 24 April 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 5per cent. 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.

None of the Parent Borrower, the OpCo Borrowers or 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 of these Listing Particulars 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 Office for National Statistics (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 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 approximately two weeks for the ONS to compile the index and, accordingly, each month's RPI figure is published during the following month (e.g. the figure relating to February will be published in March). 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. 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 are limited recourse obligations solely of the Issuer and will not be the responsibility of, or be guaranteed by, any other entity.

The Issuer does not have any significant assets for the purpose of meeting its obligations under the Notes other than the income from the Loan, any amounts standing to the credit of the Issuer Transaction Account and its rights under the Issuer 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 Loan which, in turn, are derived from collections received by the OpCo Borrowers 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 enforcement 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 Loan.

If, upon default by a Borrower under the Loan, after the exercise of all usual remedies in respect of such 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 the 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 to be terminated, a suitable replacement service provider could be found (or found in a timely manner) and engaged on terms acceptable to the Issuer 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 Transaction Account 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 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 Note Instrument will be made to the Issuer on each Borrower Note Payment Date 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 or the Borrower Account Bank, resulting in delays in the Issuer receiving such payments under the Note Instrument and, consequently, the Noteholders not receiving payment under the Notes until after the relevant Note Interest Payment Date.

Risks relating to Insolvency Considerations for the Issuer

Security and insolvency considerations

The Issuer entered into the Issuer Deed of Charge pursuant to which it has granted 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 Transaction Account*” 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 that the Issuer has 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 has any other such creditors at any relevant 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 Transaction Account

The charge granted over the Issuer Transaction Account by virtue of the Issuer Deed of Charge will be expressed to be fixed security. However, it is possible that such charge may be held by a court to constitute a floating charge and that the charges granted over the assets from which the monies paid into such account 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

Reliance on third parties

The Borrowers will rely upon the Borrower Cash Manager for certain cash management 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 to 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 has entered into the Composite Debenture, pursuant to which they have granted security in respect of the Borrowers' obligations, including their obligations under the Note Instrument (as to which, see “*Summary of Principal Documents – Composite Debenture*”). In certain circumstances, including the occurrence of certain insolvency events in respect of a Borrower, the ability to realise the Borrower Security 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 Composite Debenture) 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 Composite Debenture, it will be a matter of fact as to whether the Borrowers have any other such creditors at any relevant 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 Project Accounts by virtue of the Composite Debenture 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, there is a risk that the Solar Parks would not generate sufficient cash flow to enable the Borrowers to make payments due under the 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 significant risk that the Solar Parks could be affected by flooding (particularly at Clawdd Ddu Solar Park, Evesham Solar Park and Trewidland Solar Park), 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 Loan).

Contracting to third parties

The OpCo Borrowers own the leases 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 its respective services, or otherwise breached its 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 Loan. In such circumstances, the Issuer's ability to fulfil its payment obligations under the Notes could be adversely affected.

Property, planning and associated risks

The Solar Park Lease terms are scheduled to expire in 2039 (except for the Trewidland Solar Park lease, which is scheduled to expire in 2035 and the Beggan Farm Solar Park Lease, which is scheduled to expire in 2038) and contain forfeiture rights for non-payment of rent and breach of tenant covenants. On or about the Closing Date, the landlords of each Solar Park entered into direct agreements with the Issuer, the OpCo Borrower that is its tenant, the Issuer Security Trustee and the Borrower Security Trustee. The Solar Park Leases and the Solar Park Lease Direct Agreements are summarised under “*Summary of Principal Documents – Solar Park Leases*” and “*Summary of Principal Documents – Solar Park Direct Agreements*”, respectively, below.

Any failure to remedy any such breach, or any related dispute with the landlords, could adversely affect the ability of the relevant Solar Park to operate and generate revenue and, in turn, this could adversely affect the Issuer's ability to fulfil its payment obligations under the Notes.

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 panel installations at the Solar Park 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 any affected OpCo Borrower may be adversely 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, technological decline, reduced power generation and movement of foundations. Any material failure or degradation of, or damage to, key components may affect the energy production of a Solar Park and, therefore, the Borrowers' ability to fulfil their payment obligations under the 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 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 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 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 Export Payments. Whilst compliance with some obligations under a 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 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 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 main rate of UK corporation tax is 21 per cent., reducing to 20 per cent. by April 2015.

Adjustments that are likely to impact the taxable profits of the Borrower Group include interest on the Notes and capital allowances on capital expenditure. 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.

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, this may result in additional taxes becoming payable by the relevant Borrowers. This may affect the Borrowers' ability to repay the 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 by more than had been assumed and budgeted for.

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

Manufacturer risk in relation to components

An OpCo Borrower's ability to make a warranty claim against a module or component manufacturer is subject to the risk of the module or component manufacturer's financial strength, in particular the risk that such module or component 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 component manufacturer in respect of such warranties is subject to the terms of such warranties, including all exclusions, limitations and time limits. The warranty period applicable to each warranty provided by the relevant module or component manufacturers varies and ranges between five years and 25 years typically, starting from the date of manufacture or purchase by the first purchaser of the component from the manufacturer. Accordingly, an 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 manufacturer of the modules) are governed by laws and dispute resolution procedures of a 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 its operating revenues, which could negatively impact on the Borrowers' ability to repay the Loan and so adversely affect the Issuer's ability to repay the Notes.

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 wear and deteriorate 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. Any material decrease in overall panel performance could ultimately reduce the operating revenues of the Solar Parks and, in turn, this could negatively impact on the Borrowers' ability to repay the Loan and so adversely affect the Issuer's ability to repay the Notes

Offtake risk

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

Each OpCo Borrower has the benefit of a Power Purchase Agreement. 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.

There is a risk that a counterparty to a Power Purchase Agreement may not perform its obligations in full, and that any replacement Power Purchase Agreements may not be available to the OpCo Borrowers during the term of the Notes. 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 Contracts and the O&M Contracts

Performance Risks under the O&M Contracts

The OpCo Borrowers are reliant on the O&M Contractors for the ongoing operation and maintenance of the Solar Parks. Under the O&M Contracts, the O&M Contractors are responsible for a variety of operational and maintenance services in relation to the Solar Parks. These services primarily include: servicing maintenance, security and surveillance, repair needed to restore proper functioning of the Solar Parks and operation of the Solar Parks, as described in more detail in "*Summary of Principal Documents – O&M Contracts*".

Subject to contractual and financial limitations set out in the O&M Contracts, the O&M Contractors are liable in respect of certain elements of damage and non-performance which may not be fully insured or supported by an effective manufacturer warranty (or other supply contract/appointment or sub-contract) throughout the entire period of operation of the Solar Parks. To the extent there is a cost deficit in the liability cover provided by the O&M Contractors, or to the extent that the financial forecasts and related assumptions used by the Borrowers for the operating and maintenance costs of the Solar Parks for their own budgeting purposes prove to be insufficient, the OpCo Borrowers will have to provide for such cost deficit from their operational revenues. In turn, this could negatively impact on the Borrowers' ability to repay the Loan and so adversely affect the Issuer's ability to repay the Notes.

If an O&M Contractor fails to perform any material 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 relevant O&M Contract is terminated, the relevant OpCo Borrower may become liable for the costs of procuring such obligations to be performed by another entity. Should any O&M Contractor default or become bankrupt as described above, there is also a risk that the relevant OpCo Borrower may not be able to engage a replacement O&M Contractor to provide the relevant operation and maintenance services on the same or substantially similar terms to the existing O&M Contracts, or at all. Failure to do so could have an adverse effect on the performance of the Solar Parks and hence on the Borrower's ability to repay the Loan and so affect the Issuer's ability to repay the Notes.

In addition, to the extent that the 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 installations and components, the relevant O&M Contractor will be obliged, in certain circumstances, 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.

Performance Risk under EPC Contracts

Under the EPC Contracts, the EPC Contractors are responsible for a variety of construction-related matters in relation to the Solar Parks, as described in more detail in “*Summary of Principal Documents – EPC Contracts*”.

Subject to contractual and financial limitations set out in the EPC Contracts, the EPC Contractors are liable in respect of certain elements of defects, damage and non-performance which may not be fully insured or supported by an effective manufacturer warranty (or other supply contract/appointment or sub-contract) throughout the entire period of operation of the Solar Parks. To the extent there is a cost deficit in the liability cover provided by the EPC Contractors, the OpCo Borrowers will have to provide for such cost deficit from their operating revenues. In turn, this could negatively impact on the Borrowers’ ability to repay the Loan and so adversely affect the Issuer’s ability to repay the Notes.

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 the costs of procuring such obligations to be performed by another entity. In such a situation, such costs might have an adverse effect on the Borrowers’ ability to fulfil their payment obligations under the 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 installations and components, 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 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 in the United Kingdom 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 all 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.

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 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 Loan and, consequently, have an adverse impact on the Issuer's ability to meet its financial obligations under the Notes.

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 Loan and hence affect the ability of the Issuer to repay the Notes.

RESOURCES AVAILABLE TO THE ISSUER AND THE BORROWERS

1. Issuer Priorities of Payments

Issuer Pre-Acceleration Priority of Payments

Prior to the service of an Issuer Acceleration Notice, the Issuer Cash Manager will apply amounts standing to the credit of the Issuer Transaction Account (other than an amount provided for in respect of the Issuer Retained Profit) (unless otherwise paid or provided for) 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:

- (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 Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, as the case may be, together with interest thereon as provided in the Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, 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 relevant fee letter, the Issuer Cash Management Agreement and the Issuer Account Mandate, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement or the relevant fee letter and (iv) the Corporate Services Provider under the Corporate Services Agreement (together with, in each case, VAT thereon, if applicable, as provided in the Agency Agreement, the relevant fee letter, the Issuer Cash Management Agreement, the Issuer Account Mandate 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; and
- (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).

Issuer Post-Acceleration Priority of Payments

Following the service of an Issuer Acceleration Notice, the Issuer Security Trustee (or a receiver) or 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:

- (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 Note 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 relevant fee letter, the Issuer Cash Management Agreement or the Issuer Account Mandate, as the case may be, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement or the relevant fee letter and (iv) the Corporate Services Provider under the Corporate Services Agreement (together with, in each case, VAT thereon, if applicable as provided in the Agency Agreement, the fee letter, the Issuer Cash Management Agreement, the Issuer Account Mandate 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 (other than those referred to elsewhere in the Issuer Post-Acceleration Priority of Payments); and
- (e) *fifth*, in or towards retention of 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).

2. Borrower Priority of Payments

Pre-Acceleration Priority of Payments

Prior to an Enforcement Date, the Parent Borrower shall, to the extent required or permitted by the Borrower Finance Documents, apply the balance on the Receivables Account in or towards payment of the amounts referred to in paragraphs (a) to (m) (inclusive) below in accordance with the Borrower Finance Documents and in the following manner and, if payment is due in respect of more than one such item on such date, in the following order (together in each case with any applicable VAT or other Taxes thereon) (the **Pre-Acceleration Priority of Payments**):

- (a) *first*, as and when they fall due, all costs, charges, fees and expenses and other amounts of the Borrower Security Trustee due under or pursuant to the Borrower Finance Documents, together with interest thereon as provided in the Borrower Finance Documents;
- (b) *second*, as and when they fall due, all amounts payable by the Issuer in or towards satisfaction of the fees or other remuneration payable to the Note Trustee and the Issuer Security Trustee, and any costs, charges, liabilities and expenses then incurred by the Note Trustee or the Issuer Security Trustee under the Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, as the case may be, together with interest thereon as provided in the Note Trust Deed, the Issuer Deed of Charge or the relevant fee letter, as the case may be, in each case to the extent that such amount is payable by the Borrowers to the Issuer pursuant to the relevant provisions of the Note Instrument;
- (c) *third*, as and when they fall due, all amounts payable by the Issuer or the Borrowers as the case may be to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the relevant fee letter and the Issuer Cash Management Agreement, (iii) the Borrower Account Bank and Facility Agent under the relevant fee letter and the relevant Borrower Transaction Documents, (iv) the Issuer Cash Manager under the Issuer Cash Management Agreement, (v) the Borrower Cash Manager under the Borrower Cash Management Agreement and (vi) the Corporate Services Provider under the Corporate Services Agreement, on a pari passu and pro rata basis (in the case of amounts payable by the Issuer, to the extent that such amount is payable by the Borrowers to the Issuer pursuant to the relevant provisions of the Note Instrument);
- (d) *fourth*, on the business day before each Borrower Note Payment Date, transfers to any Operating Account in accordance with the relevant provisions of the Borrower Finance Documents;
- (e) *fifth*, on each Borrower Note Payment Date, transfers to the Panel Reserve Account in accordance with the relevant provisions of the Borrower Finance Documents;

- (f) *sixth*, on each Borrower Note Payment Date, transfers to the Inverter Reserve Account in accordance with the relevant provisions of the Borrower Finance Documents;
- (g) *seventh*, as and when they fall due, interest (in respect of the Loan, indexed in accordance with the relevant provisions of the Borrower Finance Documents) and all fees and commissions due under the Borrower Finance Documents on a *pari passu* and *pro rata* basis among the Finance Parties;
- (h) *eighth*, on each Borrower Note Payment Date, the scheduled principal amount due in respect of the Notes (in respect of the Loan, indexed in accordance with the relevant provisions of the Borrower Finance Documents) on a *pari passu* and *pro rata* basis among the Finance Parties;
- (i) *ninth*, as and when they fall due, any other sum due to the Finance Parties generally, including without limitation any Early Redemption Price in accordance with the relevant provisions of the Borrower Finance Documents or on any date on which a voluntary redemption is due under the relevant provisions of the Borrower Finance Documents, any such voluntary redemption together with any other amounts due in respect of such voluntary redemption on a *pari passu* and *pro rata* basis between the Finance Parties;
- (j) *tenth*, as and when they fall due, any sum due to a particular Finance Party, including without limitation any amounts payable in accordance with the relevant provisions of the Borrower Finance Documents on a *pari passu* and *pro rata* basis between those particular Finance Parties;
- (k) *eleventh*, on each Borrower Note Payment Date, transfers to the Debt Service Reserve Account in accordance with in accordance with the relevant provisions of the Borrower Finance Documents;
- (l) *twelfth*, on any Calculation Date (as defined below) when a Trigger Event has occurred and is continuing, to transfer the Balance to the Cash Trap Reserve Account;
- (m) *thirteenth*, on the business day before each Borrower Note Payment Date, transfers to any Operating Account in accordance with the relevant provisions of the Borrower Finance Documents relating to a floor-price rebate payment under a Power Purchase Agreement, together with interest thereon as provided in the relevant Power Purchase Agreement; and
- (n) *fourteenth*, on any date falling within 20 business days after a Calculation Date, and provided that the relevant provisions of the relevant provisions of the Borrower Finance Documents are met, transfers to the Distribution Account.

Post-Acceleration Priority of Payments

All monies held or received by the Borrower Security Trustee or the Facility Agent on and after the date on which the Facility Agent serves the notice contemplated by the relevant provisions of the Borrower Finance Documents (the **Enforcement Date**) pursuant to the exercise of any of its rights and powers under any Borrower Finance Document or received by any receiver shall be applied (after providing for all costs, charges and expenses of any such receiver or delegate and any other payments ranking in priority to the monies secured by the Borrower Security Documents (as defined below)) in or towards payment of the following items in the following order and manner (the **Post-Acceleration Priority of Payments** and together with the Pre-Acceleration Priority of Payments, the **Borrower Priority of Payments**):

- (a) *first*, all fees, costs, charges and expenses of the Borrower Security Trustee under or pursuant to any Borrower Finance Document and of any receiver or delegate including, without limitation, legal expenses, reinstatement costs and any costs incurred in recovering assets over which security has been granted by the Borrower Security Documents, on a *pari passu* and *pro rata basis*;
- (b) *second*, as and when they fall due, all amounts payable by the Issuer in or towards satisfaction of the fees or other remuneration payable to the Note Trustee and the Issuer Security Trustee, and any costs, charges, liabilities and expenses then incurred by the Note Trustee or the Issuer Security Trustee under the Note Trust Deed, the Issuer Deed of Charge or the relevant Fee Letter, as the case may be, together with interest thereon as provided in the Note Trust Deed, the Issuer Deed of Charge or the relevant Fee Letter, as the case may be, in each case to the extent that such amount is payable by the Borrowers to the Issuer pursuant to clause 10.5 of the Note Instrument;

- (c) *third*, all fees, costs, charges and expenses of the Facility Agent, the Borrower Account Bank and the Borrower Cash Manager under or pursuant to any Borrower Finance Document and of any receiver or delegate including, without limitation, legal expenses, reinstatement costs and any costs incurred in recovering assets over which security has been granted by the Borrower Security Documents, on a *pari passu* and *pro rata* basis;
- (d) *fourth*, all amounts payable by the Issuer or the Borrowers, as the case may be, to (i) the Paying Agent, Calculation Agent and Registrar under the Agency Agreement, (ii) the Issuer Account Bank under the relevant fee letter and the Issuer Cash Management Agreement, (iii) the Issuer Cash Manager under the Issuer Cash Management Agreement and (iv) the Corporate Services Provider under the Corporate Services Agreement, on a *pari passu* and *pro rata* basis, in each case to the extent that such amount is payable by the Borrowers to the Issuer pursuant to clause 10.5 of the Note Instrument;
- (e) *fifth*, arrears of interest and all fees and commissions under the Borrower Finance Documents then due on a *pari passu* and *pro rata* basis among the Finance Parties;
- (f) *sixth*, all other interest and all fees and commissions under the Borrower Finance Documents which have not been terminated or closed out, on a *pari passu* and *pro rata* basis among the Finance Parties;
- (g) *seventh*, principal and other sums due under the Borrower Finance Documents on a *pari passu* and *pro rata* basis among the Finance Parties; and
- (h) *eighth*, principal and other sums due under the Supplier Loan Agreement; and
- (i) *ninth*, in payment to the Borrowers or any other person entitled to any surplus.

3. Project Accounts

Receivables Account

The Parent Borrower will procure that all monies paid to (or to the order of) the Parent Borrower or received by the Parent Borrower that are not required by the Note Instrument to be paid into another Project Account are deposited directly in the Receivables Account.

The Parent Borrower shall only withdraw monies from the Receivables Account to make payments in accordance with the Borrower Priority of Payments.

Debt Service Reserve Account

On the Closing Date, the Parent Borrower procured that an amount of the proceeds of the Loan equal to the DSR Required Amount at such date is paid with the Debt Service Reserve Account.

From the Closing Date, the Parent Borrower shall, to the extent that it is able to do so in accordance with the operation of the Borrower Priority of Payments, maintain a credit balance on the Debt Service Reserve Account of an amount at least equal to the DSR Required Amount by making transfers from the Receivables Account to the Debt Service Reserve Account.

The Parent Borrower may only withdraw amounts from the Debt Service Reserve Account:

- (a) to pay Portfolio Debt Service Costs that have fallen due, to the extent that there are insufficient credit balances in the Receivables Account to pay such Portfolio Debt Service Costs in accordance with the Borrower Priority of Payments; and
- (b) on a Borrower Note Payment Date, to transfer the DSR Excess Amount to the Receivables Account.

Panel Reserve Account

On each Borrower Note Payment Date, the Parent Borrower shall, in accordance with the operation of the Borrower Priority of Payments, procure transfer of an amount equal to the amount set out in the Financial Model as being required to be paid into the Panel Reserve Account from the Receivables Account up to the Panel Reserve Amount.

The Parent Borrower shall procure that all proceeds received by it or any OpCo Borrower in respect of manufacturer's warranty claims relating to the repair or replacement of panels are paid directly into the Panel Reserve Account.

The Parent Borrower may only withdraw amounts from the Panel Reserve Account:

- (i) to pay Panel Replacement Costs that have fallen due for payment, provided that the notice defined to the Facility Agent pursuant to the relevant provisions of the Note Instrument in respect of the relevant withdrawal certifies that:
 - (A) one or more panels relating to a Solar Park is defective;
 - (B) the replacement of such panels is desirable or necessary in accordance with prudent business practices; and
 - (C) if a warranty is available in respect of the solar panels being replaced, the OpCo Borrower has first made a claim under such warranty and the relevant warranty provider has failed to provide replacement solar panels under its warranty, of the same or substantially the same technical specification, within a reasonable time of being required to do so by the relevant OpCo Borrower; and
- (ii) on a Panel Reserve Adjustment Date, to transfer any Panel Reserve Release Amount to the Receivables Account.

On each Panel Reserve Adjustment Date, the Facility Agent, following advice from the Technical Adviser and in consultation with the Parent Borrower, may, by notice to the Parent Borrower:

- (i) adjust the Panel Reserve Amount that will apply for each or any Borrower Note Payment Date falling on or after such Panel Reserve Adjustment Date; and/or
- (ii) permit the Parent Borrower to transfer the Panel Reserve Release Amount from the Panel Reserve Account to the Receivables Account,

if it determines that the Balance on the Panel Reserve Account together with the amounts projected to be paid into the Panel Reserve Account based on the existing Panel Reserve Amount are greater or less than may reasonably be expected to be required for the replacement of solar panels at the Solar Parks until the Final Repayment Date (taking into account amounts projected to be paid into the Panel Reserve Account until the Final Repayment Date, the actual Panel Replacement Costs paid by the OpCo Borrowers and the actual and forecast solar panel failure rate, together with the then current market price for solar panels (including any changes in foreign exchange rates and inflation)).

Inverter Reserve Account

Amount set out in the Financial Model as being required to be paid into the Inverter Reserve Account.

On each Borrower Note Payment Date, the Parent Borrower shall, in accordance with the operation of the Borrower Priority of Payments, procure transfer of an amount equal to the amount set out in the Financial Model as being required to be paid into from the Receivables Account up to the Inverter Reserve Account.

The Parent Borrower shall procure that all proceeds received by it or any OpCo Borrower in respect of manufacturer's warranty claims relating to the repair or replacement of inverters are paid directly into the Inverter Reserve Account.

The Parent Borrower may only withdraw amounts from the Inverter Reserve Account:

- (i) to pay Inverter Replacement Costs that have fallen due for payment, provided that the notice delivered by the Parent Borrower pursuant to the relevant provisions of the Note Investment in respect of the relevant withdrawal certifies that:
 - (A) one or more inverters relating to a Solar Park is defective;
 - (B) the replacement of such inverters is desirable or necessary in accordance with prudent business practices; and
 - (C) if a warranty is available in respect of the inverter being replaced, the OpCo Borrower has first made a claim under such warranty and the relevant warranty provider 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 the relevant OpCo Borrower; and

- (ii) on an Inverter Reserve Adjustment Date, to transfer any Inverter Reserve Release Amount to the Receivables Account.

On each Inverter Reserve Adjustment Date, the Facility Agent, following advice from the Technical Adviser and in consultation with the Parent Borrower, may, by notice to the Parent Borrower:

- (i) adjust the Inverter Reserve Amount that will apply for each or any Borrower Note Payment Date falling on or after such Inverter Reserve Adjustment Date; and/or
- (ii) permit the Parent Borrower to transfer the Inverter Reserve Release Amount from the Inverter Reserve Account to the Receivables Account (provided that no amounts shall be permitted to be transferred from the Inverter Reserve Account unless the Technical Adviser is satisfied, acting reasonably that the majority of the expenditure for inverters in relation to the Solar Parks has been incurred),

if it determines that the Balance on the Inverter Reserve Account together with the amounts projected to be paid into the Inverter Reserve Account based on the existing Inverter Reserve Amount are greater or less than may reasonably be expected to be required for the replacement of inverters at the Solar Parks until the Final Repayment Date (taking into account amounts projected to be paid into the Inverter Reserve Account until the Final Repayment Date, the actual Inverter Replacement Costs paid by the OpCo Borrowers and the actual and forecast inverter failure rate, together with the then current market price for inverters (including any changes in foreign exchange rates and inflation).

Cash Trap Reserve Account

On each Borrower Note Payment Date on which a Trigger Event has occurred and is continuing, the Parent Borrower will transfer all amounts standing to the credit of the Receivables Account to the Cash Trap Reserve Account in accordance with the operation of the Borrower Priority of Payments.

On any Borrower Note Payment Date following the occurrence of a Trigger Event:

- (i) if the Ratio Target Condition has been met in respect of such Trigger Event (and provided that no other Trigger Event has occurred and is continuing), the Parent Borrower may transfer the Balance on the Cash Trap Reserve Account to the Receivables Account for application in accordance with the Borrower Priority of Payments; or
- (ii) if the CTRA Balance Condition on such date is met, and the Distribution Conditions have been satisfied, the Parent Borrower may withdraw an amount equal to the Portfolio Debt Service Costs falling due on such Borrower Note Payment Date to be applied in payment of such Portfolio Debt Service Costs.

Insurance and Compensation Proceeds Account

The Parent Borrower shall procure that all Physical Damage Insurance Proceeds and Compensation Proceeds shall be paid into the Insurance and Compensation Proceeds Account.

The Parent Borrower may only withdraw amounts from the Insurance Receivables Account:

- (i) to pay for the repair or reinstatement of Project Assets, if required in accordance with the relevant provisions of the Note Instrument; or
- (ii) provided that the Facility Agent has confirmed (following receipt by it of a suitable written report from the Technical Adviser) that the event or circumstance giving rise to the relevant Insurance Proceeds or Compensation Proceeds has been repaired, reinstated or remedied, to make transfers to the Cash Trap Reserve Account.

After the Enforcement Date, the Parent Borrower shall, and shall procure that each OpCo Borrower shall, deposit all Insurance Proceeds or Compensation Proceeds paid to or received by the Parent Borrower or any OpCo Borrower directly into the Insurance and Compensation Proceeds Account or to any other account directed by the Borrower Security Trustee.

EPC Retention Account

On the Closing Date, the Parent Borrower procured that an amount of the proceeds of the Loan equal to the EPC Retention Amount at such date is paid into the EPC Retention Account.

The Parent Borrower may only withdraw amounts from the EPC Retention Account to pay amounts due and payable to an EPC Contractor under and in accordance with an EPC Contract as set out in an EPC Retention Certificate (as such term is defined in the Borrower Cash Management Agreement).

Distribution Account

The Parent Borrower may pay any amounts that are to be declared or paid as Distributions into the Distribution Account, to the extent that there are sufficient funds available for this purpose in accordance with the operation of the Borrower Priority of Payments, by making transfers from the Receivables Account to the Distribution Account. The Parent Borrower shall not transfer any amounts from the Receivables Account to the Distribution Account unless all the requirements specified in relevant provisions of the Note Instrument have been satisfied.

The Parent Borrower may withdraw amounts standing to the credit of the Distribution Account at any time.

Operating Accounts

Each OpCo Borrower has opened in its name with the Borrower Account Bank an Operating Account.

On the Closing Date, the Parent Borrower procured that an equal share of £665,000 divided between each OpCo Borrower, is paid into each Operating Account.

On the day before each Borrower Note Payment Date, the Parent Borrower shall procure that

- (i) if the Balance on any Operating Account on such date is less than the Required Operating Balance, an amount sufficient to ensure that the Balance on such Operating Account is no less than the Required Operating Balance is transferred from the Receivables Account in accordance with the Borrower Priority of Payments; and
- (ii) if a floor-price rebate payment is due to the PPA Offtaker under a PPA, to transfer an amount equal to the amount due to the PPA Offtaker in respect of such floor-price rebate payment in accordance with the Borrower Priority of Payments.

An OpCo Borrower may only withdraw amounts from its Operating Account:

- (i) to pay Operating Costs, as and when they fall due in accordance with the relevant provisions of the Note Instrument;
- (ii) to pay any floor-price rebate payment due to the PPA Offtaker under a PPA, together with interest thereon as provided in the relevant PPA, in accordance with the relevant PPA; and
- (iii) to transfer any amounts not required to pay Operating Costs to the Receivables Account.

Accredited means, in relation to a Solar Park, the Solar Park is formally confirmed, by GEMA as being fully accredited to receive:

- (a) at least:
 - (i) in relation to each Solar Park other than the IOW Solar Park, 1.6 ROCs for every MWh of electricity generated by the Solar Park; or
 - (ii) in relation to the IOW Solar Park; 1.4 ROCs for every MWh of electricity generated by the Solar Park;
- (b) REGOs for every MWh of electricity generated by the Solar Park; and

(c) LECs for every MWh of electricity generated by the Solar Park,

such full accreditation in each case being granted pursuant to an application by the relevant OpCo Borrower specifying solar photovoltaic as the relevant renewable generation technology, and **Accreditation** shall be construed accordingly

Asset Management Agreement means, in respect of a Solar Park, the asset management agreement between the relevant OpCo Borrower and GEG Solar GmbH before a certain date and Capital Stage AG after that date, each as the asset manager

Balances means:

- (a) in relation to a particular Project Account or sub-account of a Project Account, all monies standing from time to time to the credit of that Project Account or sub-account (as the case may be); or
- (b) as the context may require, the aggregate of all monies standing from time to time to the credit of the Project Accounts and sub-accounts of the Project Accounts

Borrower Default means any Event of Borrower Default or any event or circumstance specified in the relevant provisions of the Note Instrument which would (upon the giving of notice, the expiry of a grace period, the making of any determination, the fulfilment of any other condition or any combination of the foregoing) constitute an Event of Borrower Default

Borrower Note Payment Date means each 28 February (or 29 February in each leap year) and 31 August in each year up to and including the Final Repayment Date

Borrowers' Costs means:

- (a) the reasonable costs, expenses and fees properly incurred by the Borrowers solely in connection with the management and administration of the Borrowers; and
- (b) reasonable fees, costs and expenses of the legal, technical, financial, insurance, model audit and other advisers to the Borrowers properly incurred by the Borrowers in connection with a Solar Park

Borrower Secured Obligations means all present and future liabilities including, at any time, any amendment to or any increase of such liabilities (actual and contingent whether or not matured and whether as principal, directly or otherwise) as may from time to time be payable, owing or accrued (whether or not due at such time) by any Borrower to the Finance Parties under the terms of the Borrower Finance Documents from time to time

Calculation Date means:

- (a) each Scheduled Calculation Date; and
- (b) any other date falling 10 business days after the Facility Agent serves a notice on the Borrowers stating that a Borrower Default has occurred and is continuing

Capital Expenditure means expenditure by a Borrower on the acquisition, construction, development or improvement of an asset which would be treated as capital expenditure in accordance with IFRS

Climate Change Levy means the levy introduced by schedule 6 of the Finance Act 2000 and subordinate legislation including the Climate Change Levy (General) Regulations 2001 (SI 2001/838), as amended from time to time

Compensation Proceeds means any amounts payable to or received by, or for the account of, a Borrower as compensation for any loss related to any Solar Park including:

- (a) in relation to partial or total nationalisation, expropriation or compulsory purchase of any Borrower, the relevant Solar Park, any interest in such Solar Park or any asset or right (irrespective of how that right is described) of the OpCo Borrower relating to such Solar Park;

- (b) in respect of the release, inhibition, modification, suspension or cancellation of any rights, easements or covenants enjoyed by or benefiting the relevant Solar Park, or the imposition of any restrictions affecting such Solar Park, or the grant of any easements or rights over or affecting such Solar Park or any part of it;
- (c) in respect of refusal, revocation, suspension or modification of any Project Authorisation or Environmental Authorisation or other official permission, consent, authorisation or exemption or any other official order or notice restricting the construction or operation of the relevant Solar Park; and
- (d) any other sum payable to or received by the a Borrower in the nature of damages or compensation under, in relation to or in connection with any Project Document, including Performance Liquidated Damages and any amounts set-off pursuant to the terms of an EPC Contract,

together with the proceeds of any security or guarantee relating to the same, but excluding: (i) liquidated damages for performance under the O&M Contracts; (ii) sums received by a Borrower in respect of a manufacturer's warranty claim relating to the repair or replacement of panels which are required to be paid directly into the Panel Reserve Account; (iii) sums received by a Borrower in respect of a manufacturer's warranty claim relating to the repair or replacement of inverters which are required to be paid directly into the Inverter Reserve Account; and (iv) Insurance Proceeds

Completion means, in respect of a Solar Park, the date on which the Facility Agent (in consultation with the Technical Adviser) notifies the Borrowers that each of the following conditions have been satisfied:

- (a) Taking-over has occurred;
- (b) the Solar Park and the OpCo Borrower as registered holder is Accredited;
- (c) all snagging items have been completed (save for those waived by the Issuer in writing); and
- (d) all monies under the EPC Contracts including all retention amounts have been paid in full, and there are no claims or disputes outstanding between the relevant OpCo Borrower and the EPC Contractor

Construction Costs means all costs, expenses and fees properly incurred by the Borrowers in achieving Completion of the Solar Parks together with any other costs, expenses and fees incurred by the Borrowers prior to Completion that are set out in the Operating Budget or are otherwise approved by the Facility Agent as construction costs

Counterparty Credit Support means:

- (a) each PPA Guarantee; and
- (b) each other Guarantee or other form of credit support given by a Counterparty Credit Support Provider or a financial institution to a Borrower in respect of the a Major Project Party's obligations under a Project Document, as applicable from time to time

Counterparty Credit Support Provider means:

- (a) the PPA Guarantor; and
- (b) any other person providing Counterparty Credit Support

Cover Ratio Target Condition means the Ratio Target Condition and the CTRA Balance Condition

CTRA Balance Condition means, on any Calculation Date, the Balance on the Cash Trap Reserve Account is equal to all Portfolio Debt Service Costs (indexed in accordance with the relevant provisions of the Note Instrument as applicable) falling due during the period commencing on such Calculation Date until the Final Repayment Date

DB Accounts means means any bank account held by a Borrower with Deutsche Bank Luxembourg S.A. or any of its affiliates or with any other bank pursuant to the DB Term Loan Facility or DB VAT Facility

DB Term Loan Facility means the term loan facility provided by Deutsche Bank Luxembourg S.A. pursuant to a facility agreement dated 30 December 2013 as amended thereafter from time to time between, among others, the OpCo Borrowers and Deutsche Bank Luxembourg S.A.

DB VAT Facility means the VAT facility provided by Deutsche Bank Luxembourg S.A. pursuant to a facility agreement dated 30 December 2013 as amended thereafter from time to time between, among others, the OpCo Borrowers and Deutsche Bank Luxembourg S.A.

Distribution means:

- (a) any payment of dividends or other distribution (whether in cash or in kind) and any bonus issue or any return of capital including any payment in respect, or on the redemption, of any share capital whether at a premium or otherwise made by any Borrower;
- (b) any payment of interest, principal or any other amount in respect of Shareholder Loans or in respect of any Financial Indebtedness owed by any Borrower to any affiliate (except to another Borrower);
- (c) any payment or discharge by way of set-off, counterclaim or otherwise in respect of Financial Indebtedness made by a Borrower to an affiliate (except another Borrower) or in respect of Shareholder Loans; or
- (d) any payment to members, affiliates, directors or employees of a Borrower by way of management fee, administrative fee, royalty fee or otherwise, not including payments properly due to the Management Services Provider under the Management Services Agreement

DSCR Trigger Event means, in respect of any Calculation Date:

- (a) the Historic Portfolio Debt Service Cover Ratio is less than or equal to 1.20:1; and/or
- (b) the Forecast Portfolio Debt Service Cover Ratio is less than or equal to 1.20:1,

and shall be considered to be continuing unless and until the Cover Ratio Target Condition has been met

DSR Excess Amount means, on any Borrower Note Payment Date, the amount standing to the credit of the Debt Service Reserve Account on such Borrower Note Payment Date less the DSR Required Amount at such time

DSR Index Ratio means at any Scheduled Calculation Date subject to adjustment in accordance with the provisions of the Note Instrument:

$$1 + (n / 60),$$

Where n is equal to the lower of 20 and the number of Scheduled Calculation Dates which have occurred since the Closing Date

DSR Required Amount means: (i) on the Closing Date an amount which is equal to the aggregate of all scheduled Portfolio Debt Service Costs falling due for payment in the six months following Closing Date; and (ii) on each subsequent Scheduled Calculation Date after the Closing Date an amount which is equal to (all scheduled Portfolio Debt Service Costs falling due for payment in the six months following that Scheduled Calculation Date) multiplied by the DSR Index Ratio

Environment means humans, animals, plants and all other living organisms including the ecological systems of which they form part and the following media:

- (a) air (including, without limitation, the air within buildings and the air within other natural or man-made structures, whether above or below ground);
- (b) water (including, without limitation, ground water, surface water, territorial, coastal or inland waters, aquifers and water in pipes, drains and sewers);

- (c) land (including, without limitation, buildings and other structures in, on or under it and any soil and anything below the surface of the land or below water);
- (d) cultural heritage and the built environment; and
- (e) human health or safety

Environmental Authorisations means any permit and other Authorisation and the filing of any notification, report or assessment required under any Environmental Law for the operation of the Solar Parks or in order for the Parent Borrower, each OpCo Borrower and each Major Project Party to comply with their respective obligations under the Borrower Transaction Documents

Environmental Contaminants means any substances which, alone or in combination with any other, is capable of causing harm to the Environment (including, without limitation, any waste, chemical, biological, industrial, radioactive, dangerous, toxic or hazardous substance, water or residue, whether in solid or liquid form or a gas or vapour)

Environmental Law means any Law whose purpose or effect is (a) the protection of, or the prevention of damage to, the Environment, (b) to regulate or control Environmental Contaminants, or (c) to provide remedies in relation to harm or damage to the Environment

EPC Retention Amount means £2,182,000

Event of Borrower Default means any of the events or circumstances described as such under the relevant provisions of the Note Instrument

Financial Indebtedness means any Indebtedness for or in respect of:

- (a) moneys borrowed and debit balances at banks or other financial institutions;
- (b) any amount raised by acceptance under any acceptance credit or bill discounting 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) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with applicable GAAP, be treated as a finance or capital lease;
- (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (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 that derivative transaction, only the marked to market value (or, if any actual amount is due as a result of the termination or close-out of the derivative transaction, that amount) shall be taken into account);
- (g) any counter-indemnity obligation in respect of a Guarantee, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (h) any amount of any liability under an advance or deferred purchase agreement if (i) one of the primary reasons behind entering into the agreement is to raise finance or to finance the acquisition or construction of the asset or service in question or (ii) the agreement is in respect of the supply of assets or services and payment is due more than 30 days after the date of supply;
- (i) any amount raised under any transaction (including any forward sale or purchase, sale and sale back or sale and leaseback agreement) having the commercial effect of a borrowing which is not of a type referred to in any other paragraph of this definition; and

- (j) the amount of any liability in respect of any Guarantee for any of the items referred to in paragraphs (a) to (i) above

Financial Model means the spreadsheet based financial model approved by the Facility Agent and delivered to the Facility Agent pursuant to the relevant provisions of the Note Subscription Agreement, as amended, updated and replaced from time to time subject to, and in accordance with, the terms and conditions of the Note Instrument

Financing Principal means any amounts payable in the nature of principal under the Loan

Final Repayment Date means 28 February 2033

First Borrower Note Payment Date means 31 August 2015

Forecast means a forecast prepared and delivered by the Parent Borrower in accordance with the relevant provisions of the Note Instrument

Forecast Portfolio Debt Service Cover Ratio or **FPDSCR** means, as at each Calculation Date, the ratio of:

- (a) Net Cash Flow; to
- (b) the Portfolio Debt Service Costs,

in each case, in respect of the future Calculation Period starting on the day after such Calculation Date

GAAP means, in the case of any person, generally accepted accounting principles and practices in its jurisdiction of incorporation, which are consistently applied

GEMA means the Gas and Electricity Markets Authority as defined in section 1 of the Utilities Act 2000 or any successor

Guarantee means any guarantee, indemnity, third party charge, bond or other assurance against financial loss by one person in respect of the obligations of another person

Historic Portfolio Debt Service Cover Ratio means, on any Calculation Date in respect of the Calculation Period ending on that Calculation Date, the ratio of:

- (a) the Net Cash Flow; to
- (b) the Portfolio Debt Service Costs,

in each case for the relevant Calculation Period

IFRS means, in the case of any person, international financial reporting standards, which are consistently applied

Indebtedness includes any obligation (whether incurred as principal or surety) for the payment or repayment of money, whether present or future, actual or contingent

Initial Operating Budget means the budget setting out the costs expected to be incurred and the revenues expected to be received during the operating period in respect of each of the Solar Parks and delivered to the Facility Agent on or prior to the Closing Date

Insurance Proceeds means any amount payable by an insurer in respect of any and all of the contracts of insurance and reinsurance that the Parent Borrower and each OpCo Borrower is required to procure and maintain in accordance with the relevant provisions of the Note Instrument, including proceeds of claims and *ex gratia* payments

Inverter Replacement Cost means any amount paid or forecast to be paid by an OpCo Borrower for replacing any defective inverter installed at a Solar Park in accordance with prudent business practices as certified by the Parent Borrower or relevant OpCo Borrower in writing to the Facility Agent

Inverter Reserve Adjustment Date means each of the 10th and 15th anniversaries of the Closing Date or on any Calculation Date upon which the Facility Agent (acting in consultation with the Technical Adviser) or the Parent Borrower consider, acting reasonably, that there has been a material change in any of the assumptions upon which the Inverter Reserve Amount is calculated

Inverter Reserve Amount means:

- (a) in respect of any Borrower Note Payment Date up to and including the Borrower Note Payment Date falling immediately following the fifteenth anniversary of the Closing Date, an amount equal to £3.00/kWp of the aggregate installed capacity of the Portfolio; and
- (b) thereafter, £0.00,

in each case, as the same may be adjusted on any Inverter Reserve Adjustment Date in accordance with the relevant provisions of the Note Instrument

kWp means kilowatt peak

Law means statutes, rules, regulations, statutory instruments, treaties, directives, by-laws, codes of practice, circulars, guidance notes, orders, notices, demands, injunctions, statute law or common law, of any governmental agency or the EU or any agreement which regulates, controls, limits or otherwise affects the generation and supply of electricity (or matters incidental thereto) in each case which are binding on the relevant Borrower(s)

LECs means levy exemption certificates issued by OFGEM (or any successor to such authority) as evidence that a MWh of electricity is wholly or partly exempt from the Climate Change Levy

LLCR Trigger Event means, in respect of any Calculation Date, the Loan Life Cover Ratio is less than or equal to 1.20:1, and shall be considered to be continuing unless and until the Cover Ratio Target Condition has been met

Loan Life Cover Ratio means, in respect of any Calculation Date, the ratio of:

- (a) the Net Present Value of Cashflow until the Final Repayment Date calculated using the Financial Model; to
- (b) the aggregate of the Nominal Amount of all Notes outstanding on such Calculation Date (adjusted for indexation in accordance with Condition 7 (Indexation)),

and in calculating the Loan Life Cover Ratio, it shall be assumed that all payments and all transfers between Project Accounts due to be made on the relevant Calculation Date are in fact made

Major Project Party means:

- (a) the EPC Contractor;
- (b) each grid Connection Counterparty (as defined below);
- (c) each O&M Contractor;
- (d) each PPA Offtaker;
- (e) the Management Services Provider;
- (f) each Counterparty Credit Support Provider; and

- (g) any other party who is material to a Solar Park and is designated as such by the Facility Agent and the Parent Borrower,

provided that each such person shall cease to be a Major Project Party when (in the reasonable opinion of the Noteholders) no further material obligations or liabilities remain to be performed under the relevant Project Documents

Management Services Agreement means the management services agreement to be entered into between the Management Services Provider and the Parent Borrower after the Closing Date

Management Services Provider means CSG IPP GnbH

Megawatt or **MW** has the meaning given to such terms under the international system of units (SI)

Module Supply Agreement means, in respect of a Solar Park, the module sales agreement between the relevant OpCo Borrower and Yingli Energy (China) Co Ltd

Module Warranty Agreement means, in respect of a Solar Park, the module sales agreement between the relevant OpCo Borrower and Yingli Green Energy Holding Company Limited

Net Cash Flow means, in respect of any period (without double counting):

- (a) the aggregate Revenues; plus
- (b) the aggregate of any amounts released from the Panel Reserve Account and the Inverter Reserve Account each in accordance with the relevant provisions of the Note Instrument; plus
- (c) the aggregate of all loss of revenue insurance proceeds received by a Borrower and credited to the Project Accounts or Performance Liquidated Damages,

in each case received or, as applicable, forecast to be received, by the Borrowers during that period

less the sum of:

- (d) the aggregate of all Operating Costs and any other amount paid by a Borrower; and
- (e) the aggregate of any sums paid into the Panel Reserve Account or the Inverter Reserve Account, including any amounts received by a Borrower pursuant to a manufacturer's warranty in respect of inverters or solar panels,

in each case paid or payable or, as applicable, forecast to be paid or payable by the Borrowers during that period

Net Present Value of Cashflow means, at any specified date (the relevant date), the sum calculated in accordance with the following formula:

$$\sum_{n=1}^{n=N} \frac{A_n}{\left[\left(1 + \frac{R}{2}\right) (1 + i_n)\right]^n}$$

where:

- An projected Net Cash Flow for the nth semi-annual period beginning on the relevant date until the Final Repayment Date, assuming a semi-annual inflation rate that matches the relevant economic, market technical and energy yield assumption in the Financial Model;
- R the interest rate set out in the relevant provisions of the Note Instrument;

- n the number of semi-annual periods (including fractions of semi-annual periods) between the relevant date and the semi-annual period to which the projected Net Cash Flow relates;
- N the number of semi-annual periods (including fractions of semi-annual periods) between the relevant date and the Final Repayment Date; and
- in the projected semi-annualised rate of inflation from the relevant date to the nth semi-annual period following the relevant date, determined by adopting an assumed rate of inflation matching that used in the Financial Model

Nominal Amount means, in relation to a Loan, its principal amount or the principal amount of that Loan that is outstanding, as the case may be

Operating Budget means the Initial Operating Budget and thereafter each revised draft operating budget finalised and approved in accordance with the relevant provisions of the Note Instrument

Operating Costs means, in respect of any period and without double-counting, all costs and expenses incurred or forecast to be incurred by the Borrowers in operating and implementing the Solar Parks and incorporated in the Financial Model as operating costs including:

- (a) Borrowers' Costs;
- (b) amounts paid or payable by each Borrower under the Project Documents;
- (c) insurance premia;
- (d) maintenance and repair expenditure, including replacement of panels and inverters;
- (e) fuel, electricity costs, rates, management and administration costs (including any community benefit fees, as contemplated by the relevant Operating Budget), legal and audit costs and all sundry costs;
- (f) Taxes;
- (g) amounts payable to the Facility Agent, the Borrower Security Trustee, the Borrower Cash Manager, the Borrower Account Bank, the Issuer Security Trustee, the Note Trustee, the Issuer Cash Manager, the Paying Agent, the Issuer Account Bank, the Registrar and the Calculation Agent pursuant to the Borrower Finance Documents; and
- (h) all other costs agreed by the Facility Agent and the Parent Borrower as Operating Costs,

but excluding the following:

- (i) Construction Costs;
- (ii) VAT (other than irrecoverable VAT);
- (iii) Portfolio Debt Service Costs other than those specified in paragraph (h) above;
- (iv) Capital Expenditure (other than that specifically described in paragraphs (b) or (d) above);
- (v) amounts relating to a floor-price rebate payment under a Power Purchase Agreement, together with interest thereon as provided in the relevant Power Purchase Agreement;
- (vi) amounts incurred or paid in respect of the Borrower Cash Management Agreement, the Shareholder Loan Agreement and any Financial Indebtedness thereunder;
- (vii) amounts incurred or paid under or in connection with the Supplier Loan Agreement; and

(viii) payments to any third party of any Physical Damage Insurance Proceeds or the proceeds from any third party liability insurances

Panel Reserve Amount means, in respect of any Calculation Date, an amount determined in accordance with the following formula:

$$\text{PRA} = ((0.3\% \times \text{PP} \times \text{SS})) / 2$$

where:

PRA means the Panel Reserve Amount for such Calculation Date;

PP means the panel price per kilowatt expressed in pounds, being £0.43 per kW, as this may be adjusted on any Panel Reserve Adjustment Date in accordance with the relevant provisions of the Note Instrument; and

SS means the aggregate system capacity of the Solar Parks in kWp, being 45.26 kWp

Panel Replacement Cost means any amount paid or forecast to be paid by an OpCo Borrower for replacing any defective solar panels installed at a Solar Park in accordance with prudent business practices as certified by the Parent Borrower or relevant OpCo Borrower in writing to the Facility Agent

Panel Reserve Adjustment Date means each of the 5th, 10th and 15th anniversaries of the Closing Date or on any Calculation Date upon which the Controlling Party (acting in consultation with the Technical Adviser) or the Parent Borrower consider, acting reasonably, that there has been a material change in any of the assumptions upon which the Panel Reserve Amount is calculated

Performance Liquidated Damages means any warranty or other similar payment to any Borrower under any Project Document, including any performance or availability liquidated damages for loss and future revenues payable under the same and any Guarantee representing the same

Physical Damage Insurance Proceeds means Insurance Proceeds payable under or in respect of contractor's all risks, marine transit or material damage insurance policies

Portfolio Debt Service Costs means, for any period, the aggregate of all amounts required to be paid by the Borrowers during such period by way of:

- (a) Financing Principal;
- (b) interest, fees, commissions, costs and expenses to any Finance Party under the Borrower Finance Documents (excluding any amounts payable by the Parent Borrower on or about the Closing Date in respect of initial transaction costs in accordance with the Note Subscription Agreement),

in each case taking into account any indexation pursuant to the relevant provisions of the Note Instrument where applicable

PPA Guarantee means, in respect of a Solar Park:

- (a) the guarantee between the relevant OpCo Borrower and the PPA Guarantor relating to the relevant Power Purchase Agreement; and
- (b) any guarantee provided in respect of a replacement Power Purchase Agreement

PPA Guarantor means, in respect of a Solar Park:

- (a) Statkraft AS, a company organised under the laws of Norway (with registered no. 987 059 699); and
- (b) any other guarantor under a guarantee provided in respect of a replacement Power Purchase Agreement

PPA Offtaker means, in respect of a Solar Park, each offtaker and any offtaker under a replacement Power Purchase Agreement

Project Accounts means:

- (a) the Receivables Account;
- (b) the Debt Service Reserve Account;
- (c) the Panel Reserve Account;
- (d) the Inverter Reserve Account;
- (e) the Insurance and Compensation Proceeds Account;
- (f) the Cash Trap Reserve Account;
- (g) the Operating Accounts;
- (h) the Distribution Account;
- (i) the EPC Retention Account; and
- (j) any other account designated as a Project Account by the Facility Agent and the Parent Borrower

Project Authorisations means any licences, permits, approvals, authorisations and consents (other than Environmental Authorisations) required under applicable Law in respect of a Solar Park or a Borrower

Project Documents means:

- (a) each Power Purchase Agreement;
- (b) each EPC Contract;
- (c) each O&M Contract;
- (d) each Connection Agreement;
- (e) each Counterparty Credit Support;
- (f) each Solar Park Lease;
- (g) each Module Supply Agreement;
- (h) each Module Supply Agreement;
- (i) each Management Services Agreement;
- (j) each Asset Management Agreement; and
- (k) any other document designated as a Project Document by the Facility Agent and the Parent Borrower

Ratio Target Condition means, in respect of any Calculation Date:

- (a) the Loan Life Cover Ratio is greater than 1.30:1 on such Calculation Date and the immediately preceding Calculation Date; and
- (b) the Debt Service Cover Ratio is greater than 1.30:1 on such Calculation Date and the immediately preceding Calculation Date

REGO means a renewable energy guarantee of origin certificate, as contemplated by the Electricity (Guarantees of Origin of Electricity Produced from Renewable Energy Sources) Regulations 2003

Required Operating Balance means, on any date in respect of an Operating Account, 110 per cent of the amount set out in the most recent Forecast to be required by the relevant OpCo Borrower to pay Operating Costs (other than (i) fees payable to the Facility Agent, the Borrower Security Trustee, the Borrower Cash Manager, the Borrower Account Bank, the Issuer Security Trustee, the Note Trustee, the Issuer Cash Manager, the Paying Agent and the Calculation Agent pursuant to the Borrower Finance Documents and (ii) amounts required to be transferred to the Panel Reserve Account and/or Inverter Reserve Account from the Receivables Account pursuant to the relevant provisions of the Note Instrument to the extent that payments of sums that are Operating Costs are met by transfers from the Panel Reserve Account and/or Investor Reserve Account), for the six month period commencing on such date

Reserve Amounts means the Debt Service Reserve Account, the Panel Reserve Account, the Inverter Reserve Account and the Cash Trap Reserve Account

Revenues means, in relation to any period, all amounts paid to or received by a Borrower (excluding, for the avoidance of doubt, any amounts made available under the Borrower Finance Documents or the Group Debt Arrangements) including:

- (a) all amounts received under the Project Documents;
- (b) all amounts received from the passing on of green benefits (including ROCs and LECs as applicable) to any third party, including any recycled fund payments received;
- (c) interest and income in respect of the Project Accounts (except the Distribution Account) and Permitted Investments in respect of such Project Accounts to the extent that such amount does not form part of the balance required to be maintained in a Project Account in accordance with the Borrower Finance Documents;
- (d) Insurance Proceeds in relation to delay in start-up and business interruption insurances;
- (e) Performance Liquidated Damages;
- (f) amounts released from the Debt Service Reserve Account to the Receivables Account in accordance with the relevant provisions of the Note Instrument;
- (g) Tax refunds;
- (h) amounts paid to a Borrower pursuant to a manufacturer's warranty in respect of inverters or solar panels; and
- (i) any other amount agreed between the Parent Borrower and the Facility Agent from time to time,

in each case on an "actuals" rather than an "accruals" basis

ROCs means Renewable Obligations Certificates, as defined in the relevant Power Purchase Agreement

Scheduled Calculation Date means the date 15 business days prior to the First Borrower Note Payment Date and thereafter date 15 business days prior to the each subsequent Borrower Note Payment Date up to the date 15 business days prior to the Final Repayment Date

Shareholder Loan means any Financial Indebtedness that is owed by the Parent Borrower or an OpCo Borrower to the Shareholder or an affiliate (other than the Parent Borrower or an OpCo Borrower) by way of loan, loan note, loan note instrument or any other agreement related thereto and which is subordinated to all Borrower Secured Obligations in accordance with the Security Trust and Intercreditor Deed

Shareholder Loan Agreement means any loan agreement, loan note, loan note instrument or any other agreement related thereto entered into between the Shareholder and either the Parent Borrower or any OpCo Borrower documenting a Shareholder Loan

Supplier Loan Agreement means the Supplier Loan Agreement dated 3 January 2014, as amended and restated on or about the Closing Date, between the Parent Borrower and the EPC Contractor

Taking-over means for each Solar Park, the Controlling Party is satisfied (in consultation with the Technical Adviser) that the following have been satisfied and/or completed in respect of that Solar Park:

- (a) all works, commissioning and any tests on completion have been completed in accordance with the relevant EPC Contract;
- (b) a certificate of provisional acceptance (as defined in the relevant EPC Contract) has been issued in respect of the entire works;
- (c) the Technical Adviser has certified that it is satisfied that taking-over of the entire works has occurred in accordance with the relevant EPC Contract;
- (d) the OpCo Borrower has taken custody and control over the whole of the Solar Park;
- (e) full operation of the PPA has commenced and the Counterparty Credit Support to be provided by the Counterparty Credit Support Provider (if any) has been put in place and is in full force and effect;
- (f) the Solar Park has a permanent connection to the grid (as evidenced by the Facility Agent's receipt of a certified copy of the executed Connection Agreement in respect of such Solar Park and has been confirmed as being grid code compliant); and
- (g) the Solar Park has received all Environmental Authorisations and Project Authorisations required for commercial operation and export

Tax means any tax levy, impost, duty, fees or other charge or withholding of a similar nature, including any interest or penalty payable in connection with any failure to pay or any delay in paying any of the same

Technical Adviser means Garrad Hassan GL or any replacement technical adviser appointed

Trigger Event means a DSCR Trigger Event or an LLCR Trigger Event

Permitted Investments

The Parent Borrower may apply the Balance of a Project Account (other than the Receivables Account or the Insurance and Compensation Proceeds Account) in the purchase, or subscription for, a Permitted Investment as may be specified by it in the notice, or dispose of, realise or otherwise deal with a Permitted Investment.

If the Parent Borrower elects to invest part of the relevant Balances in Permitted Investments, it will at all times procure that there are maintained a prudent spread of Permitted Investments (and will, if so requested by the Borrower Security Trustee or the Facility Agent, demonstrate the same to its satisfaction) and will aim to match the maturities of the Permitted Investments made out of monies standing to the credit of the relevant Project Account to payments that may need to be made from that Project Account. The Parent Borrower shall have regard to the availability of Permitted Investments which are readily marketable, and/or will liquidate (or procure that there are liquidated) Permitted Investments to the extent necessary, for the purpose of payment of any amount due and payable under the Borrower Transaction Documents.

All documents of title or other documents evidencing ownership with respect to Permitted Investments made out of any Project Account will be held in the custody of the Borrower Security Trustee in accordance with the provisions of the Composite Debenture.

If any Permitted Investment ceases to be a Permitted Investment, the Parent Borrower will as soon as reasonably practicable after becoming aware thereof (and in no event more than five business days thereafter or, if later, as soon as the terms of that investment allow) procure that such investment is replaced by a Permitted Investment or by cash.

Any reference in the Borrower Finance Documents to Balances or to the balance standing to the credit of one of the Project Accounts will be deemed to include a reference to the Permitted Investments in which all or part of

such Balance is for the time being invested and in the event of any dispute as to the value of any Permitted Investment for the purpose of determining the amount deemed to be standing to the credit of the relevant Project Account, that value will be determined in good faith and in accordance with market practice by the Facility Agent.

Any interest or other income paid in respect of any Permitted Investment will be paid to the Project Account of which it is deemed to be part.

Not later than 15 business days after the end of each calendar month commencing with the month in which a Permitted Investment is first made on behalf of the Parent Borrower, the Parent Borrower will deliver to the Facility Agent and the Borrower Security Trustee, a schedule of the investments made, realised or liquidated during the month in respect of each Project Account, in such detail as the Facility Agent may reasonably require.

The Facility Agent will be entitled to require the liquidation of any investment which purports to be a Permitted Investment, if any such investment no longer complies with the definition of Permitted Investment, promptly (or, if later, as soon as the terms of that investment allow) upon notice to that effect being given by the Facility Agent to the Parent Borrower.

The Parent Borrower will ensure that any income arising from or in respect of a Permitted Investment, or net proceeds received upon disposal or realisation or sum received upon maturity of a Permitted Investment, is paid into the Project Account from which the monies were drawn to make the relevant Permitted Investment or, if the Parent Borrower so directs, are reinvested in further Permitted Investments nominated by the Parent Borrower.

For these purposes, **Permitted Investment** means a debt instrument or deposit:

- (a) that has, at the time it is acquired, a remaining maturity of six months or less;
- (b) that is denominated in Sterling;
- (c) that is not a bearer instrument; and
- (d) that is issued or guaranteed by:
 - (i) the Government of the United Kingdom; or
 - (ii) a financial institution whose short-term securities are for the time being rated A-1 by S&P and P-1 by Moody's,

or which is otherwise approved by the Issuer.

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 Note Instrument, the Composite Debenture, the Assignment Agreements, the Issuer Cash Management Agreement, the Borrower Cash Management Agreement, the Shareholder Charge and the Security Trust and Intercreditor Deed 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 Note Instrument, the Composite Debenture, the Assignment Agreements, the Issuer Cash Management Agreement, the Borrower Cash Management Agreement, the Shareholder Charge and the Security Trust and Intercreditor Deed.

1. Issuer Deed of Charge

To provide security for the Issuer's obligations under the Notes and the Issuer Transaction Documents, the Issuer, on or about the Closing Date, entered into the Issuer Deed of Charge with the Note Trustee, the Borrower Security Trustee, the Issuer Security Trustee, the Borrower Account Bank, the Issuer Account Bank, the Borrower Cash Manager, the Issuer Cash Manager, the Paying Agent, the Calculation Agent, the Registrar and the Corporate Services Provider. 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 has granted 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) a first fixed charge of all of its right, title, benefit and interest, present and future, in, to and under the Issuer Transaction Account and each other account (if any) in which the Issuer may at any time have or acquire any right, title, benefit or interest; and
- (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 Note Instrument, the Note Subscription Agreement, the Security Trust and Intecreditor Deed, the Composite Debenture, the Assignment Agreements, the Shareholder Charge, the Direct Agreements and each other Borrower Transaction Document to which the Issuer is a party

In addition, the Issuer has granted to the Issuer Security Trustee, for itself and on trust for the benefit of the Issuer Secured Creditors, a first floating charge over the whole of its undertaking and all its property, assets and rights, whatsoever and wheresoever, both present and future other than any property or assets from time to time being the subject of a fixed charge or effectively assigned 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 sets 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 provides 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 Note 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 shall (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*”.

Noteholder Representative

The Issuer Deed of Charge provides that the Noteholders may by Extraordinary Resolution appoint a Noteholder Representative (as defined in Condition 14(d)) (*Noteholder Representative*) to represent their interests in respect of any Lender Rights (as defined in Condition 14(d)) (*Noteholder Representative*). The person appointed as Noteholder Representative may, as agent of the Issuer, exercise all the Lender Rights on behalf of the Noteholders for so long as it remains the Noteholder Representative.

Delegation by the Issuer Security Trustee

The Issuer Deed of Charge provides 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 is required to exercise reasonable care in the selection of such delegate, but is not 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) has agreed 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 provided 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 provides 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 further provides 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 is 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 is, pursuant to the Issuer Deed of Charge, 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 is 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 Composite Debenture or if U.S. Bank Trustees Limited retires or is removed as Note Trustee under the Note 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 also contains 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 Note 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 is 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 is 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 with certain exceptions, pursuant to the Issuer Deed of Charge, the Issuer Account Bank has agreed not to close any or all of the bank accounts or to terminate the relationship between the Issuer Account Bank and the Issuer.

Governing law

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

2. Note Instrument and Note Subscription Agreement

On or about the Closing Date, the Borrowers entered into the Note Instrument with the Issuer, the Borrower Security Trustee and the Facility Agent, pursuant to which the Issuer make available to the Borrowers the Loan in an initial amount equal to £40,000,000. A summary of the material terms of the Note Instrument is set out below. The summary does not purport to be complete and is subject to the provisions of the Note Instrument.

Status, security and priority

The Loan constitutes a direct, unconditional, unsubordinated and secured obligation of each of the Borrowers. The Issuer will share in the benefit of the security constituted by or pursuant to the Composite Debenture, the Assignment Agreements and the Shareholder Charge (together, the **Borrower Security Documents**), upon and subject to the terms and conditions of the Borrower Security Documents and the Security Trust and Intercreditor Deed.

Each Borrower is jointly and severally liable to the Issuer for the obligations of each other Borrower, and collectively of the Borrowers, and shall procure the discharge and satisfaction of all liabilities arising from the failure of any Borrower to comply with the provisions of the Note Instrument.

Purpose

The Borrowers shall apply the proceeds of the Loan for:

- (a) payment of transaction costs;
- (b) repayment and discharge of the amounts owing by the Borrowers under or in connection with certain credit facilities in accordance with the closing arrangements;
- (c) funding the Debt Service Reserve Account to the DSR Required Amount; and
- (d) funding the EPC Retention Account with the EPC Retention Amount.

Final repayment

Subject to any earlier repayment, the Borrowers shall repay the Loan on the Borrower Note Payment Date falling before 28 February 2033 (the **Final Repayment Date**), by the payment of the scheduled principal amount set out in of the Note Instrument (which are set out unadjusted for indexation) for such Borrower Note Payment Date (adjusted for indexation).

Early repayment - illegality

If it becomes unlawful in any applicable jurisdiction for the Issuer to perform any of its obligations as contemplated by any relevant Borrower Transaction Document or to fund or continue to hold any Loan:

- (a) the Issuer shall promptly notify the Facility Agent upon becoming aware of that event and confirm to the Borrowers whether the Loan subscribed or purchased by it will be transferred, or if these will be cancelled or repaid;
- (b) following notification that the Loan will be repaid, the Borrowers shall repay the Loan on the next following Borrower Note Payment Date after the date of such notification or, if earlier, the date specified by the Issuer in the notice delivered to the Facility Agent (being no earlier than the last day of any applicable grace period permitted by Law) at a price equal to the Nominal Amount of the Loan (adjusted for indexation) and to discharge all other amounts required to be paid by it on the date fixed for repayment of the Loan together with accrued interest (adjusted for indexation).

Voluntary early repayment

A Borrower may, by giving not less than 45 business days prior notice to the Facility Agent, repay all of the Loan issued by such Borrower at a price equal to the Early Redemption Price on a date falling not less than two years after the Closing Date and provided that the relevant Borrower has certified to the Facility Agent that it will have the necessary funds to pay the Early Redemption Price (as defined below) on the date fixed for repayment of the Loan and to discharge all other amounts required to be paid by it on the date fixed for repayment of the Loan.

Right of repayment in relation to the Issuer

If:

- (a) any sum payable to the Issuer by a Borrower is required to be increased under the tax gross-up provision of the Note instrument; or
- (b) the Issuer claims indemnification from a Borrower under the tax indemnity or increased costs provisions of the Note instrument,

the relevant Borrower may, whilst the circumstance giving rise to the requirement for indemnification continues, give the Facility Agent notice of intention to procure the early repayment of the Loan.

On the Borrower Note Payment Date which falls after a Borrower has given the notice, the relevant Borrower shall repay the Loan at a price equal to the Early Redemption Price.

No Borrower shall be entitled to serve the notice unless the relevant Borrower has certified to the Facility Agent that it will have the necessary funds to pay all principal, premium (if any) and interest due in respect of the Loan on the relevant Borrower Note Payment Date (adjusted for indexation) as applicable) and to discharge all other amounts required to be paid by it on such Borrower Note Payment Date in accordance with the Borrower Priority of Payments.

Repayment upon changes affecting the Index

Following a determination of the Expert (as defined below) pursuant the provision of the Note Instrument relating to cessation of or fundamental changes to the Index (as defined below), if the Parent Borrower considers that the determination of the Expert is detrimental to it, the Parent Borrower may give the Facility Agent notice of its intention to procure the early repayment of the Loan at a price equal to the Early Redemption Price.

On the Borrower Note Payment Date falling after the date on which the Parent Borrower has given the notice (or, if earlier, the date specified by the Parent Borrower in that notice), the relevant Borrower shall repay the Loan at a price equal to the Early Redemption Price and discharge all other amounts required to be paid by it on the date fixed for repayment of the Loan.

Calculation of Early Redemption Price

The **Early Redemption Price** shall be an amount in Sterling equal to the higher of:

- (a) the Nominal Amount of the Loan to be repaid (adjusted for indexation); and
- (b) an amount calculated by discounting the remaining principal and interest payments (ignoring future changes in the Index Ratio) of the Notes at a rate equal to the Gross Real Redemption Yield (as defined below) of the Reference Gilt (as defined below),

together with interest (adjusted for indexation) accrued up to, but excluding, in each case the date two business days prior to the day on which a valid notice of the Borrower's intention to pursue the early repayment of the Loan is delivered to the Facility Agent.

Interest

Interest will be payable semi-annually in arrear on 28 February (29 February in each leap year) and 31 August in each year (commencing on 31 August 2015) and on the Final Repayment Date (each a **Borrower Note Payment Date**). If any Borrower Note Payment Date would otherwise fall on a day which is not a business day, that Borrower Note Payment Date shall fall on the next business day in that calendar month (if there is one) or the preceding business day (if there is not).

Each successive period beginning on (and including) a Borrower Note Payment Date and ending on (but excluding) the next succeeding Borrower Note Payment Date shall be a Borrower Note Interest Period (a **Borrower Note Interest Period**), provided that the first Borrower Note Interest Period shall begin on (and include) the Closing Date and end on (but exclude) the first Borrower Note Payment Date.

Interest shall accrue on the Nominal Amount of the Loan at 1.713 per cent. per annum, on the basis of the actual number of days in each Borrower Note Interest Period and a year of 365 days (or 366 days if the relevant Borrower Note Interest Period expires during a leap year). Interest payments on the Loan will be subject to indexation.

If the Notes have not been listed on a "recognised stock exchange", within the meaning of section 987 of the Income Tax Act 2007 (**Listed**), before the first Note Interest Payment Date (expected to be on 3 September 2015 and as defined in the terms and conditions of the Notes):

- (a) for each Borrower Note Interest Period occurring during the period commencing on the first Note Interest Payment Date until the first Borrower Note Payment Date to occur after the Notes have been successfully Listed, the rate of interest in respect of the Loan for each such Borrower Note Interest Period shall be increased to 1.763 per cent per annum, subject to indexation; and

- (b) the Parent Borrower shall also pay an amount equal to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature on payments in respect of the Notes by or on behalf of the Issuer, in order that the net amounts received by the holders of the Notes after the withholding or deduction shall equal the net amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction.

Indexation

Each payment of interest and principal in respect of the Loan shall be multiplied by the Index Ratio (as defined below) applicable to the month in which such payment falls to be made (or, in the case of an early repayment upon changes affecting the Index) applicable to the last Borrower Note Payment Date before the circumstances giving rise to such early redemption arose) and rounded to five decimal places (with 0.000005 being rounded upwards).

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:

- (a) the definition of **Index** and **Index Figure** 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
- (b) the new Base Index Figure (as defined below) 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.

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 Calculation Date is not published on or before the fourteenth business day before the Calculation Date on which such payment is due (the **date for payment**), the Index Figure applicable for the relevant calculation month shall be:

- (a) such substitute index figure (if any) published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, and as approved by the Controlling Party (acting solely on the advice of the Indexation Adviser (as defined below)) 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)); or
- (b) if no such determination is made by such Indexation Adviser and as approved by the Controlling Party within seven days, the Index Figure last published (or, if later, the substitute index figure last determined) before the date for payment.

If, an Index Figure having been applied, the Index Figure relating to the relevant month or relevant calculation month, as the case may be, is subsequently published while the Loan are still outstanding, then in relation to a payment of principal or interest in respect of the Loan other than upon final repayment of the 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 Index Figure applicable 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 in relation to a payment of principal or interest upon final redemption of the Loan, no subsequent adjustment to amounts paid will be made.

If:

- (a) the Index has ceased to be published; or
- (b) 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 and/or the holders of the Notes,

the Facility Agent will give written notice of such occurrence to the Issuer and Parent Borrower, and the Parent Borrower and the Controlling Party (acting solely the advice of the Indexation Adviser) together shall seek to agree for the purpose of the 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 they would have been had the Index not ceased to be published or the relevant fundamental change not been made.

If the Parent Borrower 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, a bank or other person in London shall be appointed by the Parent Borrower and the Facility Agent or, failing agreement 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 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 they 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 Parent Borrower.

If the Index is adjusted or replaced by a substitute index as agreed by the Parent Borrower 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, any references in these Conditions to the Index and to any Index Figure shall be deemed amended in such manner as the Controlling Party (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 Parent Borrower, the Facility Agent and the other Finance Parties.

Forecasts

The Parent Borrower shall prepare and deliver to the Facility Agent a draft forecast (the **Forecast**).

Each Forecast shall be prepared by the Parent Borrower for the immediately following Calculation Date by running the Financial Model and applying values for each assumption, and shall remain a draft Forecast until approved by the Facility Agent (if applicable, in consultation with any necessary adviser) or resolved. The Facility Agent shall notify the Parent Borrower by a specified time whether it approves a Forecast and if it does not respond by such time, it shall have been deemed to give its approval.

Each Forecast will assume income and expenditure on, in the case of forecast income and expenditure, on a due to be paid basis and, in the case of historic income and expenditure, on an actuals basis.

Each Forecast will calculate tax payments on the basis of legislation and practice in force at the time of preparation of the Forecast.

Each Forecast will take into account the terms of the Borrower Transaction Documents in preparing estimates of income and expenditure.

The energy yield assumptions to be applied in the Financial Model shall be those used in the production of the Financial Model delivered on or prior to the Closing Date. The energy yield assumptions will be recalculated in respect of a Solar Park if the Facility Agent or the Parent Borrower considers that there was a manifest and material error in the energy yield assumptions for such Solar Park, in which case such energy yield assumptions shall be corrected for such error sufficiently in advance of such date in order for such updated energy yield assumptions to be incorporated in the Forecast to be prepared.

The Parent Borrower shall, by the specified time prior to the tenth Scheduled Calculation Date after the Closing Date, provide the Facility Agent with details of the mean average energy yield production for all of the projects, in aggregate, over the previous five years and a comparison with the mean average energy yield assumptions over the past five years. If the mean average energy yield production for all of the Solar Parks, in aggregate, over the previous five years is lower than the mean average energy yield assumptions over the past five years then from that Scheduled Calculation Date, the DSR Index Ratio shall be $1 + (2n - 10) / 60$; and the Parent

Borrower shall, no later than the specified time prior to the twentieth Scheduled Calculation Date after the Issue Date, provide the Facility Agent with details of the mean average energy yield production for all of the Projects, in aggregate, over the previous ten years and a comparison with the mean average energy yield assumptions over the past ten years. If the mean average energy yield production for all of the Solar Parks, in aggregate, over the previous ten years is higher than the mean average energy yield assumptions over the past ten years then the DSR Index Ratio shall revert to $1 + (n / 60)$.

If, in the reasonable opinion of the Facility Agent, there has been a material reduction in the 12 month forward predictions for power prices as published by a reputable power consultant, the Facility Agent may, at the cost of the Parent Borrower procure a long term market report on power prices and require that the market assumptions be updated based upon such report.

During the period commencing on the date that notice is given to the Parent Borrower and ending on the date on which the Financial Model is updated or any dispute in relation to such updated Financial Model is otherwise determined, no Distributions shall be permitted.

In the event that the Parent Borrower or the Facility Agent, as the case may be, does not approve any modification to the Financial Model proposed by the other party, the Facility Agent and the Parent Borrower shall jointly appoint an independent person having the appropriate degree of expertise to determine the matter (the **Independent Expert**) (but, failing agreement within five business days, the Independent Expert shall be nominated by the Facility Agent) on terms that the Independent Expert be an independent person having the appropriate degree of expertise to determine the matter and shall act as an expert and not as an arbitrator; the reasonable costs of the Independent Expert will be for the account of the Parent Borrower; the Independent Expert shall be required to make a determination of the basis for determination of the necessity for and, if applicable, the terms of such modifications within 20 business days of the same being referred to him or such longer period as the Facility Agent and the Parent Borrower may agree is necessary and to state in reasonable detail the grounds for such determination; and the determination of the Independent Expert shall be binding and conclusive on all parties.

The Parent Borrower shall, no later than 5 business days after each Calculation Date, deliver to the Facility Agent a compliance certificate, signed by two directors of the Parent Borrower, which shall set out:

- (a) the Historic Portfolio Debt Service Cover Ratio for the relevant Calculation Date;
- (b) the Forecast Portfolio Debt Service Cover Ratio for the relevant Calculation Date;
- (c) the Loan Life Cover Ratio as at the relevant Calculation Date;
- (d) the credit balance of each Reserve Account at the relevant Calculation Date; and
- (e) if a Borrower wishes to make a Distribution, the amount of such Distribution together with confirmation that the Distribution Conditions (as defined below) are satisfied and the proposed Distribution Date.

Budgets

The Initial Operating Budget shall be delivered to the Facility Agent. Thereafter, no later than one month before the first day of the Parent Borrower's respective financial years, the Parent Borrower shall deliver to the Facility Agent a revised draft operating budget (a **Revised Operating Budget**).

Each Revised Operating Budget shall comprise an operating budget (together with a commentary thereon) for the next following 12 months setting out costs and revenues for each Borrower for such 12 month period on a quarterly basis. The Parent Borrower shall also ensure that each Revised Operating Budget is consistent with the Financial Model and sets out the costs and revenues in reasonable detail together with all technical and operational assumptions relating thereto.

Within ten business days of receipt of the Revised Operating Budget, the Facility Agent shall notify the Parent Borrower whether it approves such Revised Operating Budget. The Facility Agent shall not refuse approval of a Revised Operating Budget that shows no material departure from the then existing Operating Budget unless it considers (acting on the instructions of the Issuer) that the relevant Revised Operating Budget could lead to a material adverse effect.

Representations and warranties

The Parent Borrower and each OpCo Borrower represents and warrants the matters set out to each Finance Party on the Closing Date.

- (a) Each Borrower is a limited liability company, duly incorporated and validly existing under the Laws of its jurisdiction of incorporation.
- (b) Each Borrower has the power to own its assets and carry on its business as it is currently being conducted and as contemplated by the Borrower Transaction Documents.
- (c) Subject in each case to the reservations the obligations expressed to be assumed by a Borrower in each Borrower Transaction Document to which such Borrower is party constitute its legal, valid and binding obligations enforceable in accordance with their terms.
- (d) Each relevant party has the power and authority to enter into, perform and deliver, and has taken all necessary action to authorise its entry into and performance and delivery of, the Borrower Transaction Documents to which it is or will be a party and the transactions contemplated by those documents.
- (e) No limit on any relevant party's powers will be exceeded as a result of the borrowing, grant of security interest or giving of guarantees or indemnities contemplated by the Borrower Transaction Documents to which it is a party.
- (f) The entry into, and performance of each Borrowers' obligations under, and the transactions contemplated by, the Borrower Transaction Documents to which it is a party do not and will not conflict with any Law applicable to such Borrower, the constitutional documents of such Borrower or any material agreement or instrument binding on such Borrower or any assets of such Borrower or constitute an event of Borrower Default or termination event (howsoever described) under any such agreement or instrument.
- (g) All Project Authorisations and Environmental Authorisations required or desirable by each Borrower to enable it lawfully to enter into, exercise its rights and comply with its obligations under the Borrower Transaction Documents to which it is a party, to lawfully finance, design, construct and operate the relevant Solar Park, to make the Borrower Transaction Documents to which it is a party admissible in evidence in the jurisdiction of its incorporation and to ensure that the security interests purported to be granted pursuant to each of the Borrower Security Documents has the priority and ranking contemplated by the relevant Borrower Security Document, have been obtained or effected and are in full force and effect or will be obtained or effected and will be in full force and effect on the date they are required in relation to the relevant Solar Park.
- (h) No Borrower is aware of, having made all reasonable enquiries any steps taken to cancel, revoke, challenge or annul any Project Authorisation or Environmental Authorisation which will not be replaced by an equivalent Project Authorisation or Environmental Authorisation before such Project Authorisation or Environmental Authorisation is cancelled, revoked or annulled; or any circumstances which may lead to a Project Authorisation or Environmental Authorisation ceasing to be in full force and effect, or whereby a Project Authorisation or Environmental Authorisation will not be obtained, effected or in full force and effect by the time it is required to implement the relevant Solar Park or which may lead to any condition or requirement being imposed on any Project Authorisation or Environmental Authorisation which such Borrower does not reasonably expect to be able to satisfy.
- (i) Other than as disclosed no Borrower Default has occurred and is continuing or might reasonably be expected to result from issuing any Loan or the entry into, the performance of, or any transaction contemplated by, any Borrower Transaction Document; and no other event or circumstance is outstanding which constitutes a default or termination event (however described) under any other agreement or instrument which is binding on any Borrower or to which such Borrower's assets are subject.
- (j) Except as already disclosed by the Parent Borrower no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which, if adversely determined might reasonably be expected to be material to a Solar Park have been started against any Borrower or, to the best of each Borrowers' knowledge and belief (having made due and careful enquiry), been threatened against any Borrower.

- (k) No Borrower has any Financial Indebtedness other than permitted Financial Indebtedness.
- (l) Each Borrower's payment obligations under the relevant Borrower Transaction Documents rank at least *pari passu* with all its other present and future unsecured and unsubordinated payment obligations, except for obligations mandatorily preferred by Law applying to companies generally.
- (m) The Borrower Security has or will have first ranking priority and is not subject to any prior ranking or *pari passu* ranking security interests other than permitted security interests.
- (n) Each Borrower has filed, or procured the filing of, all tax returns and supporting information that are required to have been filed by it in any relevant jurisdiction and has paid or discharged all Taxes due and payable by it or against its assets on or before the due date other than any Taxes that it is contesting in good faith and by appropriate proceedings in respect of which reasonably adequate reserves have been established in accordance with GAAP.
- (o) No claims or investigations are being, or are reasonably likely to be, made or conducted against any Borrower in respect to Taxes.
- (p) Each Borrower is resident for Tax purposes in the United Kingdom and is registered for VAT purposes under the Value Added Tax Act 1994 and is not a member of a group for the purposes of the Value Added Tax Act 1994 with any person other than the other Borrowers.
- (q) Each Borrower has at all times complied with all applicable Laws.
- (r) None of the Borrowers nor their assets are subject to any judicial or administrative proceeding or order in respect of any Environmental Law or any claim under any Environmental Law.
- (s) No corporate action, legal proceedings or other procedure or step or creditors' process has been taken or is threatened against any Borrower and, so far as the Parent Borrower is aware, after having made due enquiry, against any Major Project Party and none of the circumstances described in relation to insolvency applies to any Borrower or any Major Project Party.
- (t) Each Borrower's latest audited financial statements have been properly prepared in accordance with applicable GAAP and present a true and fair view of its financial position as at such date and the results of its operation for the financial year ended on such date.
- (u) All insurances required to have been effected at such time in accordance with the relevant Borrower Transaction Documents have been effected and are in full force and effect and have not been amended, modified or cancelled. All premiums due have been paid in respect of such insurances or will be paid within the prescribed payment period. Each Borrower has in respect of such insurances made full disclosure to its insurers and it has not been notified by any insurer that their liability under any insurances has been reduced or avoided. To the best of its knowledge, in respect of such insurances nothing has been done or omitted to be done and no event or circumstance has occurred which has made or is likely to make any insurances void or voidable or subject to any restriction or limitation.
- (v) No Borrower is in breach of any material covenant or obligation set out in any Project Documents to which it is party. No Major Project Party is (so far as any Borrower is aware) in breach of any of the material terms of any Project Document to which it is a party. The Borrowers are not aware of anything contained or referred to in, or omitted from, any of the Project Documents which will or is likely to prevent, hinder or delay the carrying out of any Solar Park. There is no dispute in connection with any Project Document. Each Project Document is in full force and effect.
- (w) For the purposes of The Council of the European Union Regulation No. 1346/2000 on Insolvency Proceedings (the **Regulation**) its centre of main interest (as that term is used in article 3(1) of the Regulation) is situated in England and Wales and it does not have an "establishment" (as that term is used in Article 2(h) of the Regulations) in any other jurisdiction.

Certain representations shall be deemed to be repeated by the Parent Borrower and each of the OpCo Borrowers by reference to the facts and circumstances then existing on the first day of each Interest Period and each Borrower Note Payment Date.

Information undertakings

- (a) No later than five business days before each Calculation Date, the Technical Adviser shall deliver a technical report to the Facility Agent and the Borrower Security Trustee.
- (b) The Parent Borrower shall provide the Facility Agent the Parent Borrower's and the Shareholder's audited consolidated financial statements for each of their financial years; each OpCo Borrower's audited financial statements for each of its financial years; each other Major Project Party's audited financial statements for each of their financial years if readily available to the Parent Borrower; and the Parent Borrower's and each OpCo Borrower's unaudited semi-annual financial statements for each of its financial half-years. The Parent Borrower shall supply the information as soon as it becomes available and in the case of the Parent Borrower's and the Shareholder's audited financial statements, within 180 days; in the case of the audited financial statements of any Major Project Party, within 180 days; and in the case of each Borrower's semi-annual unaudited financial statements, within 45 days, of the end of the financial period to which they relate.
- (c) The Parent Borrower shall ensure that the financial statements of each Borrower and the Shareholder are prepared in accordance with IFRS; fairly represent the financial condition of such party as at the date to which they were drawn up and the results of its operation for the period ending on that date in accordance with relevant legislation and applicable IFRS; and in the case of annual audited financial statements, are certified by a director as giving a true and fair view of the financial condition of such party as at the date to which they were drawn up and the results of its operation for the period ending on that date in accordance with relevant legislation and applicable IFRS and shall be accompanied by a certificate from a director confirming the Historic Portfolio Debt Service Cover Ratio for the relevant period and any letter addressed to the relevant party by the auditors which accompany those audited financial statements.
- (d) The Parent Borrower shall notify the Facility Agent of any Borrower Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence. Promptly upon a request by the Facility Agent or the Borrower Security Trustee, the Parent Borrower shall supply to the Facility Agent or, as the case may be, the Borrower Security Trustee a certificate signed by two of its directors certifying that no Borrower Default is continuing (or, if a Borrower Default is continuing, specifying the Borrower Default and the steps, if any, being taken to remedy it).
- (e) The Parent Borrower shall promptly upon becoming aware inform the Facility Agent of any event which constitutes an event of force majeure under any of the Project Documents (as defined in the relevant Project Document) in each case, which lasts for a continuous period of 48 hours or longer, together with reasonable details of such event, including the date on which such event occurred or commenced.
- (f) The Parent Borrower shall supply to the Facility Agent promptly upon it or any Borrower becoming aware of the relevant matter or, as the case may be, promptly upon receipt of the relevant notice, claim or communication all documents despatched by the Parent Borrower or any OpCo Borrower to its shareholders or creditors generally; details of any material litigation, arbitration, regulatory or administrative proceedings which are taking place, pending or threatened against or involving a Borrower or any Major Project Party or any landowner in connection with a Solar Park; details of any legislative or regulatory change relating to a Solar Park or the business of a Borrower which has, or might reasonably be expected to have, a material adverse effect; details of any material breach by any party, frustration, rescission, repudiation, termination or cancellation of, or material disputes or claims under, any Borrower Transaction Document together with details of any action it proposes to take in relation to the same; details of any material suspension, revocation, cancellation, annulment, material amendment or termination of, or any failure to renew, any material Project Authorisation or Environmental Authorisation; a copy of any material notice or communication from any regulatory body, court, organisation or other person (including Ofgem and the Department for Energy and Climate Change) in respect of a Solar Park or an OpCo Borrower; any event (including, without limitation, any third party claim or liability) of which a Borrower becomes aware which such Borrower reasonably believes is likely to adversely affect its ability or the ability of any party to a Project Document to perform its obligations in any material respect; details of any damage or destruction of any asset where the cost of repair or reinstatement is likely to exceed £100,000; details of any claims or circumstances which the Parent Borrower or relevant OpCo Borrower reasonably believes are likely to give rise to a claim of more than £100,000 in relation to the insurances, any material dispute with an Insurer and anything which has been done or omitted to be done whereby the renewal of any insurances is likely to be adversely affected or the

premiums due are likely to be materially increased; details of any occurrence or circumstance (including any third party claim or liability) which has or is likely to have, alone or in combination, a Material Adverse Effect; details of any SCADA Malfunction (as defined in any Power Purchase Agreement) at any Solar Park together with confirmation whether, in the opinion of the relevant OpCo Borrower, such SCADA Malfunction is caused by a failure or fault of any equipment provided, owned or procured by or on behalf of the PPA Offtaker; and any other information in connection with the Loan, the Solar Parks, the Project Documents or the parties thereto, as the Facility Agent may from time to time reasonably request.

- (g) The Parent Borrower shall promptly notify the Facility Agent if the Electricity Price in respect of any Settlement Period falls below the Floor Price (such terms as defined in the Power Purchase Agreements).

Positive undertakings

- (a) Each Borrower shall comply in all material respects, with all Laws to which it is or may be subject.
- (b) Each Borrower shall ensure that its payment obligations under the relevant Borrower Transaction Documents rank at least *pari passu* with all its other present and future unsecured and unsubordinated payment obligations except for obligations mandatorily preferred by Law applying to companies generally.
- (c) Each Borrower shall keep books and records which accurately reflect in all material aspects all of its business, affairs and transactions.
- (d) Each Borrower shall take all such steps as are reasonably available to it to protect, maintain and pursue its rights, remedies and claims under the Borrower Transaction Documents to which it is a party.
- (e) Each Borrower shall duly and punctually perform all its material obligations as they fall due under each Project Document to which it or such OpCo Borrower, as the case may be, is a party.
- (f) Each Borrower shall comply with its constitutional documents in all material respects.
- (g) Each Borrower shall file all tax returns required to be filed by it in any jurisdiction.
- (h) Each Borrower shall duly and promptly pay and discharge all Taxes when due and payable (or within applicable grace periods permitted by law) other than those which are being contested by it in good faith and for which adequate reserves are being maintained in accordance with IFRS.
- (i) Each Borrower shall apply all Tax credits, losses, reliefs or allowances in the manner and to the extent they were taken into account in the Financial Model.
- (j) Each Borrower shall maintain its status as a limited liability company incorporated in the jurisdiction it is incorporated in, and shall maintain its tax residence in the jurisdiction in which it is resident for tax purposes.
- (k) Each Borrower shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Borrower Security Trustee may reasonably specify (and in such form as the Borrower Security Trustee may reasonably require in favour of the Borrower Security Trustee or its nominee(s)) to perfect the security interests created or intended to be created under or evidenced by the Borrower Security Documents (which may include the execution of a mortgage, charge, assignment or other security interests over all or any of the assets which are, or are intended to be, the subject of the Borrower Security) or for the exercise of any rights, powers and remedies of the Borrower Security Trustee or the Finance Parties provided by or pursuant to the Borrower Finance Documents or by law; to confer on the Borrower Security Trustee, or confer on the Finance Parties, Security Interests over any property and assets of the Parent Borrower located in any jurisdiction equivalent or similar to the security interests intended to be conferred by or pursuant to the Borrower Security Documents; and/or to facilitate the realisation of the assets which are, or are intended to be, the subject of the Borrower Security.

- (l) Each Borrower shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection or maintenance of any security interest conferred or intended to be conferred on the Borrower Security Trustee or the Finance Parties by or pursuant to the relevant Borrower Transaction Documents.
- (m) Each Borrower shall ensure that transactions with any person (including related parties) are to be on arm's length terms and for full market value, other than certain permitted exceptions.
- (n) Each Borrower shall procure that each Solar Park and the Project Assets are developed, operated and maintained in all material respects in accordance with good industry practice; its constitutional documents; the Financial Model and any related business plan; and the Operating Budget.
- (o) Each Borrower shall protect, keep and maintain in good repair, working order and condition the material assets (including intellectual property rights) and, to the extent relevant, permit the Facility Agent and the Technical Adviser and each of their respective representatives to enter and view the state and condition of the assets upon giving reasonable notice to the relevant OpCo Borrower.
- (p) At its own cost and expense each Borrower use its reasonable endeavours to enforce, institute, continue or defend all proceedings affecting the material assets, its state or condition or continued use or value so as to preserve to the fullest extent the value of the security interests created by the Borrower Security Documents.
- (q) Each Borrower shall operate and maintain the Project Accounts in accordance with Borrower Account Bank procedures and the relevant Borrower Transaction Documents (including the Borrower Priority of Payments) and ensure that the Project Accounts are fully funded to the required amount as more particularly set out in the Borrower Cash Management Agreement and the Note Instrument.
- (r) Each Borrower shall procure that all amounts (if any) standing to the credit of its DB Accounts are transferred to the Receivables Account; and all DB Accounts are closed, within 10 business days of the Closing Date.
- (s) Each Borrower shall at all times have its Centre of Main Interests (as defined in the EU Regulation) in the United Kingdom.

Negative undertakings

- (a) The Parent Borrower shall not, and shall procure that no OpCo Borrower shall, enter into any amalgamation, merger, demerger, consolidation, voluntary liquidation or corporate reconstruction.
- (b) No OpCo Borrower shall engage in any business or activities other than the acquisition, construction, ownership, financing, operation or maintenance of the Solar Parks.
- (c) The Parent Borrower shall not engage in any business or activities other than the acquisition, financing and ownership of the OpCo Borrowers.
- (d) No Borrower shall sell, lease, transfer, discount, factor, assign or otherwise dispose of, by a single transaction or a series of transactions, whether related or not, and whether voluntary or involuntary, all or any part of any of its assets or shares, other than disposals expressly permitted or required by the relevant Borrower Transaction Documents; of worn, damaged or defective assets which have been replaced; of assets that have become obsolete and are no longer required in order to carry out the relevant Solar Park to which they relate; of Permitted Investments on arm's length terms; of ROCs, LECs or any new or replacement benefits, credits or certificates (including for the avoidance of doubt REGOs) issued to an OpCo Borrower that are disposed of on market standard arm's length terms in the ordinary course of such OpCo Borrower's business; of Tax Losses; or the Foxburrow Share as defined in and in accordance with the Share Purchase Agreement.
- (e) Except as otherwise permitted no Borrower shall create or permit to subsist any security interest over any of its assets; and no Borrower shall sell, transfer or otherwise dispose of any of its assets on terms whereby they are or may be leased to or re-acquired by the Parent Borrower, any OpCo Borrower or any Major Project Party; sell, transfer or otherwise dispose of any of its receivables on recourse terms; enter

into any arrangement under which money or the benefit of a bank or other account may be applied, set-off or made subject to a combination of accounts; or enter into any other preferential arrangement having a similar effect, in circumstances where the arrangement or transaction is entered into primarily as a method of raising Financial Indebtedness or of financing the acquisition of an asset.

- (f) No Borrower shall, make any loans or otherwise grant any form of credit to any person other than for certain specific exceptions.
- (g) No Borrower shall, have any Financial Indebtedness outstanding other than permitted Financial Indebtedness.
- (h) No Borrower shall, enter into any agreements other than the Borrower Transaction Documents or agreements expressly contemplated by the Borrower Transaction Documents; agreements entered into on market standard arm's length terms in implementation of and consistent with the Operating Budget; any agreement previously approved in writing by the Facility Agent; any agreement entered into on market-standard arm's length terms in the ordinary course of business which does not require payments to be made in excess of the tolerances in respect of the Operating Budget; or any agreements replacing any expired Project Document where such replacement agreement is on market standard arm's length terms available at the time of replacement, and with a counterparty, in each case, acceptable to the Facility Agent.
- (i) No Borrower shall, enter into any arrangement or transaction with any of its affiliates other than the Borrower Transaction Documents; any transaction expressly contemplated under the Borrower Transaction Documents; transactions in the ordinary course of business; or transactions approved by the Facility Agent.
- (j) No Borrower shall, except as expressly permitted under the relevant Borrower Transaction Documents: purchase, reduce, cancel, repay or redeem any of its share capital or any option over its share capital; redeem, reduce, cancel, repay, purchase or transfer any Shareholder Loans or loan stock (other than by making a permitted Distribution); issue any shares or grant any right to acquire or be issued any shares; alter the nature of, or any rights attaching to, any of its shares; or issue any voting capital.
- (k) No Borrower shall, amend or vary any of its constitutional documents.
- (l) No Borrower shall, dispose of any Tax losses, credit, relief or allowance available to it unless such disposal is to any Borrower resident for Tax in the same jurisdiction and in the same Tax group; or such disposal is to any other person and the Facility Agent is satisfied that such Borrower will, on or prior to such disposal, receive full cash value consideration and the Borrower's financial position (on a current and projected cash-flow and profit basis) will not be materially and adversely affected as a consequence of such disposal.
- (m) No Borrower shall, make, pay or permit a Distribution unless the Distribution is paid using funds held in its Distribution Account provided that nothing in this clause shall prevent any Borrower making or receiving intercompany loans or repayments of intercompany loans as expressly contemplated by the relevant Borrower Transaction Documents.
- (n) Except as otherwise permitted, the Parent Borrower shall not, and shall procure that no OpCo Borrower shall transfer any amounts in or to the Distribution Account unless the transfer of funds to the Distribution Account takes place on a date falling within the 20 business days period following a Calculation Date, or if the ratios have not been finally determined on a Calculation Date, within the 20 business day period following final determination of such ratios; the Parent Borrower has given the Facility Agent at least three business days' notice of the amount of the proposed transfer to the Distribution Account; the relevant transfer is made from credit balances in the Receivables Account and uses funds available for that purpose in accordance with the Borrower Priority of Payments; no Borrower Default has occurred and is continuing on the date of transfer or would result from the making of such Distribution; the credit balance on the Debt Service Reserve Account on the Distribution Date is equal to or greater than the DSR Required Amount and all payments to the Operating Accounts, the Panel Reserve Account and the Inverter Reserve Account have been made; the Historic Portfolio Debt Service Cover Ratio set out in the most recent Forecast is equal to or greater than 1.20:1; the Forecast Portfolio Debt Service Cover Ratio set out in the most recent Forecast is equal to or greater than 1.20:1; the Loan Life Cover Ratio set out in

the most recent Forecast is, and will be after making the relevant Distributions, equal to or greater than 1.20:1; Completion has occurred in respect of all Solar Parks; and all amounts due and payable on the First Borrower Note Payment Date have been paid, (the **Distribution Conditions**).

- (o) Prior to making any Distributions, the directors of the Parent Borrower shall consider the working capital requirements of the Parent Borrower and each OpCo Borrower and retain in the Operating Account of each OpCo Borrower (by transfer to such account if required) such amount as they may consider is prudent in order to meet such working capital requirements.
- (p) No Borrower shall, change its residence for Tax purposes or be a member of a group for the purposes of section 43 Value Added Tax Act 1994 with any person other than the other Borrowers.

Project undertakings

- (a) Each Borrower shall duly and punctually perform, comply with and observe, in all material respects, its obligations under each Project Document to which it is party.
- (b) Each Borrower shall take all steps reasonably necessary to procure due performance by, and to enforce the covenants, obligations and conditions on the part of, each other party to the relevant Project Document save where demonstrably not in such Borrower's interests and/or those of the Finance Parties for it to do so, in which case the Borrower shall promptly notify the Facility Agent of such decision not so to enforce; and nevertheless, enforce the same if instructed to do so by the Facility Agent.
- (c) If an OpCo Borrower has the right to terminate a Project Document, the OpCo Borrower shall exercise that right if so directed by the Facility Agent.
- (d) No Borrower shall or shall agree to any material amendment of a Project Document; the suspension, waiver, repudiation, revocation, annulment or cancellation of the whole of, or any material provision of, a Project Document, an Environmental Authorisation or a Project Authorisation; except as expressly required under the Borrower Finance Documents, the assignment or transfer of a Project Document, Environmental Authorisation or Project Authorisation; any other party to a Project Document assigning or transferring that party's rights or obligations under that Project Document; or the termination of a Project Document, except with the prior consent of the Facility Agent.
- (e) Each OpCo Borrower shall exercise its rights under clause 15.3 of each Power Purchase Agreement it has entered into with Total at or around the Closing Date (each a **Total PPA**) in respect of extension offers such that each OpCo Borrower can validly issue a termination notice under its Total PPA with effect from 31 March 2020 (each a **Termination Notice**); and has satisfied the obligation set out in the Note Instrument soon as reasonably practicable such that each OpCo Borrower has validly issued a Termination Notice under its Total PPA no later than 31 July 2016.
- (f) Each OpCo Borrower shall ensure that at least two months prior to the expiry of a Power Purchase Agreement, it commences negotiations with an acceptable PPA Counterparty for the purchase of the metered output of the relevant Solar Park and all ancillary benefits; ensure that, at least one month prior to the expiry of an existing Power Purchase Agreement it enters into a replacement Power Purchase Agreement on terms satisfactory to the Facility Agent (acting reasonably) with an acceptable PPA Counterparty; each replacement PPA Offtaker, any relevant Counterparty Credit Support Provider and it enter into a new PPA Direct Agreement (as defined below) on terms substantially similar to the PPA Direct Agreements or in such other form reasonably acceptable to the Facility Agent, the Borrower Security Trustee and the Issuer Security Trustee; and it has created and perfected a first ranking Security Interest over its rights, title and interests under such replacement Power Purchase Agreement in favour of the Borrower Security Trustee for the benefit of the Finance Parties in form and substance satisfactory to the Facility Agent and the Borrower Security Trustee (acting reasonably).
- (g) If the Facility Agent, acting reasonably, considers that, there is likely to be a Floor Price Rebate (as defined in the Power Purchase Agreements), the Facility Agent may require that the Borrowers (at the sole discretion of the Facility Agent acting on the instructions of the Issuer) open alternative bank accounts and agree amendments to any provisions of the relevant Borrower Transaction Documents to ensure that no cash pooling arrangements of the Borrowers' breach the provisions of any Power Purchase Agreement without entering into any Equity Distribution Undertakings (as defined in the relevant Power

Purchase Agreement) or provide evidence that each of the Borrowers have entered into Equity Distribution Undertakings.

- (h) No Borrower shall enter into an Equity Distribution Undertaking without the prior written consent of the Facility Agent (acting on the instructions of the Issuer).
- (i) Each OpCo Borrower shall, obtain and maintain in full force and effect, each Project Authorisation and Environmental Authorisation necessary or desirable to enable it to lawfully enter into, exercise its rights and comply with its obligations under the Borrower Transaction Documents to which it is a party and for the relevant OpCo Borrower to carry out the construction, operation and maintenance of the relevant Solar Park in accordance with the Project Documents, and shall at all times comply, in all material respects, with the requirements of such Project Authorisations and Environmental Authorisations.
- (j) The Parent Borrower shall not, and shall procure that no OpCo Borrower shall agree to issue, or agree to the deferral of the issue of, any provisional or final certificate of completion (or any similar document) under an EPC Contract or agree any reservations or pending matters in respect of any provisional or final certificate of completion (or any similar document) under an EPC Contract; or reject all or any part of the works in respect of any Solar Park, in each case, without the prior written consent of the Facility Agent (acting in consultation with the Technical Adviser).
- (k) The Parent Borrower shall ensure that the Facility Agent and the Technical Adviser are given reasonable prior notice of all completion and acceptance tests carried out in respect of a Solar Park in accordance with the relevant EPC Contract. The Parent Borrower shall ensure that representatives of the Technical Adviser and the Finance Parties are permitted to attend whilst tests are carried out and inspect the results of the tests.
- (l) The Borrowers shall ensure that each Solar Park is operated and maintained in accordance with the standards of a reasonable and prudent operator, in compliance all material respects with the Project Documents and to the extent that there is no conflict with the aforementioned standards, any relevant and material manufacturer's specifications which are relevant and material to the Solar Park.
- (m) The Parent Borrower shall, subject to reasonable prior notice, ensure that representatives of the Finance Parties and the advisers are given such reasonable access during normal business hours to the site of a Solar Park and the assets and provided with all assistance and information reasonably required; entitled to inspect during normal business hours and take copies of the Parent Borrower's and each OpCo Borrower's books and records; and entitled to request and attend an annual update meeting with the Parent Borrower and each OpCo Borrower.
- (n) Each OpCo Borrower shall ensure that it has and will maintain as and when necessary for the relevant Project good title to, or freedom to use, the relevant Solar Park site; access to the relevant Solar Park site necessary to implement the relevant Solar Park in the manner contemplated by the Project Documents; the benefit of all easements, wayleaves and other rights necessary to implement the relevant Solar Park in accordance with the Project Documents; and good title to use any other assets necessary to implement the Solar Park in accordance with the Project Documents.
- (o) The Borrowers shall ensure that the insurances are in full force and effect and that all premia are paid when due; ensure that the conditions of the insurances are complied with; and ensure that nothing will be done or omitted which is reasonably likely to reduce or avoid liability under any of the Insurances.
- (p) Following receipt or payment to the Parent Borrower or any OpCo Borrower of any Insurance Proceeds (other than Insurance Proceeds payable under or in respect of third party liability insurance, delay in start-up Insurance and business interruption insurance), such Borrower shall apply such proceeds in the repair or reinstatement of assets.
- (q) Each Borrower shall comply in all material respects with, and carry out the Solar Parks in accordance in all material respects with, all applicable Environmental Laws and all applicable environmental and social standards and shall do all things necessary to ensure compliance with the Equator Principles.

- (r) The Parent Borrower shall provide full details to the Facility Agent and the Technical Adviser of all material environmental tests and studies carried out in relation to each Solar Park and each Solar Park site.
- (s) Each Borrower shall take all action reasonably necessary to prevent any Solar Park site from being affected by Environmental Contaminants.
- (t) The Parent Borrower shall procure that each Solar Park remains Accredited at all times from the date of full Accreditation of such Solar Park.
- (u) The Parent Borrower shall ensure that each Solar Park complies at all times with the Renewables Obligation Order, the REGO Regulations and the Climate Change Levy Regulations.

Events of Borrower Default

Each of the events and circumstances is an **Event of Borrower Default** in each case subject to any applicable grace period or condition.

- (a) Any Borrower does not pay on the due date any amount payable by it pursuant to any relevant Borrower Transaction Document (including an amount to be paid into a Project Account) in the place at and in the currency in which it is expressed to be payable unless such failure to pay is caused by an administrative or technical error or a disruption event; and payment is made within three business days of its due date.
- (b) Any Borrower or the Shareholder does not comply with certain provision of a relevant Borrower Transaction Document.
- (c) The Parent Borrower or any OpCo Borrower fails to comply with clauses 2 to 7 (inclusive) of the Security Trust and Intercreditor Deed.
- (d) The Shareholder fails to comply with clause 4 of the Shareholder Charge or any provision of the Security Trust and Intercreditor Deed.
- (e) Any relevant party (other than a Borrower or the Shareholder) does not comply with any provision of a relevant Borrower Transaction Document and such non-compliance has or is reasonably likely to have a material adverse effect.
- (f) Any representation or statement made or deemed to be made by any Borrower or the Shareholder in any relevant Borrower Transaction Document or any other document delivered by or on behalf of any Borrower or the Shareholder under or in connection with any relevant Borrower Transaction Document is, or proves to have been, incorrect or misleading in any material respect when made or deemed to be made.
- (g) Any representation or statement made or deemed to be made by any relevant party (other than a Borrower or the Shareholder) in any relevant Borrower Transaction Document or any other document delivered by or on behalf of any relevant party (other than a Borrower or the Shareholder) under or in connection with any relevant Borrower Transaction Document is, or proves to have been, incorrect or misleading when made or deemed to be made in any respect which has or is reasonably likely to have a material adverse effect.
- (h) Any Financial Indebtedness of any Borrower or any Major Project Party is not paid when due nor within any originally applicable grace period.
- (i) Any Financial Indebtedness of any Borrower or any Major Project Party is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).
- (j) Any commitment for or underwriting of any Financial Indebtedness of any Borrower or any Major Project Party is cancelled or suspended by a creditor as a result of an event of default (however described).

- (k) Any creditor of any Borrower or any Major Project Party becomes entitled to declare any Financial Indebtedness of any Borrower or any Major Project Party due and payable prior to its specified maturity as a result of an event of default (however described).
- (l) Any Borrower or any Major Project Party is unable or admits inability to pay its debts as they fall due; is deemed to, or is declared to, be unable to pay its debts under applicable law; suspends or, by reason of actual or anticipated financial difficulties threatens to suspend making payments on any of its debts or announces or threatens an intention to do so; or by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding any Finance Party in its capacity as such) with a view to rescheduling any of its indebtedness.
- (m) The value of the assets of any Borrower or any Major Project Party is less than its liabilities (taking into account contingent and prospective liabilities).
- (n) A moratorium is declared in respect of any indebtedness of any Borrower or any Major Project Party. If a moratorium occurs, the ending of the moratorium will not remedy any Event of Borrower Default caused by that moratorium.
- (o) Any corporate action, legal proceedings or other procedure or step is taken in relation to the suspension of payments, a moratorium of any indebtedness, winding up, dissolution, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of any Borrower or any Major Project Party; a composition, compromise, assignment or arrangement with any creditor of any Borrower or any Major Project Party; the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of any Borrower or any Major Project Party or any assets of a Borrower or any Major Project Party; or the enforcement of any Security Interest over any assets of any Borrower or any Major Project Party, or any analogous procedure or step is taken in any jurisdiction.
- (p) Any expropriation, attachment, sequestration, execution or other enforcement action or any analogous process in any jurisdiction affects any asset or assets of a Borrower or a Major Project Party having, in the case of a Major Project Party, an aggregate value of £500,000 (indexed) or its equivalent and is not discharged within 21 days.
- (q) It is or becomes unlawful for any person (other than a Finance Party) to perform any of its obligations under the Borrower Transaction Documents or any Borrower Security created or expressed to be created or evidenced by the Borrower Security Documents ceases to be effective or any subordination created under the Security Trust and Intercreditor Deed is or becomes unlawful.
- (r) Any obligation or obligations of any person (other than a Finance Party) under any relevant Borrower Transaction Documents are not (subject to the reservations) or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the Issuer under the relevant Borrower Transaction Documents.
- (s) Any relevant Borrower Transaction Document ceases to be in full force and effect or any security interest created or expressed to be created or evidenced by the Borrower Security Documents or any subordination created under the Security Trust and Intercreditor Deed ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Finance Party) to be ineffective.
- (t) Any Borrower changes or threatens to change the nature of its business in any material respect or ceases or threatens to cease to carry on business.
- (u) Any Borrower or any Major Project Party or any of their respective assets is or becomes immune from any legal process in respect of their obligations under the Borrower Transaction Documents and, in the case of a Major Project Party, such event has or is reasonably likely to have a material adverse effect.
- (v) Any party rescinds or purports to rescind or repudiates or purports to repudiate any Project Document or evidences an intention to rescind or repudiate a Project Document; material provision of any Project Document is invalid, illegal, ineffective, unenforceable or is materially amended for any reason whatsoever; party to a Project Document does not comply with any of its obligations under any Project Document which non-compliance, if capable of remedy, is not remedied within 30 days of such non-

compliance (or such longer cure period provided for in the relevant Project Document) and, in each case, such non-compliance has or is likely to have a material adverse effect; or notice is given by any party to a Project Document to terminate or rescind such Project Document or any Project Document is terminated or rescinded or becomes capable of being terminated or rescinded or any party evidences an intention to terminate or rescind any Project Document.

- (w) Any Solar Park is de-energised or disconnected by the Grid Connection Counterparty or the relevant OpCo Borrower has instructed the Grid Connection Counterparty to de-energise or disconnect the relevant Solar Park for a continuous period of 60 days; or two or more periods which in aggregate exceed 90 days in any 12 month period; or at any time when any another Solar Park is de-energised or disconnected by the Grid Connection Counterparty or the relevant OpCo Borrower has instructed the Grid Connection Counterparty to de-energise or disconnect the relevant Solar Park and in the reasonable opinion of the Facility Agent (acting on the instructions of the Issuer) such events have or are reasonably likely to have a material adverse effect.
- (x) Any litigation, arbitration, administrative, governmental, regulatory or other investigations, proceedings or disputes (not being of a frivolous or vexatious nature) are commenced or threatened in relation to the Borrower Transaction Documents or the transactions contemplated in the Borrower Transaction Documents or against any Borrower or any Major Project Party or any assets of a Borrower or any Major Project Party which, if adversely determined, would, in the opinion of the Facility Agent (acting on the instructions of the Issuer) have or be reasonably likely to have a material adverse effect.
- (y) Any OpCo Borrower abandons construction or operation of its Solar Park.
- (z) Any OpCo Borrower suspends the construction or operation of all or a material part of its Solar Park for a continuous period of 60 days; or two or more periods which in aggregate exceed 90 days in any 12 month period; or at any time when the construction or operation of another Solar Park or a substantial part of another Solar Park is suspended and in the opinion of the Facility Agent (acting on the instructions of the Issuer) such events have or are reasonably likely to have a material adverse effect.
- (aa) As at any Calculation Date the Historic Portfolio Debt Service Cover Ratio is less than 1.10:1; or the Forecast Portfolio Debt Service Cover Ratio for the next Calculation Period is less than 1.10:1; or the Loan Life Cover Ratio is less than 1.15:1.
- (bb) Any insurance is not, or ceases to be in full force and effect, is unavailable at the time it is required to be effected in respect of the Solar Parks or is avoided, unless the insurance is replaced within 15 days of such event which complies with the relevant requirements of the Note Instrument.
- (cc) Any insurer is entitled to avoid or otherwise materially reduce its liability under the policy relating to any insurance required to be effected under any Project Document, unless the insurance is, prior to its cessation, replaced by insurance on substantially similar terms and in form and substance satisfactory to the Facility Agent (acting in consultation with the Insurance Adviser).
- (dd) Any insurer of any insurance ceases or threatens to cease to pay its debts as they fall due, unless the insurance is replaced with an insurer that complies with the requirements of the Note Instrument within 15 days of such event.
- (ee) A change in Law occurs which has or could reasonably be expected to have a material adverse effect.
- (ff) The whole or any substantial part of a Solar Park is destroyed or damaged unless the Parent Borrower can demonstrate to the Facility Agent (acting on the instructions of the Issuer) that, taking into account the amount and timing of receipt of the proceeds of insurance effected in accordance with the terms of the Note Instrument, the destruction or damage does not have and could not reasonably be expected to have a material adverse effect.
- (gg) Any event or circumstance (or any combination thereof) occurs which the Issuer reasonably believe has or is reasonably likely to have a material adverse effect.

On and at any time after the occurrence of an Event of Borrower Default which is continuing the Facility Agent may, and shall if so directed by the Issuer, by giving notice to the Parent Borrower:

- (a) demand repayment of all or part of the Loan and payment of other amounts accrued outstanding under the relevant Borrower Transaction Documents, whereupon they shall become immediately due and payable; and/or
- (b) declare that all or part of the Loan are repayable on demand, and any other amounts accrued or outstanding under the relevant Borrower Transaction Documents are due and payable on demand, whereupon they shall become payable on demand by the Facility Agent, acting on the instructions of the Issuer; and/or
- (c) subject to the Security Trust and Intercreditor Deed and certain other provisions, exercise, or direct the Borrower Security Trustee to exercise, any or all rights, remedies, powers or discretions under the relevant Borrower Transaction Documents; and/or
- (d) declare that no withdrawals may be made from any Project Account; and/or
- (e) subject to the Security Trust and Intercreditor Deed and certain other provisions, take any steps, or direct the Borrower Security Trustee to take any steps, contemplated in any Direct Agreements.

Any repayment of Loan following acceleration shall be made at a price in Sterling equal to the higher of:

- (a) the Nominal Amount of the Loan to be repaid (adjusted for indexation) on the date of the acceleration notice; and
- (b) an amount calculated by discounting the remaining principal and interest payments (ignoring future changes in the Index Ratio) at a rate equal to the Gross Real Redemption Yield of the Reference Gilt at 3:00p.m. on the date falling two business days prior to the date of the acceleration notice,

together with interest (adjusted for indexation) accrued up to, but excluding, the date of the acceleration notice.

Governing law

The Note Instrument and the Note Subscription Agreement and any non-contractual obligations arising out of either of them are governed by English law.

3. Composite Debenture

To provide security for the Borrowers' obligations under the Note Instrument and the other Borrower Transaction Documents, the Borrowers, on or around the Closing Date, entered into the Composite Debenture with the Borrower Security Trustee. A summary of the material terms of the Composite Debenture is set out below. The summary does not purport to be complete and is subject to the provisions of the Composite Debenture.

Security

The Borrowers will grant the following security to be given to the Borrower Security Trustee as trustee for the Finance Parties:

- (a) charges, by way of first legal mortgage, the lease over the Solar Parks and in any rights accruing to, derived from or otherwise connected with it including insurances and proceeds of disposal;
- (b) charges, by way of first fixed charge, all of the rights which it now has and all of the rights which it obtains at any time in the future in the equipment, Permitted Investments, shares in the OpCo Borrowers, contracts to which it is a party, balances on Project Accounts, intellectual property, debts, goodwill and uncalled capital, and in any Rights accruing to, derived from or otherwise connected with them (including insurances and proceeds of disposal and of insurances).

Each Borrower charges, by way of first floating charge, its undertaking and all its present and future assets other than those effectively charged above.

Enforcement

The Borrower Security Trustee may enforce the Borrower Security at any time upon or following the occurrence of an Enforcement Event or if the Borrower concerned requests it to do so.

Borrower Priority of Payments

All money received by the Borrower Security Trustee or a receiver will be applied in accordance with the Pre-Acceleration Priority of Payments or Post-Acceleration Priority of Payments, as applicable.

Expenses, liability and indemnity

The Borrowers will, on demand, pay all legal and other costs and expenses (including any stamp duty, registration or other similar taxes):

- (a) incurred by the Borrower Security Trustee or by any receiver in connection with the enforcement or preservation of the Borrower Security; and
- (b) reasonably incurred by the Borrower Security Trustee or any receiver in connection with any other matter relating to the Borrower Security, including any amendment, waiver, consent or release required in connection with the Borrower Security.

The Borrowers will, on demand, indemnify the Borrower Security Trustee, a receiver and its officers in respect of all costs, expenses, losses or liabilities of any kind which it incurs or suffers in connection with:

- (a) anything done or omitted in the exercise of the powers conferred on it under the Borrower Security, unless it was caused by its gross negligence or wilful misconduct;
- (b) a claim of any kind (whether relating to the environment or otherwise) made against it which would not have arisen if the Borrower Security had not been granted and which was not caused by its negligence or wilful misconduct; or
- (c) any breach by a Borrower of the Borrower Transaction Documents.

Resignation of the Borrower Security Trustee

The Borrower Security Trustee may be replaced by a successor in accordance with the Security Trust and Intercreditor Deed.

On the date of its appointment, the successor Borrower Security Trustee will assume all the rights and obligations of the retiring Borrower Security Trustee. However, this does not apply to any obligations of the retiring Borrower Security Trustee which arise out of its acts or omissions as Borrower Security Trustee before the appointment of the successor, in respect of which the retiring Borrower Security Trustee will continue to have the obligations imposed by, and the rights contained in, the Composite Debenture, the Note Instrument and the Security Trust and Intercreditor Deed.

The retiring Borrower Security Trustee will, at the Borrowers' expense, provide its successor with copies of those of its records as Borrower Security Trustee as its successor properly requires to perform its functions as Borrower Security Trustee.

Governing law

The Composite Debenture and any non-contractual obligations arising out of it are governed by English law.

4. Assignment Agreements

To provide security for the Borrowers' obligations under the Note Instrument and the other Borrower Transaction Documents, each of the Borrowers, on or around the Closing Date, entered into an Assignment Agreements (*Sicherungsabtretung*) with the Borrower Security Trustee. A summary of the material terms of the

Assignment Agreements is set out below. The summary does not purport to be complete and is subject to the provisions of an Assignment Agreement.

Assignment

A Borrower will assign (*tritt ab*) to the Borrower Security Trustee by way of security all present and future rights and claims (**Assigned Claims**) of the Borrower under or in connection with the relevant EPC Contract, the relevant O&M Contract and related project documents governed by German law.

Enforcement

Each of the Assignment Agreements provide that, at any time after the occurrence of an Event of Borrower Default, the Borrower Security Trustee may collect the Assigned Claims.

The proceeds resulting from the collection of any of the Assigned Claims shall be applied by the Borrower Security Trustee in accordance with the terms of the Borrower Finance Documents.

Indemnity

Pursuant to each of the Assignment Agreements, the relevant Borrower is required to indemnify the Borrower Security Trustee against any losses, actions, claims, expenses, demands and liabilities which may be incurred by or made against the Borrower Security Trustee save to the extent the same arises are incurred by or made against the Security Agent as a result of wilful misconduct (*Vorsatz*) or gross negligence (*grobe Fahrlässigkeit*) of the Security Agent.

Assignment and transfer

The Borrower Security Trustee is, pursuant to each of the Assignment Agreements, entitled to assign, transfer or otherwise dispose of all or any part of its rights and/or obligations under the Assignment Agreement to any person pursuant to and in accordance with the terms of the Borrower Finance Documents.

Cost and expenses

Pursuant to each of the Assignment Agreements, the relevant Borrower shall bear all reasonable costs, fees and expenses arising from the relevant Assignment Agreement, its preparation, execution and amendment and all costs, fees and expenses arising from the enforcement or preservation of the Borrower Security.

Governing law

The Assignment Agreements are governed by and construed in accordance with the laws of the Federal Republic of Germany.

5. Power Purchase Agreements

The Power Purchase Agreement for each of the Solar Parks is on the same terms, save as set out in the summary below.

In each case the relevant OpCo Borrower is currently party to a Power Purchase Agreement with Total in respect of the relevant Solar Park. The relevant Power Purchase Agreement was entered into with each of the Clawdd Ddu OpCo Borrower, the Evesham OpCo Borrower, the IOW OpCo Borrower, the Trequite OpCo Borrower and the Trewidland OpCo Borrower on 3 January 2014, 24 January 2014, 14 February 2014, 3 January 2014 and 3 January 2014 respectively and amended on 23 December 2014.

In respect of Woden Solar Park and Beggan Farm Solar Park, the Power Purchase Agreement with Total was initially entered into on 24 January 2014 between Total, the Woden Park (2) OpCo Borrower and the Woden Park (1) OpCo Borrower. The rights, obligations and liabilities of the Woden Park (2) OpCo Borrower under the Power Purchase Agreement were novated to the Woden Park (1) OpCo Borrower by way of a deed of novation dated 8 April 2014, Woden Park (1) OpCo Borrower being the relevant OpCo Borrower for the purposes of this Power Purchase Agreement as described below.

The commercial operations date for the purposes of each Power Purchase Agreement (other than in relation to the Power Purchase Agreement with the IOW OpCo Borrower) occurred on 1 June 2014 and for the Power Purchase Agreement with the IOW OpCo Borrower on 12 February 2015

Each Power Purchase Agreement is governed by and construed in accordance with English law.

Electricity and Benefits

Under the terms of the Power Purchase Agreement the OpCo Borrower sells the electricity generated by the Solar Park to Total during the period from 1 June 2014 to 31 May 2029 (or earlier termination of the Power Purchase Agreement) (being the **Operating Period**). Total pays Export Payments to the OpCo Borrower for the electricity sold and delivered during the Operating Period.

The Export Payments are fixed in the periods from 1 June 2014 to 31 March 2018 (inclusive) and 1 April 2018 to 31 March 2020 (inclusive). The Power Purchase Agreement contains a mechanism whereby the OpCo Borrower can request offers from Total for fixed prices for subsequent periods during the term of the Power Purchase Agreement (the **Fixed Price Extension Offer**). Following a request, Total is obliged to provide a Fixed Price Extension Offer meeting the requirements set out in the Power Purchase Agreement. If the OpCo Borrower accepts a Fixed Price Extension Offer, the fixed price applies for the period covered by the Fixed Price Extension Offer. If the Fixed Price Extension Offer is not acceptable to the OpCo Borrower it may terminate the Power Purchase Agreement on at least one month's notice expiring on or after 31 March 2020 (or at the end of any current fixed price period if later).

In any period where a fixed price does not apply (being an **Index Price Period**) the Export Payments are calculated by reference to a percentage of the arithmetic mean of an agreed published electricity index price (the **Index Price**). Total may vary the percentages which apply in an Index Price Period by giving not less than four months' notice to the OpCo Borrower before the commencement of the period (being the **Variation**). Any Variation must meet the requirements set out in the Power Purchase Agreement. If the OpCo Borrower disagrees with any Variation, it has the option to terminate the Power Purchase Agreement on not less than two months' notice.

The Export Payments are reduced by a management charge in respect of each Settlement Period in the Operating Period. The export of electricity below or above certain agreed parameters in any contract year during the Operating Period can result in a charge incurred by, or payment to, the OpCo Borrower.

In addition to electricity, the Power Purchase Agreement provides for the transfer and sale to Total of certain benefits associated with the electricity sold and delivered to Total under the Power Purchase Agreement (including ROCs, LECs, REGOs and certain embedded and other benefits). Total pays for such benefits in accordance with the provisions of the Power Purchase Agreement.

The Power Purchase Agreement contains a floor price mechanism. If in any contract year during the Operating Period the total amount paid or payable by Total by way of Export Payments in that contract year is less than the agreed floor price payment for that contract year (calculated in accordance with the provisions of the Power Purchase Agreement) the OpCo Borrower is entitled to a payment from Total equal to the shortfall.

Credit Support

If during the term of the Power Purchase Agreement Total ceases to be controlled by Total SA or Total SA's credit rating falls below a defined trigger level, Total's net assets fall below a defined level or Total suffers certain insolvency related events, Total is required to provide security meeting the requirements set out in the Power Purchase Agreement to the OpCo Borrower.

If during the term of the Power Purchase Agreement the OpCo Borrower suffers certain insolvency related events it is required to provide to Total security meeting the requirements set out in the Power Purchase Agreement (such security subordinated and ranking behind any security entered into by the OpCo Borrower in respect of the funding of the Solar Park).

Termination

The Power Purchase Agreement can be terminated by either party prior to the end of its term for certain extended *force majeure* events whilst the *force majeure* event is continuing.

Either party can terminate the Power Purchase Agreement by serving a notice (**Early Termination Notice**) on the other party designating an early termination date (and the Power Purchase Agreement will terminate from such designated early termination date) in the event that certain events or omissions occur in relation to such other party.

If the Power Purchase Agreement is terminated by service of an Early Termination Notice, compensation calculated in accordance with the mechanism contained in the Power Purchase Agreement may be due from one party to the other party.

The Opco Borrower can terminate the Power Purchase Agreement:

- on at least one month's written notice to Total expiring on or after 31 March 2020 (or at the end of any current fixed price period if later) in circumstances where it has sought a Fixed Price Extension Offer and the offer received is not acceptable to it; or
- on not less than two months' written notice to Total where it disagrees with a Variation.

Either party can terminate the Power Purchase Agreement where the other party fails to meet its obligations to provide security in accordance with the provisions of the Power Purchase Agreement.

Subject to certain exclusions where a party's liability is unlimited (including wilful default, insolvency of a party, repudiation of the Power Purchase Agreement by a party, the obligation to pay unpaid amounts and the payment of the floor price), the aggregate liability of each party to the other arising out of or in connection with the Power Purchase Agreement shall not exceed the maximum liability cap set out in the Power Purchase Agreement.

Further Power Purchase Agreements

Each OpCo Borrower (other than the Woden Park (2) OpCo Borrower) is party to a Further Power Purchase Agreement. Each Further Power Purchase Agreement was entered into on or around the Closing Date and all are in substantially the same form.

Electricity and Benefits

Subject to satisfaction or waiver of each of the conditions precedent within it, under the terms of the Further Power Purchase Agreement the relevant OpCo Borrower sells the electricity generated by the relevant Solar Park in the period commencing on 1 April 2020 and (subject to the provisions for early termination and extension within the Further Power Purchase Agreement) ending on 31 March 2030 (such period being the **Supply Period**) to Statkraft. If the conditions precedent in a Further Power Purchase are not satisfied or waived by 30 September 2016 Statkraft may serve notice to terminate that Further Power Purchase Agreement.

Statkraft pays Electricity Payments to the relevant OpCo Borrower for the electricity sold and delivered during the Supply Period. The Electricity Payments are determined in accordance with the mechanism set out in the Further Power Purchase Agreement. In certain circumstances where the electricity price (as calculated in accordance with the provisions of the Further Power Purchase Agreement) is negative, the relevant Opco Borrower is required to make a payment to Statkraft. Further where the electricity generated exceeds certain thresholds, in certain circumstances a reduced price for such excess electricity be payable to the OpCo Borrower. The relevant OpCo Borrower is also obliged to pay Statkraft annually a charge for billing and administration services and a data collection charge.

In addition to electricity, each Further Power Purchase Agreement provides for the transfer and sale to Statkraft of certain benefits associated with the electricity sold and delivered to Statkraft under the Further Power Purchase Agreement (including ROCs, LECs, REGOs and certain embedded and other benefits). Statkraft pays (or in certain circumstances is paid) for such benefits in accordance with the provisions of the Further Power Purchase Agreement.

Each Further Power Purchase Agreement contains a floor price mechanism. In certain circumstances if in any period of 12 months commencing on 1 April during the Supply Period (the **Floor Price Year**) the total amount payable by Statkraft to the relevant OpCo Borrower by way of Electricity Payments (subject to certain adjustments set out in the Further Power Purchase Agreement) is less than the floor price payment for that period (calculated in accordance with the provisions of the Further Power Purchase Agreement) the relevant OpCo Borrower is entitled to a payment from Statkraft equal to the shortfall. If in any Floor Price Year the floor price payment (calculated in accordance with the provisions of the relevant Further Power Purchase Agreement) is a negative number, the relevant OpCo Borrower may be liable to make a repayment (calculated in accordance with the provisions of the relevant Further Power Purchase Agreement to Statkraft (the **Floor Price Rebate Payment**). Each Further Power Purchase Agreement contains provisions suspending the relevant OpCo's Borrower's obligation to make Floor Price Rebate Payments in certain circumstances, allowing Statkraft to extend the term of the Further Power Purchase Agreement where Floor Price Rebate Payments remain outstanding and preventing certain distributions by the OpCo Borrower where Floor Price Rebate Payments remain outstanding.

Credit Support

Under the terms of each Further Power Purchase Agreement Statkraft is required, on the date the relevant Further Power Purchase Agreement is entered into, to provide to the relevant OpCo Borrower a credit support document (being a parent company guarantee or bank guarantee) meeting the requirements of the Further Power Purchase Agreement (the **Credit Support Document**) and taking effect from 1 April 2020. With effect from 1 April 2020 where Statkraft does not itself hold an official credit rating at the level required by the Further Power Purchase Agreement, it is obliged to procure that a Credit Support Document is maintained in place until the end of the term of the Further Power Purchase Agreement.

Termination

Each Further Power Purchase Agreement can be terminated by either party thereto prior to the end of its term for certain extended force majeure events whilst the force majeure event is continuing.

Subject to the terms of any direct agreement entered into by the parties and others in respect of it, either party can terminate a Further Power Purchase Agreement by serving a notice (a **Termination Notice**) on the other party designating an early termination time (and the Further Power Purchase Agreement will terminate from such designated early termination time) in the event that certain events or omissions occur in relation to such other party (including in the case of Statkraft its failure to meet its obligations to provide credit support).

If a Further Power Purchase Agreement is terminated by service of a Termination Notice, compensation calculated in accordance with the mechanism contained in the Further Power Purchase Agreement may be due from one party to the other party.

Subject to certain exclusions where a party's liability is unlimited (including fraudulent misrepresentation, deliberate repudiatory breach and the obligation to pay certain amounts due), the aggregate liability of each party pursuant to or in connection with a Further Power Purchase Agreement shall not exceed the maximum liability cap set out in the Further Power Purchase Agreement, and each party's liability to the other for loss resulting from physical damage shall, for each incident or series of related incidents be limited to the physical damage cap as set out in the Further Power Purchase Agreement.

6. Connection Agreements and Adoption Agreements

The Connection Agreement for each of the Solar Parks is on the same terms, save as set out below.

The distribution network operator (the **Grid Connection Counterparty**) in respect of each Connection Agreement is Western Power Distribution (South Wales) plc, other than for the IOW Solar Park where the Grid Connection Counterparty is Southern Electric Power Distribution plc.

In each case the relevant Solar Park was connected to the national grid and the connection was energised pursuant to the connection agreement entered into between the Grid Connection Counterparty and the relevant OpCo Borrower (the date of the connection agreement with each of the Clawdd Ddu OpCo Borrower, the Evesham OpCo Borrower, the IOW OpCo Borrower, the Trequite OpCo Borrower, the Trewidland OpCo

Borrower and the Woden Park (1) OpCo Borrower (in respect of both Woden Solar Park and Beggan Farm Solar Park) being 21 March 2014, 31 March 2014, 15 September 2014, 21 March 2014, 21 March 2014 and 7 April 2014 respectively.

Each Connection Agreement delineates responsibility for the generating equipment and sets out the basis of the right of the OpCo Borrower to keep the Solar Park connected and energised. The terms include provisions confirming the statutory right of the Grid Connection Counterparty to de-energise the connections in certain circumstances, including emergencies; on health and safety grounds; or as a consequence of certain counterparty breaches.

The Connection Agreement continues in force until terminated. The Grid Connection Counterparty is able to terminate the Connection Agreement for material breaches by the OpCo Borrower (including non-payment of sums due) and in the event of insolvency of the OpCo Borrower, including receivership or administration.

Each Connection Agreement is governed by and construed in accordance with English law.

The Adoption Agreement for each of the Solar Parks is on the same terms, save as set out below.

The adopting company (the **Adopting Company**) in respect of each Adoption Agreement is Western Power Distribution (South Wales) plc, other than for the IOW Solar Park where the Adopting Company is Southern Electric Power Distribution plc. Furthermore, there is no Adoption Agreement in connection with the Woden Solar Park.

In each case certain works carried out by DNO Consulting Ltd as connection provider (the Connection Provider), were adopted by the relevant Adopting Company pursuant to the Adoption Agreement entered into between the Adopting Company, the Connection Provider and, other than in case of the Adoption Agreement for the IOW Solar Park, the relevant OpCo Borrower (the date of the adoption agreement with each of the Clawdd Ddu OpCo Borrower, the Evesham OpCo Borrower, the IOW OpCo Borrower, the Trequite OpCo Borrower and the Trewidland OpCo Borrower being 21 March 2014, 24 February 2014, 15 October 2014, 21 March 2014 and 21 March 2014 respectively.

Each Adoption Agreement sets out the basis for the works carried out under the Adoption Agreement and adoption of the relevant works by the Adopting Company. The terms include provisions relating to insurance to be procured by, as well as to the liability of, the Connection Provider.

The Adoption Agreement (other than the Adoption Agreement for the IOW Solar Park) can be terminated by the Adopting Company in case of an event of default by written notice and by either party by giving a three months prior written notice. The Adoption Agreement for the IOW Solar Park can be terminated by either party in case of a material breach which has not been remedied within a certain period or in case of insolvency (including inability to pay debts, liquidation, including receivership or administration) of the Connection Provider.

Each Adoption Agreement is governed by and construed in accordance with English law.

7. EPC Contracts

The EPC Contract for each of the Solar Parks is on the same terms, save as set out in the summary below.

Background

The turnkey construction contract relating to the Clawdd Ddu Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 24 January by Clawdd Ddu OpCo Borrower) and Ralos New Energy UK Ltd (the **EPC Contractor**) and dated 2 January 2014, as amended.

The turnkey construction contract relating to the Evesham Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 5 February 2014 by the Evesham OpCo Borrower) and the EPC Contractor and dated 5 February 2014, as amended.

The turnkey construction contract relating to the Isle of Wight Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 12 March 2014 by the Isle of Wight OpCo Borrower) and the EPC Contractor and dated 28 February 2014, as amended.

The turnkey construction contract relating to the Trequite Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 16 January 2014 by the Trequite OpCo Borrower) and the EPC Contractor and dated 2 January 2014, as amended.

The turnkey construction contract relating to the Trewidland Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 16 January 2014 by the Trewidland OpCo Borrower) and the EPC Contractor and dated 2 January 2014, as amended.

The turnkey construction contract relating to the Woden Solar Park and Beggan Farm Solar Park was entered into originally by Grid Essence UK Ltd (and since assumed by way of an assumption agreement dated 31 March 2014 by the Evesham OpCo Borrower) and the EPC Contractor and dated 28 January 2014, as amended.

Each EPC Contract sets out the terms pursuant to which the EPC Contractor agrees to engineer, design, supply, install, construct, start-up, test and remedy certain defects in relation to the Solar Park on behalf of the relevant OpCo Borrower.

Contract price

In relation to the relevant Solar Park, the relevant OpCo Borrower has agreed to pay the EPC Contractor a fee for the provision of such services of £12,536,606.90 plus VAT for the Clawdd Ddu Solar Park, £3,626,024.28 plus VAT for the Evesham Solar Park, £4,911,673.96 plus VAT for the Trewidland Solar Park, £10,789,326.29 plus VAT for the Trequite Solar Park, £6,321,087.84 plus VAT for the Isle of Wight Solar Park and £4,742,400 plus VAT for the Woden Solar Park & Beggan Farm Solar Park in each case payable on a milestone basis in accordance with the relevant EPC Contract (the **Contractual Price**). The Contractual Price is subject to a reduction based on amounts actually paid by the relevant OpCo Borrower for the supply of PV modules for the relevant Solar Park. The Contractual Price is also subject to other reductions or increases in accordance with the terms of the relevant EPC Contract, including if completion is not achieved prior to the ROC deadline of 31 March 2015.

Current position

As noted in the “*Connection Agreements and Adoption Agreements*” section above the Solar Park has been connected to the national grid and has passed the Commissioning Tests, and accordingly has received a certificate of provisional acceptance (**PAC**).

In accordance with the terms of the relevant EPC Contract, Ralos New Energy UK Ltd (in its capacity as O&M contractor for the relevant Solar Park) and the relevant OpCo Borrower have entered into an operation and maintenance contract for the Solar Park as described in more detail below.

Following issue of the PAC, each Solar Park is subject to a guarantee period. This will expire two years after the date of the PAC. During such period the EPC Contractor guarantees the structure, design, assembly and execution of the relevant Solar Park and remains responsible for the adjustment, repair or replacement of parts or components that are wholly or partially defective or of poor quality. During this period the EPC Contractor shall be obliged to take preventative action, including redesigning or modifying the works, on the occurrence of systemic defects provided such failure or defect affects no less than 20 per cent. of the relevant equipment. All defects should be remedied in the shortest time possible, but not later than three business days (if the repair or replacement material is on site) or 5 business days (if the material is not on site) from the date the EPC Contractor is notified of the defect.

Guaranteed performance

During the guarantee period the EPC Contractor guarantees to the relevant OpCo Borrower that the relevant Solar Park will achieve:

- (a) a guaranteed performance ratio of 82.06 per cent. for the Clawdd Ddu Solar Park, 82.45 per cent. for the Evesham Solar Park, 83.41 per cent. for the Trewidland Solar Park, 81.67 per cent. for the Trequite Solar Park, 80.41 per cent. for the Isle of Wight Solar Park and 81.38 per cent. for the Woden Solar Park and Beggan Farm Solar Park;
- (b) a guaranteed availability ratio of 98.5 per cent. during the first year of the guarantee period; and
- (c) a guaranteed availability ratio of 99 per cent. during the second year of the guarantee period.

Provisional, mid-term and final acceptance tests

Each EPC Contract provides for provisional, mid-term and final performance tests to be undertaken, during the commissioning tests, at the end of the first year of the guarantee period and at the end of the second year of the guarantee period, respectively. If the relevant EPC Contract meets the guaranteed levels at the time of the commissioning test (and certain other conditions are met) the PAC is issued, and if it meets the guaranteed levels at the end of the guarantee period (and certain other conditions are met) the certificate of final acceptance is issued (the **CFA**).

If the works fail to achieve the guaranteed performance ratio during a performance test the following shall occur:

- (a) if the results are higher than 75 per cent. of the guaranteed performance ratio the EPC Contractor must pay to the relevant OpCo Borrower performance related liquidated damages equal to 2.5 per cent. of the Contractual Price for every 1 per cent. that the actual performance ratio is lower than the guaranteed performance ratio, in accordance with the relevant EPC Contract. The guaranteed performance ratio will be adjusted to meet the actual performance ratio, and this level will be used for the next test; or
- (b) if the results are lower than 75 per cent. of the guaranteed performance ratio, the relevant OpCo Borrower shall have the right to reject the works and withdraw from the relevant EPC Contract (subject to the consent of the financing parties). In such circumstances the EPC Contractor is obliged to pay the Clawdd Ddu OpCo Borrower all monies previously paid to it pursuant to the relevant EPC Contract, finance costs under the finance documents, and at its own cost reinstate the site. If required, the relevant OpCo Borrower may enforce the guarantee bond or retained amount (as relevant).

If the works fail to achieve the guaranteed availability ratio during an availability test then the EPC Contractor must pay to the relevant OpCo Borrower availability related liquidated damages equal to 0.4 per cent. of the Contractual Price for every 1 per cent. the actual availability ratio is lower than the guaranteed availability ratio. The guaranteed availability ratio is not subject to adjustment and will remain unchanged for each test.

If the final performance tests are passed in accordance with the relevant EPC Contract and other conditions are met, the CFA is issued.

Guarantee Period

Each EPC Contract states that, as a condition of the PAC being issued, the EPC Contractor provides a guarantee bond for 8 per cent. of the Initial Contractual Price (or, at the EPC Contractor's option, the bond can be substituted with a retention of the Initial Contract Price to the same amount, to be placed in a blocked account). The bond or retention amount can be stepped down to 4 per cent. of the Initial Contract Price if the Contractor passes the mid-term performance test or has not passed but has paid the relevant liquidated damages. Currently the EPC Contractor is providing a retained amount of 8 per cent. of the Contractual Price.

Within forty five days of the expiry of a two year period from the PAC being issued, the parties to the EPC Contract will inspect the relevant Solar Park. Provided that no defects or minor works are identified (or if identified provided that they are remedied or carried out) and the performance and availability ratio tests have been passed, the CFA will be issued and the guarantee bond or retained amount will be released.

Indemnities and liability of the EPC Contractor

Each party is required to compensate the other for any direct damages caused by a breach of the relevant EPC Contract.

The EPC Contractor is liable to the relevant OpCo Borrower for:

- (a) any loss or physical damage to the equipment, materials or assets belonging to either of the parties, or a third party, at all times up to the issue of the PAC and from thereon solely when the EPC Contractor is on the site carrying out works and repairs and causes such damage; and
- (b) damages caused by persons or entities employed by the EPC Contractor.

The liability of the parties under the relevant EPC Contract, including in relation to any performance related liquidated damages (other than the 1.4 ROC Delivery Deadline Penalty), is subject to a limit of 15 per cent. of the Contractual Price. In relation to the following events, the limit is increased to an aggregate cap of 100 per cent. of the Contractual Price:

- (a) any direct damages relating the EPC Contractor's intellectual property obligations under the relevant EPC Contract;
- (b) any violation by the EPC Contractor of any laws applicable to the works;
- (c) any liability incurred by the EPC Contractor following a rejection of the works and withdrawal by the relevant OpCo Borrower from the relevant EPC Contract; and
- (d) liability incurred by either party to a third party as a result of an act or omission of the other party (in which case the party at fault shall indemnify and hold harmless the other for an amount up to 100 per cent. of the Contractual Price).

Subject to some specific exceptions, neither party is liable to the other for loss of income, loss of production, loss of use or loss of any contract other damages considered as indirect. No limitation on liability shall apply to either party's liability which arises out of wilful misconduct, gross negligence or to the extent such limitation is not permitted pursuant to applicable law.

Term and termination

Each EPC Contract came into force on the signing date.

Either party may give notice to the other to terminate the relevant EPC Contract if an event of force majeure prevents the performance of works under such EPC Contract for more than 3 consecutive months or for more than six non-consecutive (but accumulative) months during the term.

The relevant OpCo Borrower may terminate the relevant EPC Contract on the occurrence of certain specified events, including, but not limited to:

- (a) interruption or abandonment of the works by the EPC Contractor for longer than 20 consecutive days or 30 non-consecutive (but accumulative) days;
- (b) failure by the EPC Contractor to issue the guarantee bond;
- (c) failure by the EPC Contractor to meet its insurance obligations;
- (d) if the CFA cannot be issued for reasons attributable to the EPC Contractor;
- (e) the change of control, bankruptcy or insolvency of the EPC Contractor;
- (f) material breach by the EPC Contractor; or
- (g) the EPC Contractor reaches a liability cap or the liquidated damages cap of 5 per cent. of the Contractual Price (and is unwilling to continue paying further liquidated damages).

In the event of termination by the relevant OpCo Borrower for the listed defaults of the EPC Contractor, the relevant EPC Contract provides for compensation to be paid to such OpCo Borrower equal to the then outstanding payment obligations of such OpCo Borrower to its finance parties (including but not limited to advisors fees, cancellation fees and break costs). Upon such termination such OpCo Borrower shall pay to the

EPC Contractor the portion of the Contractual Price it is owed for works executed, materials delivered but not yet installed, and materials that have been ordered and paid for by the EPC Contractor. The EPC Contractor is obliged to leave the site and make arrangements to propose the transfer all contracts it entered into with sub-contractors in relation to the site.

The EPC Contractor may terminate the relevant EPC Contract in certain circumstances specified therein, including in the event of the relevant OpCo Borrower failing to pay a sum payable under such EPC Contract within 30 days, upon the insolvency, the liquidation or similar of the EPC Contractor, or any other material breach of such EPC Contract by the EPC Contractor that may affect the positive outcome of such EPC Contract.

Upon termination of the relevant EPC Contract by the EPC Contractor, the relevant OpCo Borrower must pay to the EPC Contractor: all unpaid but pending invoices, any value of works completed but not yet invoiced, for any materials delivered but not yet paid for and materials ordered which cannot be cancelled, any damages incurred by the EPC Contractor as a result of the default of such OpCo Borrower or early termination of such EPC Contract. The relevant OpCo Borrower must also release the guarantee bond or retained amount (as relevant).

Each EPC Contract is governed by and construed in accordance with the laws of Germany.

8. O&M Contract

Background

The operation and maintenance contract relating to each Solar Park was entered into between the relevant OpCo Borrower and Ralos New Energy UK Ltd (the **O&M Contractor**) on 21 March 2014 as amended from time to time (the **O&M Contract**) and sets out the terms pursuant to which the O&M Contractor agrees to provide the relevant OpCo Borrower certain operation and maintenance services including, but not limited to, all services needed to meet the requirements of availability, adequate condition, operability and repair to permit correct operation and output of the electrical power produced by such Solar Park and the operating and production levels detailed in such O&M Contract.

Each O&M Contract has been sub-contracted to Anesco Limited as amended from time to time (the **O&M Sub-Contractor**) pursuant to a sub-contract dated 8 August 2014 (the **O&M Sub-Contract**), on terms similar (but not always identical) to the relevant O&M Contract, other than the Isle of Wight O&M Contract which is dated 31 October 2014 and the Woden Park & Beggan Farm O&M Contract which is dated 8 August 2014.

It is envisaged (and the O&M Sub-Contractor is obliged to procure) that upon the date of the issue of the CFA pursuant to the relevant EPC Contract the relevant O&M Sub-Contract will be novated to the relevant OpCo Borrower and the relevant O&M Contract will be terminated (the **Novation Date**). Therefore, references to the O&M Contractor when considering the O&M Sub-Contractor should be taken to be relevant to the relevant OpCo Borrower once the novation agreement is effected.

The O&M Contractor is obliged to provide preventative maintenance (including maintaining a minimum stock of spare parts) and corrective maintenance. During the guarantee period that exists pursuant to the relevant EPC Contract all rectification of defects and associated replenishment of spare parts will be at the responsibility and cost of the EPC Contractor. Given that a contractual relationship between the O&M Sub-Contractor and the relevant OpCo Borrower will only exist from the Novation Date onwards the relevant O&M Sub-Contract does not make such a distinction, and all corrective maintenance is the responsibility of the O&M Sub-Contractor (at the O&M Contractor's cost).

The O&M Contractor is obliged to take out and maintain:

- (a) a sufficient works accident insurance policy;
- (b) a civil liability policy for the amount of not less than £10,000,000; and
- (c) any other insurance required by applicable law in relation to the relevant Solar Park.

The O&M Sub-Contractor is obliged to take out and maintain:

- (a) employer's liability insurance for an insured sum of £5,000,000;

- (b) professional indemnity insurance for an insured sum of £5,000,000; and
- (c) public liability insurance for an insured sum of £10,000,000.

The relevant OpCo Borrower has agreed to provide the O&M Contractor and its subcontractors with access to the relevant Solar Park for the purposes of performing the services contemplated by such O&M Contract. This obligation is mirrored in such O&M Sub-Contract.

Service fee

Each OpCo Borrower has agreed to pay the O&M Contractor an annual fee of £96,000.52 plus VAT for the Clawdd Ddu Solar Park, £26,554.00 plus VAT for the Evesham Solar Park, £35,819.78 plus VAT for the Trewidland Solar Park, £78,018.00 plus VAT for the Trequite Solar Park, £49,594.76 plus VAT for the Isle of Wight Solar Park and £35,443.20 plus VAT for the Woden Solar Park & Beggan Farm Solar Park; plus VAT, less costs incurred by the relevant OpCo Borrower for use of the telephone line required for the monitoring system and the engagement of a security company (the **EPC Contractual Price**). The fee is payable in quarterly instalments.

The fee shall be adjusted on each anniversary of the date of issue of the PAC under the relevant EPC Contract to reflect the percentage increase or decrease in the Retail Prices Index during the previous 12 months.

The annual fee does not include costs incurred by the O&M Contractor in carrying out corrective maintenance nor in the replacement of the stock of spare parts, the price of which shall be agreed between the parties and invoiced to the relevant OpCo Borrower separately. Services agreed to be provided pursuant to a variation of the agreed scope of works will be provided at hourly rates agreed in the relevant O&M Contract.

Guaranteed performance

The O&M Contractor guarantees to the relevant OpCo Borrower:

- (a) during the first 12 months of the guarantee period (which begins on the date that the PAC is issued pursuant to the relevant EPC Contract) availability of the relevant Solar Park of 98.5 per cent.;
- (b) during the second 12 months of the guarantee period availability of such Solar Park of 99 per cent.; and
- (c) throughout the term of the relevant O&M Contract, a performance ratio of 82.06 per cent. for the Clawdd Ddu Solar Park, 82.45 per cent for the Evesham Solar Park, 83.41 per cent. for the Trewidland Solar Park, 81.67 per cent. for the Trequite Solar Park, 80.41 per cent. for the Isle of Wight Solar Park and 81.38 per cent. for the Woden Solar Park & Beggan Farm Solar Park;

Failure to reach these guaranteed levels will trigger the payment of penalties in accordance with the terms of the relevant O&M Contract. The penalties payable by the O&M Contractor in relation to the guaranteed performance ratio and guaranteed availability are subject to an annual limit of 75 per cent. of the EPC Contractual Price. A bonus payment is available to the relevant O&M Contractor if it exceeds the guaranteed availability. The related O&M Sub-Contract does not include an availability guarantee but guarantees the same performance ratio as above for the duration of its term.

Representations, warranties, undertakings and liability

Each O&M Contract contains certain representations and warranties given by the O&M Contractor to the relevant OpCo Borrower, including:

- (a) its compliance with applicable laws, regulations, relevant permits and consents when providing the services;
- (b) to provide sufficiently skilled manpower and resources when providing the services; and
- (c) that for a warranty period of 12 months, parts fitted are free from defects and in compliance with good industry practice, and services provided are in accordance with the standards set out in the relevant O&M Contract.

The O&M Contractor undertakes to comply with all applicable laws, the applicable technical standards, the insurance requirements and where all of the above are silent on an issue, good industry practice.

Warranties and representations given in each O&M Sub-Contract largely mirror those in the relevant O&M Contract but are modified to comply with English law.

The parties are liable to each other for any damage incurred by one Party as a result of the breach of the relevant O&M Contract by the other.

The O&M Contractor is liable to the relevant OpCo Borrower for any damage caused (the relevant O&M Sub-Contract limits this to damage caused by the O&M Sub-Contractor) to equipment or assets belonging to such OpCo Borrower, except if such damage is caused by a force majeure event.

The liability of the parties is subject to an annual limit of 75 per cent. of the EPC Contractual Price. This limit is increased to 100 per cent. of the contract price in the relevant O&M Sub-Contract. This limit does not apply to either party's liability arising out of wilful misconduct or gross negligence.

Neither party is liable to the other for indirect or consequential damages, including loss of profit, loss of use, loss of production or loss or another contract or other damage considered indirect.

Term and termination

The services commenced under the relevant O&M Contract on the date of the PAC issued pursuant to the relevant EPC Contract and will continue for a term of five years from that date unless terminated earlier. The term can be extended by further five year periods up to a maximum term of 20 years. The obligation to provide corrective maintenance services begins on the expiry of the guarantee period under the relevant EPC Contract.

Each OpCo Borrower may, with the consent of its financing parties, terminate the relevant O&M Contract upon the occurrence of certain specified events, including:

- (a) any infringement by the O&M Contractor of a material obligation of the relevant O&M Contract;
- (b) the insolvency or similar of the O&M Contractor or a delay in the payment of due liquidated damages for more than 60 days;
- (c) the transfer of all or part of the contract by the O&M Contractor to another party without the consent of the relevant OpCo Borrower;
- (d) where the O&M Contractor suspends the services or abandons the site for more than one month;
- (e) where the availability or performance ratio of the plant falls below acceptable levels according to the terms of the relevant O&M Contract (the relevant O&M Sub-Contract amends this so a termination right only arises if penalties payable for such a failure during one contract year equal 75 per cent. of such O&M Sub-Contract price plus any amounts incurred for scope variations or corrective maintenance paid to the O&M Sub-Contractor during that corresponding year); or
- (f) the O&M Contractor fails to meet its insurance obligations pursuant to the relevant O&M Contract.

Upon such termination, the O&M Contractor is obliged to pay to the relevant OpCo Borrower compensation for all direct positive damages incurred by such OpCo Borrower as a result of the breach and/or early termination, as well as payments equivalent to availability and performance penalties for any period of time prior to termination during which the relevant availability and performance tests were not carried out. No compensation for direct positive losses is payable pursuant to the relevant O&M Sub-Contract

The O&M Contractor may terminate the relevant O&M Contract in the event of:

- (a) the relevant OpCo Borrower failing to pay a sum overdue under such O&M Contract for 30 days;
- (b) insolvency or similar or financial difficulties affecting such OpCo Borrower;
- (c) a material breach by such OpCo Borrower;

- (d) a failure by such OpCo Borrower to obtain or maintain consents which are essential to operate the plant;
or
- (e) a change of control.

In addition to these rights the O&M Sub-Contractor can terminate the relevant O&M Sub-Contract if the relevant O&M Contract is terminated before the relevant O&M Sub-Contract is novated to the relevant OpCo Borrower.

Following such termination, the relevant OpCo Borrower shall pay to the O&M Contractor all unpaid invoices, all money owed for corrective maintenance carried out but not yet paid for, and compensation equal to any direct positive loss suffered by the O&M Contractor and attributable to the early termination and/or breach. No compensation for direct positive losses is payable pursuant to the relevant O&M Sub-Contract.

Either party may terminate the relevant O&M Contract, with the consent of the financing parties, following an event of force majeure that lasts for a continuous period of over three months. Elsewhere in such O&M Contract it is stipulated that the relevant OpCo Borrower may withdraw from the O&M Contract following 150 consecutive days or 180 non-consecutive days of an event of force majeure. Each O&M Sub-Contract has been amended so there is one reference (the latter) to termination for prolonged force majeure but makes it open to both parties to terminate.

Governing law

Each O&M Contract is governed by and to be interpreted in accordance with the laws of Germany. Each O&M Sub-Contract is governed by and to be interpreted in accordance with the laws of England and Wales.

9. Solar Park Leases

Clawdd Ddu Solar Park Lease

The Clawdd Ddu Solar Park Lease was granted on 24 January 2014 for a term of 25 years from and including 24 January 2014 to and including 23 January 2039 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is not excluded.

The Clawdd Ddu OpCo Borrower is the current tenant under the Clawdd Ddu Solar Park Lease.

The rent is payable on the following basis:

The rent is to be reviewed on the date of the Clawdd Ddu Solar Park Lease and each anniversary of the date of the Clawdd Ddu Solar Park Lease. There is also provision stating that the rent for the first three years of term is to be at the Base Rent (as defined below).

Following a review, the rent shall be the Base Rent plus the amount that bears the same proportion to that sum as the Increase (as defined below) bears to the Base Figure (as defined below) or (if higher) the rent shall be such sum as is 4 per cent. of the Gross Revenue (as defined below) for the period of 12 months before the relevant review date.

Base Rent means £1,200 multiplied by the acreage of the Clawdd Ddu Solar Park.

Base Figure means the index figure last published prior to the date of the agreement for lease pursuant to which the Clawdd Ddu Solar Park Lease was entered into on 24 January 2014

Gross Revenue means the combined total in any 12 month period prior to each review date of sums received by the Clawdd Ddu OpCo Borrower by way of payments for electricity generated at or exported from the Clawdd Ddu Solar Park to the electricity distribution network but not including any sums paid to the Clawdd Ddu OpCo Borrower by way of VAT or any other taxes.

Increase means the amount by which the Retail Prices Index for the 31 December proceeding the relevant review date exceeds Base Figure.

Pursuant to the terms of the Clawdd Ddu Solar Park Lease, the permitted use of the Clawdd Ddu Solar Park allows the construction, installation and use of the Clawdd Ddu Solar Park for a solar energy electricity producing facility operated in accordance with the planning permission.

The forfeiture provision provides that if at any time during the term (i) the rent is in arrears and unpaid for 28 days after becoming payable; or (ii) the Clawdd Ddu OpCo Borrower fails to comply with its obligations under the Clawdd Ddu Solar Park Lease; and the landlord has served a written notice on the Clawdd Ddu OpCo Borrower specifying the breach and a remedy required and the Clawdd Ddu OpCo Borrower has not within 14 days of the date the notice is received by the Clawdd Ddu OpCo Borrower either:

- (a) in the case of monetary breach paid the sum requested or responded to the landlord that such payment is not due; or
- (b) in the case of a non-monetary breach, supplied to the landlord a proposal including a reasonable timescale of how the breach is to be remedied (such proposals to be subject to the landlord's consent such consent not to be unreasonably withheld); or
- (c) if the Clawdd Ddu OpCo Borrower is struck-off the register of companies or goes into liquidation or has a receiver appointed in respect of any of its property or assets or suffers an administrator to be appointed or being an individual becomes insolvent or signs a trust deed for its creditors; then

subject as provided below, the landlord is entitled to terminate the Clawdd Ddu Solar Park Lease.

In the case of a breach which is capable of being remedied albeit late, the landlord shall not be entitled to forfeit the Clawdd Ddu Solar Park Lease unless it shall first give notice of the breach to every chargee under any then existing security affecting the Clawdd Ddu OpCo Borrower's interest in the Clawdd Ddu Solar Park Lease (which has been notified to the landlord) prescribing a time limit which in the opinion of the landlord is reasonable in the circumstances within which such breach must be remedied and the Clawdd Ddu OpCo Borrower or any such creditor shall have failed to remedy the breach within the time prescribed within the notice (declaring that when the breach is the failure to pay any money a reasonable time shall be a period of 60 days) and subject to payment of the rent in the case of the Clawdd Ddu OpCo Borrower going into liquidation or suffering a receiver or administrator being appointed, the landlord shall allow the liquidator or receiver or administrator (as the case may be) and any such chargee (**a Relevant Party**) a period of one year in which to dispose of the Clawdd Ddu OpCo Borrower's interest in the Clawdd Ddu Solar Park Lease and shall only be entitled to forfeit the Clawdd Ddu Solar Park Lease if the Relevant Party shall have failed to dispose of the Clawdd Ddu OpCo Borrower's interest at the end of the 12 month period provided that the Relevant Party shall within 28 days of his appointment accept in writing full responsibility for payment of the rent (due in respect of the period occurring before or after the date of liquidation, receivership or administration as the case may be) and for the performance of all other obligations of the Clawdd Ddu OpCo Borrower under the Clawdd Ddu Solar Park Lease from the date of liquidation receivership or administration as the case may be to the date of disposal or the expiry of the said period of one year whichever is the earlier (including settlement of any arrears of rent) and the performance of any outstanding obligations which may subsist at the date of liquidation receivership or administration (as the case may be) and the landlord shall deal with any request to assign the Clawdd Ddu Solar Park Lease made by the Relevant Party (to the extent that such consent is required pursuant to the Clawdd Ddu Solar Park Lease) in the same manner as if the request had been made by the Clawdd Ddu OpCo Borrower.

The landlord shall not be entitled to terminate the Clawdd Ddu Solar Park Lease if the landlord has withdrawn its consent to the Clawdd Ddu OpCo Borrower's proposal referred to above without a written decision of an arbitrator appointed pursuant to the Clawdd Ddu Solar Park Lease (declaring that the landlord has reasonably withheld consent to the Clawdd Ddu OpCo Borrower's proposal) both parties agreeing to use reasonable endeavours to agree a proposal within 28 days of the landlord withholding its consent and if agreement cannot be reached within the said 28 day period then the parties will deal with the matter in accordance with clause 27 of the Clawdd Ddu Solar Park Lease which relates to disputes. At the end of the term, the Clawdd Ddu OpCo Borrower is required to yield up the Clawdd Ddu Solar Park and within 12 months remove from the landlord's property above ground (including any foundations, hard standings roadways or tracks but excluding items below 1 metre below the ground) solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto the Clawdd Ddu Solar Park by the Clawdd Ddu OpCo Borrower.

The Clawdd Ddu OpCo Borrower may mortgage or charge the Clawdd Ddu Solar Park Lease as security for monies owed or to be owed by the Clawdd Ddu OpCo Borrower without any consent of the landlord. The Clawdd Ddu OpCo Borrower may not grant any sublease of the whole or part of the premises. There is however a right to grant to the appropriate grid company or operator and/or any regional electricity company and their successors in title to enter the landlord's property and to break open the surface and to install remove replace maintain repair and cleanse any cables and to exercise their statutory rights and to carry out their statutory obligations and in relation thereto the Clawdd Ddu OpCo Borrower may grant underleases easements wayleaves licences or other interests as are required. The Clawdd Ddu OpCo Borrower may not assign or otherwise transfer the Clawdd Ddu Solar Park Lease or any of the Clawdd Ddu OpCo Borrower 's rights and obligations without first obtaining the prior written consent of the landlord, such consent not to be unreasonably withheld or delayed.

There is no repair obligation in the Clawdd Ddu Solar Park Lease but there is a tenant covenant not to damage or disturb any existing drains waterways utility pipes, cesspits/septic tank, access route, fences or walls on the Clawdd Ddu Solar Park or the landlord's property and to make good any damage or disturbance caused by the Clawdd Ddu OpCo Borrower 's works. The Clawdd Ddu OpCo Borrower is also required (after completion of the works) to reinstate those parts of the landlord's property not used or intended to be used for the permitted use.

The Clawdd Ddu OpCo Borrower must also bear the full cost of maintaining the access ways to a standard at least appropriate for normal agricultural use subject to the landlord paying the Clawdd Ddu OpCo Borrower the cost of reinstating and repairing the Access Ways in respect of damage caused by the landlord's use of the access ways. The Clawdd Ddu OpCo Borrower must forthwith make good any damage or disturbance cause to the landlord's property insofar as caused by the works or the use of the Clawdd Ddu Solar Park for the permitted use including repairing, maintaining or replacing any land drains damaged or disturbed by the works. The tenant must also pay reasonable compensation for any damage to crops on the landlord's property other than the Clawdd Ddu Solar Park arising from the execution of the Clawdd Ddu OpCo Borrower's works or the use of the Clawdd Ddu Solar Park for the permitted use. The Clawdd Ddu OpCo Borrower, as tenant under the Clawdd Ddu Solar Park Lease, is required to maintain third party insurance with a liability cover of at least £5,000,000 subject to upward review at each third anniversary of the term of the Clawdd Ddu Solar Park Lease.

The Clawdd Ddu OpCo Borrower, as tenant under the Clawdd Ddu Solar Park Lease, is responsible for:

- (a) complying with all enactments relating to its use and occupation of the Clawdd Ddu Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Clawdd Ddu OpCo Borrower, as tenant under the Clawdd Ddu Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) any breach of the Clawdd Ddu OpCo Borrower's covenants under the Clawdd Ddu Solar Park Lease; and
- (b) any act, omission or negligence of the Clawdd Ddu OpCo Borrower or any person at the Clawdd Ddu Solar Park expressly or implicitly within the Clawdd Ddu OpCo Borrower's authority.

The Clawdd Ddu Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Clawdd Ddu Solar Park. For example, the Clawdd Ddu Solar Park Lease contains restrictions against reducing the solar energy available to the Clawdd Ddu Solar Park.

Under the Clawdd Ddu Solar Park Lease, the Clawdd Ddu OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to the Clawdd Ddu Solar Park at all times and for the permitted use of the access ways insofar as the landlord is able to grant such right (as set out in the Clawdd Ddu Solar Park Lease);
- (b) the right to install and keep on the Clawdd Ddu 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 Clawdd Ddu Solar Park for the permitted use;

- (c) the right to lay use maintain, renew, connect or inspect and remove conducting media during the term on over and under the Clawdd Ddu Solar Park and to use the conducting media for the free passage and running of water gas oil electricity telecommunications and other services and supplies.
- (d) entry onto the landlord's property if necessary for the Clawdd Ddu OpCo and others authorised by it (with or without vehicles plant equipment and apparatus of any kind) in order to:
 - (i) gain access to the Clawdd Ddu Solar Park;
 - (ii) enable the Clawdd Ddu OpCo Borrower to exercise the rights granted and comply with its obligations under the Clawdd Ddu Solar Park Lease; and
 - (iii) enable the Clawdd Ddu OpCo Borrower to carry out the works; and
- (e) rights of support from the landlord's property.

Under the Clawdd Ddu Solar Park Lease, the landlord has various rights, including:

- (a) the right of access along the access routes;
- (b) the free and uninterrupted passage and running of water from and to any other part of the landlord's property;
- (c) the right to connect to and use any other media for the transmission of services which are within the Clawdd Ddu Solar Park at the commencement of the Clawdd Ddu Solar Park Lease;
- (d) a right of support and shelter and protection of the landlord's property as is enjoyed from the Clawdd Ddu Solar Park at the commencement of the Clawdd Ddu Solar Park Lease; and
- (e) the right to enter the Clawdd Ddu Solar Park to take such action as is necessary to remedy a breach of the Clawdd Ddu OpCo Borrower 's covenants in the Clawdd Ddu Solar Park Lease where the Clawdd Ddu OpCo Borrower has failed to take appropriate action to remedy the position within a reasonable period of being notified in writing by the landlord of such breach (or immediately in case of emergency).

Evesham Solar Park Lease

The Evesham Solar Park Lease is for a term of 25 years from and including 5 February 2014 to and including 4 February 2039 and is in the process of being registered at the Land Registry.

The Evesham OpCo Borrower is the current tenant under the Evesham Solar Park Lease.

The rent is payable in advance on the usual quarter days. The initial rent of £6,555.00 pa is payable from the rent commencement date, being 5 February 2014, up to the date that is the earlier of the date that Evesham OpCo Borrower certifies that the development is generating electricity for export or supply and an unspecified date. After this period, the rent increases to £26,220.00 pa and is revised in accordance with the RPI rent review provisions.

The terms of the Evesham Solar Park Lease permitted use of the Evesham Solar Park allows the construction, installation, repair, replacement, renewal and operation on Evesham Solar Park of photovoltaic cells and the frames supporting such photovoltaic cells and such ancillary equipment as is reasonably necessary for the purpose of the generation, distribution and supply of electricity and uses ancillary or preparatory thereto including (without limitation) the switchgear house and for any other activities reasonably related or incidental to the operation of a solar park in accordance with the planning permission.

The landlord has the right to forfeit the Evesham Solar Park Lease for non-payment of rent or any other sum payable by the Evesham OpCo Borrower under the Evesham Solar Park Lease or a material breach of Evesham OpCo Borrower's covenants under the Evesham Solar Park Lease and failure to remedy that breach within 6 months of written notice, subject to giving notice to the Evesham OpCo Borrower and any mortgagees of the Evesham Solar Park and affording any mortgagee a reasonable opportunity to remedy within a reasonable time

period (not being less than 9 months from the date of notice) the relevant breach, non-payment or non-observance.

At the end of the term, the Evesham OpCo Borrower is required to redeliver the Evesham Solar Park to the landlord and remove the solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto Evesham Solar Park by the Evesham OpCo Borrower, including the removal of hardstandings, roadways or tracks and make good Evesham Solar Park for normal agricultural use (provided that this was the use immediately prior to the first day of the Evesham Solar Park Lease).

Disposals are prohibited save that the Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease, may:

- (a) assign, charge and sublet the Evesham Solar Park Lease as a whole with the landlord's consent; and
- (b) share occupation with a group company for so long as that company remains within that group and provided no relationship of landlord and tenant is created.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease, is required to keep the solar equipment in a safe condition to the standards required by legislation and to keep Evesham Solar Park free from any rubbish deposited by the Evesham OpCo Borrower or anyone with their express or implied authority.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease, is responsible for:

- (a) complying with all laws relating to its use and occupation of Evesham Solar Park save in relation to any pre-existing contamination or hazardous materials;
and
- (b) complying with the conditions contained in any planning permission granted in respect of Evesham Solar Park.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease, has agreed to indemnify the landlord against:

- (a) all expenses, costs, claims, damage and loss caused by or arising from the works (necessary for the solar park development and permitted use and any decommission of the development), the use of Evesham Solar Park, any exercise of the Evesham OpCo Borrower's covenants or any act or omission of the Evesham OpCo Borrower, their undertenant or others on the Evesham Solar Park with the actual or implied authority; and
- (b) all losses, damages, costs or claims made against the landlord by third parties in respect of personal injury to or death of any person or in respect of any injury or damage to any property real or personal to the extent that the same is a direct result of any negligence of the Evesham OpCo Borrower or any agent, servant, employee or contractor of the Evesham OpCo Borrower in connection with the works necessary for the solar park development, use and any decommission.

The landlord is required, under the Evesham Solar Park Lease, at the Evesham OpCo Borrower's cost to enter into planning agreements which may be required or beneficial 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 Evesham Solar Park Lease) enters into such agreements subject to the Evesham OpCo Borrower indemnifying the landlord in respect of any costs or liabilities in relation to the failure of the Evesham OpCo Borrower to observe and perform any of its obligations in such planning agreements (except where they arise from any act or omission of the landlord or anyone with the landlord's express or implied authority and the landlord has a duty to mitigate any such loss).

The Evesham Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Evesham Solar Park. For example, the Evesham Solar Park Lease contains restrictions against carrying out any activity or development or planting or allowing the growth of any tree or hedge on the landlord's property which interferes with or affects the amount of solar irradiation reaching any part of Evesham Solar Park.

Under the Evesham Solar Park Lease, the Evesham OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and from the Evesham Solar Park;
- (b) the right to remove the whole or any parts of the solar equipment at any time during the term and during 12 months following the end of the term;
- (c) the right to lay, use, inspect, maintain, repair, connect, remove, renew, replace the service media now or at any time during the term in the solar park development and the landlord's property and to use the service media for the free passage and running of utilities, telecommunications and other service and supplies;
- (d) the right to enter onto the landlord's property to take such action as is necessary to remedy a breach of any of the landlord's covenants where the landlord has failed to take appropriate action to remedy the position within a reasonable period of being notified in writing by the tenant of such breach (or immediately in the case of an emergency);
- (e) rights of support and protection for Evesham Solar Park;
- (f) the right to use the air space above Evesham Solar Park and the right to all light and solar irradiation which would naturally reach Evesham Solar Park and the solar park development with no interruption or obstruction;
- (g) the right to carry out works necessary for the solar park development and to construct and use a compound (if any) to store plant, equipment and materials in respect of such works;
- (h) the right to execute on Evesham Solar Park and/or the landlord's property all works necessary to implement and consents for the solar park development;
- (i) the right to install, operate and maintain security systems and fencing on the solar park development as the Evesham OpCo Borrower shall reasonably require or its insurers shall require for the protection of the solar equipment or for the safety of the public; and
- (j) the right at any time during the term to prune or lop any trees, hedges, bushes or other vegetation on the landlord's property which may cast a shadow or restrict the access of solar irradiation to the solar equipment.

The person exercising such rights is to cause as little damage and disturbance as is reasonably practicable to the landlord's property and shall make good all physical damage caused to the landlord's reasonable satisfaction as soon as possible.

Under the Evesham Solar Park Lease, the landlord has various rights, including:

- (a) the right to enter Evesham Solar Park at any reasonable times on reasonable prior notice, when accompanied by an authorised representative of the Evesham OpCo Borrower in order to construct, connect into, inspect, maintain, repair, replace, renew or clean any sewers, drains, pipes, water supply pipes, wires and cables as now or may in the future serve the landlord's property and any other neighbouring land and premises in which the landlord now or in the future has an interest;
- (b) the right to take a supply of water through any water supply on the Evesham Solar Park to serve the landlord's property and any other neighbouring land and premises in which the landlord now or in the future has an interest and the right to the free passage of water and soil through any pipes or drains now in Evesham Solar Park insofar as the same serve neighbouring land and premises;
- (c) the right to cross Evesham Solar Park along a route designated in the Evesham Solar Park Lease.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease, may terminate the Evesham Solar Park Lease at any time on not less than twelve months' prior written notice provided that such notice is countersigned by any existing mortgagee or chargee and the notice is served after security has been put in place by the Evesham OpCo Borrower in a sum sufficient for the reinstatement of Evesham Solar Park should the works necessary for the development of the solar park not be completed. The Evesham OpCo Borrower may also

break the Evesham Solar Park Lease in the event that the Bypass Nurseries LSPV Limited fail to commission and operate the solar equipment within two years from the date of the Evesham Solar Park Lease, subject to giving not less than twelve months' written notice. Any break notice served by the Evesham OpCo Borrower shall be invalid if, by the date the Evesham Solar Park Lease is to determine according to the date specified in the notice, there are sums owed by the Evesham OpCo Borrower to the landlord under the Evesham Solar Park Lease.

Evesham Solar Park Lease of Rights

The Evesham Solar Park Lease of Rights was granted on 5 February 2014 for a term of 25 years. The Evesham Solar Park Lease of Rights grants to Bypass Nurseries LSPV Limited a right of way of an accessway (**the Accessway**).

The Evesham OpCo Borrower is the current tenant under the Evesham Solar Park Lease of Rights.

The rent of £715.00 pa is payable in advance on 1 January in each year and is to be reviewed annually in accordance with RPI.

Pursuant to the terms of the Evesham Solar Park Lease of Rights, the permitted use of the Accessway is to pass with vehicles, plant and machinery over and along the Accessway at all times to gain access to and from Evesham Solar Park for all purposes in connection with the development, construction, ongoing maintenance and use of Evesham Solar Park as a solar voltaic site.

There are no forfeiture provisions in the Evesham Solar Park Lease of Rights.

At the end of the term, the Evesham OpCo Borrower is required to yield up the rights over the Accessway making good any damage caused to the reasonable satisfaction of the landlord and leaving the landlord's property generally in the same state and condition as it was on at the start of the Evesham Solar Park Lease.

Disposals are prohibited save that the Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease of Rights, may:

- (a) assign the Evesham Solar Park Lease of Rights as a whole with the landlord's consent to a third party (such consent not to be unreasonably withheld or delayed) which the landlord reasonably considers is of sufficient financial standing to be able to comply with the tenant lease covenants; and
- (b) assign to a group company or assign to an owner of the whole of Evesham Solar Park without the landlord's consent.

Consent may be refused if at the date of the tenant's application for consent to assign, the rent or any money due under the lease (which is ascertainable and not in dispute) is outstanding.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease of Rights, is required to keep the Accessway clean and free from obstruction and in good repair and condition.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease of Rights, is responsible for complying with all laws governing the exercise of the use of the Accessway.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease of Rights, has agreed to indemnify the landlord against all claims and liability in respect of any damage caused to the landlord's property and to other services on the landlord's property and in respect of exercising the right to use the Accessway. The Evesham OpCo Borrower must also pay fair and reasonable compensation to the landlord for all damage caused by it to the landlord's property which is not made good.

Under the Evesham Solar Park Lease of Rights, the Evesham OpCo Borrower (as tenant) has the right to pass over and along the Accessway at all times to gain access to and from Evesham Solar Park for all purposes in connection with the development, construction, ongoing maintenance and use of Evesham Solar Park as a solar photo voltaic site.

The Evesham OpCo Borrower, as tenant under the Evesham Solar Park Lease of Rights, may terminate the Evesham Solar Park Lease of Rights at any time on not less than twelve months' prior written notice.

IOW Solar Park Lease

The IOW Solar Park Lease was granted on 12 March 2014 for a term from and including 12 March 2014 to and including 11 March 2039 and is registered at the Land Registry..

The IOW OpCo Borrower is the current tenant under the IOW Solar Park Lease.

The initial rent was £29,372 rent is payable and reviewed on the following basis.

The IOW OpCo Borrower is to pay the Guaranteed Rent (as defined below) quarterly in advance on the usual English quarter days being 25 March, 24 June, 29 September and 25 December from the term commencement date until the end of the term.

If at the end of each quarter the Guaranteed Rent paid in that quarter is less than the Income Rent (as defined below) then a payment is due equal to the Income Rent for that quarter minus the Guaranteed Rent and shall become payable in one month after the next rent payment date.

The Guaranteed Rent (starting at £1,000 per gross acre of the IOW Solar Park) for any review period is to be increased by the amount that bears the same the proportion to that sum as the Index bears to the Base Figure (as defined below) provided that the Guaranteed Rent figure following such review shall not be less than the Guaranteed Rent payable immediately prior to the relevant Review.

Base Figure means the Index Figure (as defined below) for the third month preceding the date of the option pursuant to which the lease was granted.

Guaranteed Rent means the annual rent calculated at £1,000 per gross acre of the IOW Solar Park calculated to 2 decimal places as such figure is increased in accordance with Schedule 2 of the IOW Solar Park Lease.

Income Rent means the annual rent calculated at 4 per cent. of the Gross Income (as defined below).

Gross Income means the aggregate of sums actually received by the tenant (less VAT) from each and any electricity supply purchaser arising out of the generation of electricity by the equipment on the premises from the sale of that electricity and the income arising from renewable obligation certificates and any other certificates issued by OFGEM or any replacement or additional market incentive relating to the generation of renewal energy and climate change levy exemption certificate or any other similar or replacement subsidies for the generation and sale of that electricity.

Index Figure means the “all items” figure of the Index of retail prices published by the Office of National Statistics.

Increase means the amount (if any) by which the Index for the third month preceding the relevant review date exceeds the Base Figure.

Pursuant to the terms of the IOW Solar Park Lease, the permitted use of the IOW Solar Park allows the construction, installation and use of the IOW Solar Park for a solar energy electricity producing facility

The landlord may re-enter at any time during the term if the rent or any other sums payable under the IOW Solar Park Lease have not been paid for 6 months after they have become due or the IOW OpCo Borrower materially breaches any covenants or conditions on the part of the IOW OpCo Borrower contained in the IOW Solar Park Lease and fails to remedy the breach within 90 days of having received written notice to do so from the landlord provided that the IOW OpCo Borrower is not entitled to exercise any rights of forfeiture or re-entry without serving notices of breach of the IOW OpCo Borrower's obligations on the IOW OpCo Borrower and any funder on 90, 60 or 30 days prior to the 6 month limit and affording the funder a reasonable opportunity to remedy or as near as possible in the circumstances remedy within a reasonable period being not less than 6 months from the date of the notice (the relevant breach, non-payment or non-observance).

At the end of the term, the IOW OpCo Borrower is required to redeliver the IOW Solar Park to the landlord and remove the ground solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto the IOW Solar Park by the IOW OpCo Borrower and to reinstate the IOW Solar Park to the agricultural condition it was before the commencement of the term (including the removal of any hardstanding

roads, tracks and excluding any equipment situated below 1200mm or more below ground level) and to leave the site in a safe condition.

The IOW OpCo Borrower may assign, charge, sublet or share possession of its interest in the whole or any part of the IOW Solar Park with the prior consent of the landlord (such consent not to be unreasonably withheld or delayed).

The IOW OpCo Borrower may assign or charge the whole or any part of its interest in the IOW Solar Park without the landlord's consent to a group company or a funder.

The IOW OpCo Borrower may underlet or share the whole or any part of the IOW Solar Park with the prior consent of the landlord (such consent not to be unreasonably withheld or delayed).

The IOW OpCo Borrower may underlet its interest in or share possession or occupation of the switch gear house or any other part of the IOW Solar Park with a third party in connection with the exportation of the electricity from the development without the landlord's consent provided that any underletting shall be excluded from the provisions of section 24-28 of the 1954 Landlord and Tenant Act and any sharing of possession or occupation shall not give rise to a relationship of landlord or tenant. Within one month of any dealing with the IOW Solar Park Lease the IOW OpCo Borrower must give the landlord or its solicitors notice of it and pay a reasonable registration fee (not being more than £50) and produce for inspection any document evidencing or affecting that dealing.

The IOW OpCo Borrower cannot build anything on the IOW Solar Park save as required by any legal obligations or as required in the IOW OpCo Borrower's reasonable opinion to enable the IOW Solar Park to continue for its permitted use.

The IOW OpCo Borrower, as tenant under the IOW Solar Park Lease, is required to keep the equipment at IOW Solar Park in a safe state of repair as required for its permitted use and keep the IOW Solar Park free from rubbish.

The IOW OpCo Borrower is also required after completion of the works to reinstate those parts of the IOW Solar Park not being used or intended to be used for the Permitted Use and to make good any tracks, plant where necessary with grass and repair any other property damaged as a result of such works.

The IOW OpCo Borrower, as tenant under the IOW Solar Park Lease, is required to maintain third party insurance with a liability cover of at least £5,000,000.

The IOW OpCo Borrower, as tenant under the IOW Solar Park Lease, is responsible for:

- (a) complying with all laws relating to its use and occupation of the IOW Solar Park; and
- (b) any environmental damages or liability, (other than in respect of pre-existing hazardous materials (except where due to the tenant's use of the IOW Solar Park or the exercise of the rights granted to the IOW OpCo Borrower)).

The IOW OpCo Borrower, as tenant under the IOW Solar Park Lease, has agreed to indemnify the landlord against the act, omission or use of the IOW Solar Park or the neglect or default of the IOW OpCo Borrower or the exercise of the rights granted to a maximum, liability of five million pounds for each claim (excluding death or personal injury resulting from negligence).

The landlord is required, under the IOW Solar Park Lease, at the IOW OpCo Borrower's cost to enter into planning agreements which may be required or beneficial to obtaining planning permission for the permitted use and will procure that any other consent to and assist in the IOW OpCo Borrower into such agreements subject to the IOW OpCo Borrower indemnifying the landlord in respect of any costs or liabilities in relation to the execution, implementation and operation of such planning agreements.

The IOW Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the IOW Solar Park. For example, the IOW Solar Park Lease contains restrictions against interfering with or affecting the amount of solar irradiation reaching any part of the IOW Solar Park.

Under the IOW Solar Park Lease, the IOW OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and from the IOW Solar Park at all times and for the permitted use over and along the access ways (as set out in the IOW Solar Park Lease);
- (b) the right to install and keep on the IOW Solar Park the plant, machinery, tools, vehicles and all other equipment to be installed by the IOW OpCo Borrower which are required to implement the planning permission and to use the IOW Solar Park for the permitted use;
- (c) the right to use the service media existing at the date of the IOW Solar Park Lease running between the parcels comprising the IOW Solar Park which run across or under the landlord's property and the right to enter on to such of the landlord's property to lay new service media and inspect, maintain, repair, connect, remove, renew or replace the service media lying within the landlord's property; and
- (d) rights of support and protection from the landlord's property.

Under the IOW Solar Park Lease, the landlord has various rights, including the right to use any service media in, under or over the IOW Solar Park on the date of the IOW Solar Park Lease and the right to enter onto the IOW Solar Park on prior written notice for the purposes of cleaning, repairing or inspecting any such service media.

The IOW OpCo Borrower, as tenant under the IOW Solar Park Lease, may terminate the IOW Solar Park Lease at any time on not less than six months' prior written notice

Trequite Solar Park Lease

The Trequite Solar Park Lease was granted on 16 January 2014 for a term from and including 16 January 2014 to and including 15 January 2039 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is not excluded.

The Trequite OpCo Borrower is the current tenant under the Trequite Solar Park Lease.

The rent is payable by equal quarterly payments in arrears on 1 March, 1 June, 1 September and 1 December in each year of the term. The current annual rent is £1,200 per acre, based on acreage of 71.57. There are provisions for the rent to be reviewed annually on each anniversary of the date of the lease. The lease states that the rent for the first three years of the term shall be at the Base Rent (as defined below) or 4 per cent. of the Gross Revenue (as defined below).

The Trequite Solar Park Lease states that rent for any review period is to be the Base Rent (as defined below) plus the amount that bears the same proportion to that sum as the Increase (as defined below) bears to the Base Figure or (if higher) the rent shall be the sum that is 4 per cent. of the Gross Revenue for the period of twelve months before the relevant review date.

Base Figure is defined as the Index figure last published prior to the date of the Agreement namely 245.6.

Base Rent is defined as the rent in any year of £1,200 x 71.57 acres (acreage of the Property).

Gross Revenue is defined as the combined total in any twelve month period prior to each review date of sums received by the tenant by way of payments for electricity generated at and exported from the property to the electricity distribution network but not including any sums paid to the tenant by way of VAT or any other taxes.

Increase is defined as the amount (if any) by which the Index for the 31 December preceding the relevant review date exceeds the Base Figure.

Index means the 'all items' index figure for the Index of Retail Prices published by the Office for National Statistics or any successor Agency, Ministry or Department.

The Trequite OpCo Borrower is, pursuant to the terms of the Trequite Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the Trequite Solar Park under the FIT Scheme.

Pursuant to the terms of the Trequite Solar Park Lease, the permitted use of the Trequite Solar Park allows the construction, installation and use of the Trequite Solar Park for a solar energy electricity producing facility operated in accordance with the planning permission.

The landlord has the right to forfeit the Trequite Solar Park Lease for non-payment of rent or breach of the Trequite OpCo Borrower's covenants under the Trequite Solar Park Lease, subject to (in the case of a breach which is capable of being remedied) giving notice to any mortgagees of the Trequite Solar Park of which the landlord has notice of and giving a reasonable opportunity to remedy the breach within a reasonable period (which is to be a period of 60 days only when the breach is the failure to pay any money).

At the end of the term, the Trequite OpCo Borrower is required to redeliver the Trequite Solar Park to the landlord and within 6 months thereafter to remove all equipment which is above ground level (including the removal of foundations, hardstandings, roadways or tracks) but excluding all items which are situated 1 metre or more below ground level. Equipment can be left only if the landlord requests in writing that the equipment is to remain at the Trequite Solar Park.

Disposals are prohibited save that the Trequite OpCo Borrower, as tenant under the Trequite Solar Park Lease, may:

- (a) mortgage or charge the Trequite Solar Park Lease with a *bona fide* bank or funder without the landlord's consent; and
- (b) assign the Trequite Solar Park Lease with the landlord's prior written consent (such consent not to be unreasonably withheld or delayed).

The Trequite OpCo Borrower cannot build anything on the Trequite Solar Park save as required by any legal obligations or as required in the Trequite OpCo Borrower's reasonable opinion to enable the Trequite Solar Park to continue for its permitted use.

The Trequite OpCo Borrower, as tenant under the Trequite Solar Park Lease, is required to bear the cost of maintaining the access ways to a standard at least appropriate for agricultural use (unless the access ways are used for residential use, in which case the access ways should be maintained to a standard appropriate for residential use) and is to forthwith make good any damage or disturbance to the landlord's property and to land drains. The land is to be reinstated to a reasonable soil depth to allow normal agricultural use.

The Trequite OpCo Borrower, as tenant under the Trequite 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 Trequite OpCo Borrower, as tenant under the Trequite Solar Park Lease, is responsible for:

- (a) complying with all laws relating to its use and occupation of the Trequite Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Trequite OpCo Borrower, as tenant under the Trequite Solar Park Lease, has agreed to indemnify the landlord against any liability under the Defective Property Act 1972, the Environmental Protection Act 1990 and other relevant statutes in relation to the property by reason of any failure of the tenant to comply with any of the tenant covenants in the Trequite Solar Park Lease.

The landlord is required, under the Trequite Solar Park Lease, at the Trequite OpCo Borrower's cost to provide reasonable assistance in respect of any planning application, building permit, environmental impact review or any other approvals required for or in connection with the Works (as defined in the Trequite Solar Park Lease) and/or the solar energy farm including the execution of any applications for such approvals.

The Trequite Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Trequite Solar Park. For example, the Trequite Solar Park Lease contains restrictions against erecting any building or erection or hedge in a specified restricted area which may interfere with any photovoltaic equipment or cable, and provides that the landlord must ensure trees and hedges are kept trimmed so as not to reduce the solar energy available.

Under the Trequite Solar Park Lease, the Trequite OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and from the Trequite Solar Park at all times as reasonably required and for the permitted use over and along the access ways (as set out in the Trequite Solar Park Lease);
- (b) the right to lay, use, maintain, repair, renew, replace, connect to, inspect and remove cables on, over or under the solar energy farm and to use the cables for the free passage and running of water, gas, oil, electricity, telecommunications and other services and supplies;
- (c) the right to grant to the appropriate grid company or operator and/or any regional electricity company and their respective successors in title the right to enter the landlord's property and to break open the surface and to install, remove, replace, maintain, repair and cleanse any cables, and to exercise their statutory rights and carry out their statutory obligations in relation thereto;
- (d) the right to enter onto the landlord's property for the purposes of gaining access to and from the property and the equipment; exercising the rights granted and complying with obligations under the lease; enabling the tenant works and surveying the landlord's property to establish the most suitable routes for the access ways and the location of the equipment;
- (e) rights of support and free and unobstructed passage of light, air and wind from the landlord's property.

Under the Trequite Solar Park Lease, the landlord has various rights, including:

- (a) the right to connect to and use all conduits and any other media for the passage or transmission of soil, water, gas, electricity, air, smoke, light, information or other matters which are within the Trequite Solar Park at the commencement date; the right to enter onto the Trequite Solar Park for all purposes which do not unreasonably interfere with the rights of the tenant;
- (b) rights of support and protection from the Trequite Solar Park; and
- (c) the right to use the landlord's property for agricultural activities or such activity as the tenant consents to (such consent not to be unreasonably withheld or delayed, save that the tenant can withhold consent where it, in its absolute discretion, believes that the economic viability and profitability of the solar energy farm will be affected by such activity).

The Trequite OpCo Borrower, as tenant under the Trequite Solar Park Lease, may terminate the Trequite Solar Park Lease at the expiration of the twenty first year of the term or any time thereafter on not less than 3 months' prior written notice.

Trewidland Solar Park Lease

The Trewidland Solar Park Lease was granted on 16 January 2014 for a term from and including 16 January 2014 to and including 15 January 2035 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Trewidland OpCo Borrower is the current tenant under the Trewidland Solar Park Lease.

The rent is payable quarterly in arrears on 1 March, 1 June, 1 September and 1 December. The current rent is £1,200 x acreage (39.93).

Rent is reviewed annually on 16 January from 16 January 2017. It is reviewed on an RPI basis. The rent for any review period is the base rent (£1,200 x acreage of the Trewidland Solar Farm) plus the amount that bears the same proportion to that sum as the amount by which the all items index figure of the Index of Retail Prices for the 31 December preceding the relevant review date exceeds the base figure of 238.5 or (if higher) the rent shall be such sum as is 4 per cent. of the gross revenue generated at the Trewidland Solar Farm for the 12 months prior to the relevant review date.

The Trewidland OpCo Borrower is, pursuant to the terms of the Trewidland Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the electricity generated at Trewidland Solar Park.

Pursuant to the terms of the Trewidland Solar Park Lease, the permitted use of the Trewidland Solar Park allows the construction, installation and use of the Trewidland Solar Park for a solar energy electricity producing facility operated in accordance with the planning permission.

The landlord has the right to forfeit the Trewidland Solar Park Lease for non-payment of rent or breach of the Trewidland OpCo Borrower's covenants under the Trewidland Solar Park Lease, or if the Trewidland OpCo Borrower is struck off the register of companies, goes into liquidation or has a receiver appointed or suffers an administrator to be appointed subject to giving notice to the Trewidland OpCo Borrower and any mortgagees of the Trewidland Solar Park of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period in the opinion of the Landlord (where the breach is a failure to pay money a reasonable time shall be a period of 60 days).

At the end of the term, the Trewidland OpCo Borrower is required to redeliver the Trewidland Solar Park to the landlord and within 12 months thereafter to remove all plant and equipment as is above ground level (but if the landlord requests in writing the plant and equipment may remain on Trewidland Solar Park by the Trewidland OpCo Borrower, and to reinstate Trewidland Solar Park to a reasonable soil depth).

Disposals are prohibited save that the Trewidland OpCo Borrower, as tenant under the Trewidland Solar Park Lease, may:

- (a) mortgage or charge the Trewidland Solar Park Lease without the consent of the landlord; and
- (b) assign the Trewidland Solar Park Lease as a whole with the landlord's prior written consent (not to be unreasonably withheld or delayed);

There are no provisions in the lease relating to tenant's permitted alterations.

The Trewidland OpCo Borrower, as tenant under the Trewidland Solar Park Lease, covenants not to damage or disturb any existing drains waterways utility pipes cesspits/septic tank access route fences or walls on Trewidland Solar Park or the landlord's property and to make good any damage or disturbance caused by the works. The tenant is also required (after completion of the works) to reinstate those parts of the landlord's property not used or intended to be used for the permitted use. There are no other repair obligations in the Trewidland Solar Park Lease.

The Trewidland OpCo Borrower, as tenant under the Trewidland Solar Park Lease, is required to maintain third party insurance with a liability cover of at least £10,000,000.

The Trewidland OpCo Borrower, as tenant under the Trewidland Solar Park Lease, is responsible for:

- (a) complying with all laws relating to its use and occupation of the Trewidland Solar Park; and
- (b) any liability under the Environmental Protection Act 1990 excluding damage or liability arising out of re-existing hazardous materials.

The Trewidland OpCo Borrower, as tenant under the Trewidland Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) any breach of the Trewidland OpCo Borrower's covenants under the Trewidland Solar Park Lease; and
- (b) the act, omission or negligence of the Trewidland OpCo Borrower or any person at the Trewidland Solar Park expressly or implicitly within the Trewidland OpCo Borrower's authority.

The landlord is required, under the Trewidland Solar Park Lease, to provide the Trewidland OpCo Borrower with reasonable assistance in respect of any planning application or any other approvals required for or in connection with the Trewidland Solar Farm including the execution of any applications for such approvals.

The Trewidland Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Trewidland Solar Park. For example, the Trewidland Solar Park Lease contains restrictions against erecting any building or planting any tree or hedge which may in the reasonable opinion of the Trewidland OpCo Borrower interfere with any photovoltaic equipment.

Under the Trewidland Solar Park Lease, the Trewidland OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and egress from the Trewidland Solar Park at all times and for the permitted use over and along the access ways on the landlord's property;
- (b) the right use the Trewidland Solar Park for the permitted use;
- (c) the right to use the service media at Trewidland Solar Park;
- (d) the right to enter onto the landlord's property for the purposes of carrying out the works and to enable the Trewidland OpCo Borrower to exercise the rights granted and to comply with its obligations under the Trewidland Solar Park Lease provided that in doing so the Trewidland OpCo Borrower shall cause the minimum possible interference as possible to the landlord's property and to make good any such damage caused; and
- (e) rights of support and protection from the landlord's property.

Under the Trewidland Solar Park Lease, the landlord has various rights, including:

- (a) the right to use any service media in, under or over the Trewidland Solar Park on the date of the Trewidland Solar Park;
- (b) the right to enter onto the Trewidland Solar Park for all purposes which do not unreasonably interfere with the rights of the Trewidland OpCo Borrower; and
- (c) rights of support and protection from the Trewidland Solar Park.

There are no break rights in favour of the Trewidland OpCo Borrower under the terms of the Trewidland Solar Park Lease.

Woden Solar Park Lease

The Woden Solar Park Lease was granted on 8 July 2013 for a term from and including 8 July 2013 to and including 8th January 2039 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Woden Park OpCo Borrower is the current tenant under the Woden Solar Park Lease.

The initial rent payable is £10,680 and is reviewed annually on the following basis. The Revised Rent (as defined below) is the Rent (as defined below) payable prior to the Review Date (as defined below) (disregarding any suspension of Rent) multiplied by the Revised Index Figure (as defined below) divided by the Base Index Figure (as defined below).

Base Rent Figure means the Index Figure published 2 months before the commencement of the Term.

General index means the General Index of Retail Prices (RPI) - all items published by the Office for National Statistics.

Index Figure means the figure published at the relevant time as the General Index (as defined above).

Rent means the £15000.

Rent Date means each anniversary of the Woden Solar Park Lease.

Review Date means annually on the 8 July in each of year of the Woden Solar Park Lease.

Revised Index Figure means the Index Figure published in respect of the month 2 months before the relevant Review Date.

Revised Rent means the increase Rent payable with effect from the relevant Review Date.

The Woden Park OpCo Borrower is, pursuant to the terms of the Woden Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the Clawdd Ddu Solar Park under the FIT Scheme.

Pursuant to the terms of the Woden Solar Park Lease, the permitted use of the Woden Solar Park allows the construction, installation and use of the Woden Solar Park for a solar energy electricity producing facility.

The landlord may subject to the terms of a direct agreement terminate the Woden Solar Park Lease by re-entering the Woden Solar Park if any rents are unpaid for 20 working days after the due date or the Woden Park OpCo Borrower has not materially observed or performed any of the Woden Park OpCo Borrower's obligations under the Woden Solar Park Lease and does not remedy the breach within a reasonable period (being not less than 90 days) from notice in writing from the landlord specifying such breach and requiring its remedy provided that the landlord shall not exercise its rights to terminate pursuant to the Woden Solar Park Lease without first having served a written notice of breach/non-payment on a funder and giving the funder reasonable opportunity to remedy or as near as possible in the circumstances remedy the relevant breach/non-payment within a reasonable time (not being less than six months from the date of the notice).

At the end of the term, the Woden Park OpCo Borrower is required (unless agreed otherwise) to redeliver the Woden Solar Park to the landlord and remove the solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto the Woden Solar Park by the Woden Park OpCo Borrower, except for excluding any apparatus underground which are to be left in a safe condition) and to reinstate the surface of the Woden Solar Park to the a condition evidenced by a schedule of condition.

Disposals are prohibited save that the Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease may (without the landlord's consent) assign or charge part with possession or share possession or occupation of the whole or any part of the Woden Solar Park Lease with a Group Company (as defined by section 42 of the Landlord and Tenant Act 1954 of which the Woden Park OpCo Borrower is or shall become a member) and/or a funder and such Group Company and/or Funder shall have the right to exercise all or any of the rights granted under the Woden Solar Park Lease.

The tenant may assign the whole or any part of the Woden Solar Park and the Woden Solar Park Lease to a third party subject to obtaining the landlord's prior written consent which is not to be unreasonably withheld or delayed. The landlord may give its consent to an assignment subject to a condition that the assignor (and any former tenant who because of section 11 of the Landlord and Tenant (Covenants) Act 1995 has not been released from the tenant covenants in the Woden Solar Park Lease) enters into an authorised guarantee agreement

Provided that nothing shall prevent the landlord from giving consent subject to any other reasonable condition nor from refusing consent to an assignment in any other circumstances where it is reasonable to do so.

The Woden Park OpCo Borrower may charge the Woden Solar Park Lease and the whole or any part of the apparatus at the Woden Solar Park.

The Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease, is required to maintain the apparatus at the Woden Solar Park in a safe state of repair in accordance with any statutory obligations at all times.

The Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease, is required to maintain third party insurance (such insurance to be approved by the landlord) with a liability cover of at least £10,000,000 arising out of its use of the Woden Solar Park and to provide details of such insurance at least once a year to the landlord.

The Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease, is responsible for:

- (a) complying with all laws relating to its use and occupation of the Woden Solar Park; and
- (b) any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials (except where it causes the contamination in question).

The Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease, has covenanted to indemnify the landlord against:

- (a) any breach of the Woden Park OpCo Borrower's covenants under the Woden Solar Park Lease; and

- (b) the act, omission or negligence of the Woden Park OpCo Borrower or any person at the Woden Solar Park expressly or implicitly within the Woden Park OpCo Borrower's authority.

The landlord is required, under the Woden Solar Park Lease, at the Woden Park OpCo Borrower's cost to enter into planning agreements which may be require or beneficial to obtaining planning permission for the permitted use and will use reasonable endeavours to procure that any mortgagee of the landlord's property enters into such agreements

The Woden Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Woden Solar Park. For example, the Woden Solar Park Lease contains restrictions against interfering with the amount of solar irradiation reaching the Woden Solar Park.

Under the Woden Solar Park Lease, the Woden Park OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and from the Woden Solar Park at all times and for the permitted use over and along the access ways (as set out in the Woden Solar Park Lease);
- (b) the right to install and keep on the Woden Solar Park the plant, machinery, tools, vehicles and all other equipment to be installed by the Woden Park OpCo Borrower which are required to implement the planning permission and to use the Woden Solar Park for the permitted use;
- (c) the right to use the service media existing at the date of the Woden Solar Park Lease running between the parcels comprising the Woden 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 Woden Solar Park; and
- (e) rights of support from the landlord's property.

Under the Woden Solar Park Lease, the landlord has various rights, including:

- (a) the right to use any service media in, under or over the Woden Solar Park on the date of the Woden Solar Park Lease and the right to enter onto the Woden Park Solar Park on prior written notice (save in the case of emergency when no such notice shall be required) for the purposes of inspecting, cleaning, using, removing, repairing, replacing any such service media; and
- (b) rights of support and protection from the Woden Solar Park;

The Woden Park OpCo Borrower, as tenant under the Woden Solar Park Lease, may terminate the Woden Solar Park Lease at any time on not less than six months' prior written notice.

Beggan Farm Solar Park Lease

The Beggan Farm Solar Park Lease was granted on 27 November 2013 for a term from and including 27 November 2013 to and including 26 November 2038 and is registered at the Land Registry. The business tenant security protection under the Landlord and Tenant Act 1954 is excluded.

The Woden Park (1) OpCo Borrower is the current tenant under the Beggan Farm Solar Park Lease. However, the Woden Park (2) OpCo Borrower is the current registered proprietor of the Beggan Farm Solar Park Lease.

The rent is payable half yearly in arrears on 27 May and 27 November. The current annual rent is £10,680.00. The rent will be reviewed annually on the anniversary of the term commencement date. The reviewed rent shall be calculated as rent payable prior to review date multiplied by the Revised Index Figure/Base Index Figure (as defined below). Where **Revised Index Figure** means the index figure published in respect of the month two months before the relevant review date and **Base Index Figure** means the index figure published in respect of the month two months before the commencement of the term.

The Woden Park (2) OpCo Borrower is, pursuant to the terms of the Beggan Farm Solar Park Lease, entitled as against the landlord to receive all amounts payable in respect of the Beggan Farm Solar Park under the FIT Scheme.

Pursuant to the terms of the Beggan Farm Solar Park Lease, the permitted use of the Beggan Farm Solar Park allows the installation and use of the Beggan Farm Solar Park for a solar energy electricity producing facility operated in accordance with the planning permission.

The landlord has the right to forfeit the Beggan Farm Solar Park Lease for non-payment of rent or breach of the Woden Park (2) OpCo Borrower's covenants under the Beggan Farm Solar Park Lease, subject to giving notice to the Woden Park (2) OpCo Borrower and any mortgagees of the Beggan Farm Solar Park of which the landlord has written notice of and giving a reasonable opportunity to remedy the breach within a reasonable period being not less than 2 months from the landlord's notice.

At the end of the term, the Woden Park (2) OpCo Borrower is required to redeliver the Beggan Farm Solar Park to the landlord and remove the solar panels, inverters and all other associated plant, machinery, vehicles and tools installed or brought onto Beggan Farm Solar Park by the Woden Park (2) OpCo Borrower if requested to do so by the Landlord.

Disposals are prohibited save that the Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm Solar Park Lease, may:

- (a) assign, charge, sublet, part with possession and share possession of the Beggan Farm Solar Park Lease as a whole with a group company and/or a lender without the landlord's consent; and
- (b) charge the Beggan Farm Solar Park Lease; and
- (c) assign the whole of Beggan Farm Solar Park to a third party subject to obtaining the Landlord's prior written consent which is not to be unreasonably withheld or delayed.

There are no provisions in the Beggan Farm Solar Park Lease relating to building or alterations.

The Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm Solar Park Lease, is required to make good any physical damage caused to the Beggan Farm Solar Park (excluding the installation (as defined in the Beggan Farm Solar Park Lease)) by the permitted use and is required to maintain the installation in a safe state of repair as required for its permitted use at all times.

The Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm 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 public liability and third party liability arising out of its occupation and use of Beggan Farm Solar Park.

The Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm Solar Park Lease, is responsible for complying with all laws relating to its use and occupation of the Beggan Farm Solar Park; and any environmental damages or liability, excluding damage or liability arising in respect of pre-existing hazardous materials.

The Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm Solar Park Lease, has agreed to indemnify the landlord against any breach of the Woden Park (2) OpCo Borrower's covenants under the Beggan Farm Solar Park Lease

The landlord is required, under the Beggan Farm Solar Park Lease, at the Woden Park (2) OpCo Borrower's cost to enter into planning agreements which may be required or beneficial to obtaining planning permission for the permitted use and will use reasonable endeavours to procure that any mortgagee or chargee of the landlord's property (as defined in the Beggan Farm Solar Park Lease) enters into such agreements.

The Beggan Farm Solar Park Lease contains a number of obligations on the part of the landlord, intended to protect the solar park use of the Beggan Farm Solar Park. For example, the Beggan Farm 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 Beggan Farm Solar Park Lease, the Woden Park (2) OpCo Borrower (as tenant) has various rights, including:

- (a) the right of access to and from the Beggan Farm Solar Park on reasonable notice over and along the Landlord's neighbouring property as are reasonably necessary for the purpose of using Beggan Farm Solar Park for the permitted use (as set out in the Beggan Farm Solar Park Lease);
- (b) the right to install and keep on the Beggan Farm 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 Beggan Farm Solar Park for the permitted use;
- (c) the right to use the service media existing at the date of the Beggan Farm Solar Park Lease running between the parcels comprising the Beggan Farm 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, maintain, repair, connect, remove, renew, 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 Beggan Farm Solar Park or any property boundaries where such works cannot be carried out from within the Beggan Farm Solar Park provided that in doing so the Clawdd Ddu OpCo Borrower shall comply with all such reasonable safety and security procedures.

Under the Beggan Farm Solar Park Lease, the landlord has various rights, including:

- (a) the right to use any service media in, under or over the Beggan Farm Solar Park on the date of the Beggan Farm Solar Park Lease;
- (b) the right to enter onto the Beggan Farm Solar Park for the purposes of viewing the state and condition of it; and
- (c) rights of support and protection from the Beggan Solar Park.

The Woden Park (2) OpCo Borrower, as tenant under the Beggan Farm Solar Park Lease, may terminate the Beggan Farm Solar Park Lease five years after the term has commenced on not less than six months' prior written notice.

10. PPA Direct Agreements

Total has entered into a direct agreement with the Issuer, the relevant OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (together the **PPA Direct Agreements**) in relation to the Power Purchase Agreement to which it is a party.

Consent, acknowledgement and warranty

Under the PPA Direct Agreements, Total consents to the Borrower having assigned by way of security to the Borrower Security Trustee all of its rights, title, interest in and to and for the benefit of the Borrower under the Power Purchase Agreement and any PPA Guarantee (the **Assigned Rights**).

As between the Issuer, the Issuer Security Trustee and the Borrower Security Trustee only, it is agreed that clause 27.2 (Non-petition) of the Issuer Deed of Charge shall apply to the PPA Direct Agreements and the Issuer's obligations under the PPA Direct Agreements as if set out in full again in the PPA Direct Agreements.

Total unconditionally and irrevocably agrees (in each case until the expiry or termination of the PPA Direct Agreement), to pay the full amount of each sum which it is obliged at any time to pay to the Borrower under or in respect of the relevant Power Purchase Agreement (whether before or after termination of the Power Purchase Agreement) to an account of the Borrower held with the Borrower Account Bank (or, following an Enforcement Date, as otherwise directed in writing by the Issuer Security Trustee or Borrower Security Trustee). Each such payment will constitute a good discharge of the obligation of Total to make the relevant payment to the Borrower.

If a PPA Guarantee is put in place pursuant to the terms of the Power Purchase Agreement, Total shall procure that:

- (a) as a condition of such replacement taking effect, it shall use its best endeavours to procure that the provider of any PPA Guarantee shall perform its obligations under such PPA Guarantee;
- (b) the Borrower shall promptly give notice to the provider of any PPA Guarantee that the Borrower has assigned by way of security to the Issuer Security Trustee or Borrower Security Trustee all of its rights, title, interest in and to and for the benefit of the Borrower under the PPA Guarantee and Total shall procure that the Issuer Security Trustee and Borrower Security Trustee shall not assume any liabilities and/or obligations under the Power Purchase Agreement or the PPA Guarantee as a result of that assignment.

Termination and suspension

Total undertakes to notify the Borrower and the Issuer Security Trustee or Borrower Security Trustee of any default, event or circumstance which would or could reasonably be expected to give Total a right to terminate, suspend rescind or repudiate the Power Purchase Agreement or (but for the PPA Direct Agreement) to take any Offtaker Enforcement Action, as soon as reasonably practicable after becoming actually aware of the same.

Offtaker Enforcement Action means:

- (a) the taking of any steps to terminate, repudiate, suspend and/or rescind the Power Purchase Agreement, or the serving of any notice for the purposes of terminating, repudiating, rescinding and/or suspending the Power Purchase Agreement;
- (b) presenting, or taking any steps leading to the presentation of, any petition for the administration, insolvency or winding-up (or equivalent in any jurisdiction) of the Borrower;
- (c) commencing or continuing any execution or distress or other legal process or proceedings (in any jurisdiction) against the Borrower or its assets; or
- (d) taking any steps to enforce any judgment or order against the Borrower. Total hereby agrees that the Issuer Security Trustee or Borrower Security Trustee may, at any time, take or procure the taking of any action on behalf of the Borrower in circumstances where:
 - (i) the Borrower's failure to take such action would be a breach of the Power Purchase Agreement or would be or could reasonably be expected to contribute towards the occurrence of an Event of Default (as defined in the Power Purchase Agreement); or
 - (ii) the Borrower has breached the Power Purchase Agreement or an Event of Default has arisen,

and any such actions will be deemed to have been taken by the Borrower for the purposes of the Power Purchase Agreement and any breach or Event of Default will be cured, remedied or will not arise (as appropriate) if such breach or Event of Default would have been cured or remedied or would not have arisen (as appropriate) if the Borrower had taken such action itself.

If Total intends to take any Offtaker Enforcement Action, it shall notify the Issuer Security Trustee or Borrower Security Trustee promptly in writing of such *bona fide* intention (**Termination Notice**).

Total agrees that any right it may have under the Power Purchase Agreement or otherwise, to take any Offtaker Enforcement Action shall be suspended and that it shall not take any Offtaker Enforcement Action during a period (the **Suspension Period**) expiring on the later of:

- (a) the expiry of a time period (being not shorter than 90 days) specified in the Termination Notice; or
- (b) if a Step-in Notice has been given, the end of the Step-in Period.

Representative

At any time:

- (a) after an Enforcement Date, whether or not a Termination Notice has been served; or

(b) during the time period (being not shorter than 90 days) specified in the Termination Notice,

the Issuer Security Trustee or Borrower Security Trustee may give notice (the **Step-in Notice**) to Total that a Representative shall be appointed to administer the Power Purchase Agreement who shall have the same rights as if it had at all times been party to the Power Purchase Agreement jointly with the Borrower (the **Appointed Representative**).

Representative means:

- (a) the Issuer Security Trustee and Borrower Security Trustee, any other Finance Party and/or any of their affiliates or any person directly or indirectly owned or controlled by the Issuer Security Trustee and Borrower Security Trustee or any Finance Party;
- (b) an administrator, administrative receiver, a receiver or receiver and manager or any other insolvency official of the Borrower appointed under the relevant Borrower Transaction Document; or
- (c) any other person approved by Total (such approval not to be unreasonably withheld or delayed) in writing.

As a condition to its appointment, the Appointed Representative shall provide Total with a Step-in Undertaking. **Step-in Undertaking** means an enforceable undertaking by an Appointed Representative in favour of Total that the Appointed Representative will be liable to Total jointly and severally with the Borrower to:

- (a) perform or discharge (or procure the performance or discharge of) all the Borrower's unperformed obligations and existing liabilities under the Power Purchase Agreement which have arisen or fallen due prior to the Step-in Date and which are still capable of performance by or on behalf of the Appointed Representative at that time or thereafter during the Step-in Period;
- (b) pay to Total (or procure the payment to Total of) any and all sums due and payable but unpaid by the Borrower to Total under the Power Purchase Agreement arising prior to the Step-in Date, each such sum to be paid on or before the later of: (i) the date on which it is due for payment; (ii) the Step-in Date; or (iii) if it is being disputed pursuant to the provisions of the Power Purchase Agreement, within 5 business days of the same being agreed or finally determined in accordance with the dispute resolution procedure specified in the Power Purchase Agreement; and
- (c) perform or discharge (or procure the performance or discharge of) any obligations and liabilities of the Borrower which arise during the Step-in Period,

in each case in accordance with the Power Purchase Agreement as if the Appointed Representative were party to the Power Purchase Agreement in place of the Borrower.

The Issuer Security Trustee or Borrower Security Trustee shall provide to Total certain information in respect of any Representative.

The Appointed Representative is appointed on the date specified in the Step-in Notice (the **Step-in Date**).

Step-in

From and including the Step-in Date until the Step-out Date, each of Total (and if a PPA Guarantee is provided by Total pursuant to the Power Purchase Agreement, Total shall procure that the provider of any PPA Guarantee shall) deal with the Appointed Representative and not the Borrower, and the Appointed Representative shall be entitled to exercise the rights of the Borrower under the Power Purchase Agreement and/or any such PPA Guarantee. The Borrower agrees that performance by Total or the provider of any such PPA Guarantee of its obligations to the Appointed Representative shall be a good discharge of the corresponding obligation owed by Total or any such Bank Guarantor to the Borrower under the Power Purchase Agreement or any such PPA Guarantee (respectively).

The Appointed Representative may make payment in full to Total of all amounts due and payable under the Power Purchase Agreement as notified to the Issuer Security Trustee or Borrower Security Trustee by Total in a liability notice (and any notice updating a liability notice), and Total shall accept such payments from the Appointed Representative. Total agrees that payment to it by the Appointed Representative of any sums due under the Power Purchase Agreement or performance by the Appointed Representative of any other of the

Borrower's obligations under the Power Purchase Agreement comprises good discharge of the Borrower's payment and other obligations under the Power Purchase Agreement.

Total shall be entitled to terminate the Power Purchase Agreement during the Step-in Period, but only:

- (a) on grounds arising prior to the Step-in Date, provided that such grounds also constitute a breach of the Step-in Undertaking and:
 - (i) in the case of a failure to make a payment, such breach has not been remedied within 5 business days of receipt by the Appointed Representative of a written notice identifying such non-payment (including the amount due) from Total to the Appointed Representative; or
 - (ii) otherwise than in the case of a failure to make a payment, such breach has not been remedied within 20 business days of a written notice from Total (identifying the breach and the steps required to remedy it) to the Appointed Representative (or, where the breach is not capable of being remedied, the effects of such breach have not been mitigated to the reasonable satisfaction of Total within 20 business days of a written notice from Total to the Appointed Representative (identifying the breach and, where reasonably practicable for it to do so, identifying the steps required to mitigate it to the reasonable satisfaction of Total),

in which case Total may terminate the Power Purchase Agreement immediately by a further written notice to the Borrower and the Appointed Representative, and without following any procedures that would otherwise be applicable to termination on such grounds under the Power Purchase Agreement; or

- (b) on grounds arising after the Step-in Date permitting termination under the terms of the Power Purchase Agreement, and following compliance by Total with any procedures applicable to termination under the Power Purchase Agreement, as if the Appointed Representative had been named in the Power Purchase Agreement in place of the Borrower.

Step-out

The Appointed Representative, the Issuer Security Trustee or Borrower Security Trustee may, at any time after the Step-in Date, notify Total (and the provider of any PPA Guarantee where any PPA Guarantee is provided by Total pursuant to the Power Purchase Agreement) that the Appointed Representative's role as Appointed Representative shall terminate; provided that at least 20 business days' (or 5 business days' in the case of a step-out by reason of the appointment of an administrator, liquidator or other insolvency official to the Borrower otherwise than pursuant to a Security Document) prior written notice of such termination has been given of the date on which the Appointed Representative will step out. The date of termination so notified is the **Step-out Date**.

On and from the relevant Step-out Date:

- (a) all rights of the Appointed Representative against Total in relation to the Power Purchase Agreement or any such PPA Guarantee will be cancelled, other than those relating to circumstances arising prior to the Step-Out Date; and
- (b) the Appointed Representative shall be released from all liabilities and/or obligations under the Power Purchase Agreement and from all liabilities and/or obligations arising before the Step-in Date and after the Step-out Date under the PPA Direct Agreement save in respect of obligations and liabilities on the part of the Appointed Representative pursuant to the Step-in Undertaking (for which the Appointed Representative shall remain jointly and severally liable with the Borrower).

After the Step-out Date, Total shall no longer deal with such Appointed Representative and shall deal with the Borrower or any replacement Appointed Representative (as the case may be) or, after the Transfer Date the Suitable Substitute, in connection with the Power Purchase Agreement.

On and from the end of the Step-In Period any right of Total to suspend, rescind, repudiate or terminate the Power Purchase Agreement arising on or prior to the Step-out Date shall be exercisable in accordance with the terms of the Power Purchase Agreement without serving a Termination Notice; provided that:

- (a) any unperformed obligation or liability which gave rise to the right to suspend, rescind, repudiate or terminate the Power Purchase Agreement, but which has been performed during the Step-in Period

(including if performed other than within the time for performance), shall be deemed to have been remedied and no right to suspend, rescind, repudiate or terminate in respect thereof shall revive or be exercisable; and

- (b) if the right to suspend or terminate the Power Purchase Agreement has arisen as a result of any act, omission or event occurring during the Step-in Period, Total shall (without prejudice to its rights to enforce the unreleased obligations and liabilities of the Appointed Representative) not have the right to suspend, rescind, repudiate or terminate the Power Purchase Agreement for the relevant act, omission or event, unless it has given the Borrower notice thereof requiring remedy and the Borrower has failed to remedy such act, omission or event within the relevant grace period specified in the Power Purchase Agreement.

Governing law

The PPA Direct Agreement and all matters arising in connection therewith shall be governed by and shall be construed in accordance with English law.

11. Direct Agreements (O&M and EPC Contract)

Each of the O&M Contractors and the EPC Contractors (each a **Contractor**) has entered 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 below, the Direct Agreements (O&M and EPC Contract) are on substantially the same terms, the key terms of which are as follows:

Acknowledgment and consent

Under the Direct Agreements (O&M and EPC Contract), the relevant Contractor consents to assignments pursuant to the relevant Assignment Agreement.

The Contractor agrees that the Borrower Security Trustee shall not have any obligations under the relevant O&M Contract and EPC Contract.

Termination

If the Contractor intends to take any steps to terminate the relevant O&M Contract and EPC Contract it shall give written notice to the OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee. The Contractor shall not take any steps to terminate the EPC Contract Clawdd Ddu prior to the expiry of 3 months starting on the first to occur of (a) the date on which the Contractor gives notice to the Issuer Security Trustee and the Borrower Security Trustee and (b) the date on which the Issuer Security Trustee or the Borrower Security Trustee gives a notice of Event of Borrower Default to the Contractor (the **Relevant Period**).

The Issuer Security Trustee and the Borrower Security Trustee shall within the Relevant Period decide whether to:

- (a) propose to the Contractor a person or company of sound financial standing willing and able to forthwith enter into an assignment and transfer of the relevant O&M Contract or EPC Contract and tender to the Contractor a duly perfected assignment and transfer certificate in a form to be approved by the Contractor (such approval not to be unreasonably withheld or delayed) binding such assignee;
- (b) remedy the event which the Contractor believes to be grounds for its action (the **Relevant Event**) or to appoint a third party to remedy the Relevant Event;
- (c) step in;
- (d) take no action.

The parties agree that any notice served by the Contractor or the Company, as the case may be, to terminate the EPC Contract Clawdd Ddu shall not be valid unless it has been countersigned by the Issuer Security Trustee and

the Borrower Security Trustee, unless after allowing an additional period of 5 days to the Relevant Period for such countersignature the Issuer Security Trustee and the Borrower Security Trustee have not countersigned the termination the termination shall be valid without the countersignature of the Issuer Security Trustee and the Borrower Security Trustee.

Right to remedy

During the Relevant Period, the Issuer Security Trustee and the Borrower Security Trustee shall be entitled to remedy each Relevant Event.

Step-in

The Issuer Security Trustee and the Borrower Security Trustee may, at any time during the Relevant Period provide a copy of an undertaking given by the Issuer Security Trustee, the Borrower Security Trustee, any Affiliate of the Issuer Security Trustee or the Borrower Security Trustee, any receiver, receiver and manager or administrator appointed by the Issuer Security Trustee or the Borrower Security Trustee (each an **Eligible Person**) to the Contractor whereby an Eligible Person assumes, jointly and severally with the relevant OpCo Borrower, the relevant OpCo Borrower's rights and obligations under the relevant O&M Contract or EPC Contract.

Step-in period

If there is a step-in, the Contractor shall not exercise any right which it has to terminate the relevant O&M Contract and EPC Contract (or take any proceedings or other steps for or with a view to any insolvency or similar event or proceedings of the OpCo Borrower), save where such right is exercised by reference to a breach of the O&M Contract and EPC Contract which occurs on or after the date of step-in. The relevant Eligible Person and not the OpCo Borrower shall deal with the Contractor in relation to all matters concerning the relevant O&M Contract and EPC Contract.

Step-out

The relevant Eligible Person shall, on 14 days prior written notice from the Issuer Security Trustee and the Borrower Security Trustee to the Contractor and on payment to the Contractor of any legal or other costs of the Contractor reasonably and properly incurred by the Contractor in connection with the release (and any value added tax thereon), be released from any obligations to the Contractor arising under or in connection with the relevant O&M Contract, EPC Contract and Direct Agreement (O&M and EPC Contract).

Right to assumption and novation

At any time during the Relevant Period or during the step-in, the Issuer Security Trustee and/or the Borrower Security Trustee may, on 15 days' prior written notice to the Contractor, replace the OpCo Borrower and procure the transfer of the OpCo Borrower's rights and obligations (*Vertragsübernahme*) under the relevant O&M Contract and EPC Contract to an Eligible Person.

On the date on which any such transfer becomes effective (the **Transfer Date**), the Issuer Security Trustee and the Borrower Security Trustee and any other person shall be released from any obligations arising under or in connection with the relevant O&M Contract, EPC Contract and Direct Agreement (O&M and EPC Contract), the Eligible Person shall be granted all of the rights and assume all of the obligations and liabilities of the OpCo Borrower under the relevant O&M Contract and EPC Contract (whether actual or contingent and whether arising before, on or after the Transfer Date) and the Contractor shall enter into another agreement *mutatis mutandis* in the form of the relevant Direct Agreement (O&M and EPC Contract) with the person who acts as lender, issuer or security trustee under any financing arrangements of the Eligible Person to whom the transfer is made.

Undertakings

The Contractor shall take whatever lawful action the Issuer Security Trustee or the Borrower Security Trustee may reasonably require for implementing or perfecting any transfer, assumption or novation or release under any of the provisions of the relevant Direct Agreement (O&M and EPC Contract).

The Contractor shall in good faith cooperate with the technical advisor of the Issuer Security Trustee and the Borrower Security Trustee, the insurance advisor and/or other professional advisers and contractors of the Issuer Security Trustee and the Borrower Security Trustee and provide all information reasonably requested by them. The Contractor shall, in particular, at the cost of the OpCo Borrower, permit the respective technical adviser and the insurance adviser and/or other professional advisers of the Issuer Security Trustee and the Borrower Security Trustee:

- (a) free access at all reasonable times to conduct environmental, development and construction monitoring; and
- (b) view the assets which are the subject of the securities provided to the Issuer Security Trustee or the Borrower Security Trustee; and
- (c) meet and discuss matters with employees of the Contractor responsible for the works to be performed under the relevant O&M Contract or EPC Contract.

Limited recourse and non-petition

The parties (other than the Issuer) agree and confirm that the sole recourse of any such Party in respect of any payment obligations of the Issuer owing to it under this Agreement shall be against any of its rights to receive, now or in the future, any payment arising from or as a result of a claim under the O&M Contract and the EPC Contract, and such person shall not have any claim against the Issuer or the other parties hereto to the extent that such assets are insufficient to meet such payment obligations.

As between the Issuer, the Issuer Security Trustee and the Borrower Security Trustee only, it is agreed that clause 27.2 (*Non-petition*) of the Issuer Deed of Charge shall apply to the relevant Direct Agreement (O&M and EPC Contract) and the Issuer's obligations under the relevant Direct Agreement (O&M and EPC Contract).

Governing law

The Direct Agreements (O&M and EPC Contracts) are governed by German law.

12. Solar Park Lease Direct Agreements

Each of the following direct agreements are **Solar Park Lease Direct Agreements**.

Clawdd Ddu Solar Park Lease Direct Agreement

The landlord of the Clawdd Ddu Solar Park Lease relating to the Clawdd Ddu site (the **Clawdd Ddu Landlord**) has entered into a direct agreement with the Issuer, the Clawdd Ddu OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Clawdd Ddu Lease)**) in respect of the Clawdd Ddu Solar Park Lease.

The key terms of the Direct Agreement (Clawdd Ddu Lease) are as follows:

Notice of termination

The Direct Agreement (Clawdd Ddu Lease) sets out that the Clawdd Ddu Landlord shall give written notice to the Issuer, the Clawdd Ddu OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Clawdd Ddu Solar Park Lease (the **Termination Notice (Clawdd Ddu Lease)**), together with a statement setting out, in respect of the Clawdd Ddu Solar Park Lease:

- (a) any outstanding amounts owing by the Clawdd Ddu OpCo Borrower to the Clawdd Ddu Landlord;
- (b) any other liabilities or obligations of the Clawdd Ddu OpCo Borrower; and
- (c) any outstanding breach of the Clawdd Ddu OpCo Borrower.

Relevant period

The Clawdd Ddu Landlord will not exercise its right to terminate the Clawdd Ddu Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (Clawdd Ddu Lease) may agree) from:

- (a) the date of service of a Termination Notice (Clawdd Ddu Lease); or
- (b) the date of service of a notice to the Clawdd Ddu Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Clawdd Ddu Lease)**.

Step-in rights

Under the Direct Agreement (Clawdd Ddu Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Clawdd Ddu Lease), provide a copy to the Clawdd Ddu Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Clawdd Ddu Lease)**), whereby the Eligible Person (Clawdd Ddu Lease) steps in as an additional obligor (the **Step-in (Clawdd Ddu Lease)**) under the Clawdd Ddu Solar Park Lease (the **Additional Obligor (Clawdd Ddu Lease)**).

Any Additional Obligor (Clawdd Ddu Lease) assumes, jointly and severally with the Clawdd Ddu OpCo Borrower, the Clawdd Ddu OpCo Borrower's rights and obligations under the Clawdd Ddu Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Clawdd Ddu Landlord of the release from any obligations to the Clawdd Ddu Landlord of the Additional Obligor (Clawdd Ddu Lease);
- (b) the date of any permitted transfer of the benefit and/or burden of the Clawdd Ddu Solar Park Lease; and
- (c) the date of termination of the Clawdd Ddu Solar Park Lease in accordance with the terms of the Direct Agreement (Clawdd Ddu Lease),

such period being the **Step-in Period (Clawdd Ddu Lease)**.

Only the Additional Obligor (Clawdd Ddu Lease) shall deal with the Clawdd Ddu Landlord during the Step-in Period (Clawdd Ddu Lease) and any performance of any obligation under the Clawdd Ddu Solar Park Lease by the Clawdd Ddu Landlord in favour of the Additional Obligor (Clawdd Ddu Lease) shall be a good discharge by the Clawdd Ddu Landlord of such obligation to the Clawdd Ddu OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Clawdd Ddu Lease), the Clawdd Ddu Landlord shall not, during the Step-in Period (Clawdd Ddu Lease):

- (a) exercise any right which it has to terminate the Clawdd Ddu Solar Park Lease unless such right is based on a breach of the Clawdd Ddu Solar Park Lease which occurs on or after the date of the Step-in (Clawdd Ddu Lease); and/or
- (b) exercise any right which it may have to terminate the Clawdd Ddu Solar Park Lease due to the Clawdd Ddu OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Clawdd Ddu OpCo Borrower's interests in the Clawdd Ddu Solar Park Lease.

Transfer

The Clawdd Ddu Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Clawdd Ddu Landlord) the transfer of the Clawdd Ddu OpCo Borrower's rights and obligations under the Clawdd Ddu Solar Park Lease to an Eligible Person (Clawdd Ddu Lease) at any time during any Relevant Period (Clawdd Ddu Lease) or Step-In Period (Clawdd Ddu Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Clawdd Ddu Lease) shall be released from any obligations arising under or in connection with the Clawdd Ddu Solar Park Lease and the Direct Agreement (Clawdd Ddu Lease);
- (b) the Eligible Person (Clawdd Ddu Lease) shall assume all of the rights, obligations and liabilities of the Clawdd Ddu OpCo Borrower; and
- (c) the Clawdd Ddu Landlord shall enter into another agreement in the form of the Direct Agreement (Clawdd Ddu Lease) with the security trustee of the Eligible Person (Clawdd Ddu Lease).

The Clawdd Ddu Landlord and the Clawdd Ddu OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Clawdd Ddu Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Clawdd Ddu Solar Park Lease.

After the transfer, the Clawdd Ddu Landlord is only entitled to terminate the Clawdd Ddu Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Clawdd Ddu Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Clawdd Ddu Lease) without the consent of the Clawdd Ddu Landlord.

The Clawdd Ddu Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Clawdd Ddu Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Clawdd Ddu landlord's undertakings

The Clawdd Ddu Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Clawdd Ddu Lease) not to vary the Clawdd Ddu Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Clawdd Ddu Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Clawdd Ddu Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Clawdd Ddu Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Clawdd Ddu Solar Park Lease is disclaimed, forfeited or terminated, the Clawdd Ddu Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Clawdd Ddu Solar Park Lease.

Security interests

The Clawdd Ddu OpCo Borrower gives notice under the Direct Agreement (Clawdd Ddu Lease) to the Clawdd Ddu Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Clawdd Ddu Solar Park Lease.

The Clawdd Ddu Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Clawdd Ddu Solar Park Lease.

Governing law

The Direct Agreement (Clawdd Ddu Lease) and any non-contractual terms arising out of it are governed by English law.

Evesham Solar Park Lease Direct Agreement

The landlord of the Evesham Solar Park Lease relating to the Evesham site (the **Evesham Landlord**) has entered into a direct agreement with the Issuer, the Evesham OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Evesham Lease)**) in respect of the Evesham Solar Park Lease.

The key terms of the Direct Agreement (Evesham Lease) are as follows:

Notice of termination

The Direct Agreement (Evesham Lease) sets out that the Evesham Landlord shall give written notice to the Issuer, the Evesham OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Evesham Solar Park Lease (the **Termination Notice (Evesham Lease)**), together with a statement setting out, in respect of the Evesham Solar Park Lease:

- (a) any outstanding amounts owing by the Evesham OpCo Borrower to the Evesham Landlord;
- (b) any other liabilities or obligations of the Evesham OpCo Borrower; and
- (c) any outstanding breach of the Evesham OpCo Borrower.

Relevant period

The Evesham Landlord will not exercise its right to terminate the Evesham Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (Evesham Lease) may agree) from:

- (a) the date of service of a Termination Notice (Evesham Lease); or
- (b) the date of service of a notice to the Evesham Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Evesham Lease)**.

Step-in rights

Under the Direct Agreement (Evesham Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Evesham Lease), provide a copy to the Evesham Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Evesham Lease)**), whereby the Eligible Person (Evesham Lease) steps in as an additional obligor (the **Step-in (Evesham Lease)**) under the Evesham Solar Park Lease (the **Additional Obligor (Evesham Lease)**).

Any Additional Obligor (Evesham Lease) assumes, jointly and severally with the Evesham OpCo Borrower, the Evesham OpCo Borrower's rights and obligations under the Evesham Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Evesham Landlord of the release from any obligations to the Evesham Landlord of the Additional Obligor (Evesham Lease);
- (b) the date of any permitted transfer of the benefit and/or burden of the Evesham Solar Park Lease; and
- (c) the date of termination of the Evesham Solar Park Lease in accordance with the terms of the Direct Agreement (Evesham Lease),

such period being the **Step-in Period (Evesham Lease)**.

Only the Additional Obligor (Evesham Lease) shall deal with the Evesham Landlord during the Step-in Period (Evesham Lease) and any performance of any obligation under the Evesham Solar Park Lease by the Evesham Landlord in favour of the Additional Obligor (Evesham Lease) shall be a good discharge by the Evesham Landlord of such obligation to the Evesham OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Evesham Lease), the Evesham Landlord shall not, during the Step-in Period (Evesham Lease):

- (a) exercise any right which it has to terminate the Evesham Solar Park Lease unless such right is based on a breach of the Evesham Solar Park Lease which occurs on or after the date of the Step-in (Evesham Lease); and/or
- (b) exercise any right which it may have to terminate the Evesham Solar Park Lease due to the Evesham OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Evesham OpCo Borrower's interests in the Evesham Solar Park Lease.

Transfer

The Evesham Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Evesham Landlord) the transfer of the Evesham OpCo Borrower's rights and obligations under the Evesham Solar Park Lease to an Eligible Person (Evesham Lease) at any time during any Relevant Period (Evesham Lease) or Step-In Period (Evesham Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Evesham Lease) shall be released from any obligations arising under or in connection with the Evesham Solar Park Lease and the Direct Agreement (Evesham Lease);
- (b) the Eligible Person (Evesham Lease) shall assume all of the rights, obligations and liabilities of the Evesham OpCo Borrower; and
- (c) the Evesham Landlord shall enter into another agreement in the form of the Direct Agreement (Evesham Lease) with the security trustee of the Eligible Person (Evesham Lease).

The Evesham Landlord and the Evesham OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Evesham Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Evesham Solar Park Lease.

After the transfer, the Evesham Landlord is only entitled to terminate the Evesham Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Evesham Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Evesham Lease) without the consent of the Evesham Landlord.

The Evesham Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Evesham Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Evesham landlord's undertakings

The Evesham Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Evesham Lease) not to vary the Evesham Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Evesham Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Evesham Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Evesham Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Evesham Solar Park Lease is disclaimed, forfeited or terminated, the Evesham Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Evesham Solar Park Lease.

Security interests

The Evesham OpCo Borrower gives notice under the Direct Agreement (Evesham Lease) to the Evesham Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Evesham Solar Park Lease.

The Evesham Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Evesham Solar Park Lease.

Governing law

The Direct Agreement (Evesham Lease) and any non-contractual terms arising out of it are governed by English law.

Evesham Solar Park lease of rights direct agreement

The landlord of the Evesham Solar Park Lease of Rights relating to the Evesham site (the **Evesham Lease of Rights Landlord**) has entered into a direct agreement with the Issuer, the Evesham OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Evesham Lease of Rights)**) in respect of the Evesham Solar Park Lease of Rights.

The key terms of the Direct Agreement (Evesham Lease of Rights) are as follows:

Notice of termination

The Direct Agreement (Evesham Lease of Rights) sets out that the Evesham Lease of Rights Landlord shall give written notice to the Issuer, the Evesham OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Evesham Solar Park Lease of Rights (the **Termination Notice (Evesham Lease of Rights)**), together with a statement setting out, in respect of the Evesham Solar Park Lease of Rights:

- (a) any outstanding amounts owing by the Evesham OpCo Borrower to the Evesham Lease of Rights Landlord;
- (b) any other liabilities or obligations of the Evesham OpCo Borrower; and
- (c) any outstanding breach of the Evesham OpCo Borrower.

Relevant period

The Evesham Lease of Rights Landlord will not exercise its right to terminate the Evesham Solar Park Lease of Rights for a period of six months (or such longer period as the parties to the Direct Agreement (Evesham Lease of Rights) may agree) from:

- (a) the date of service of a Termination Notice (Evesham Lease of Rights); or
- (b) the date of service of a notice to the Evesham Lease of Rights Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Evesham Lease of Rights)**.

Step-in rights

Under the Direct Agreement (Evesham Lease of Rights), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Evesham Lease of Rights), provide a copy to the Evesham Lease of Rights Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Evesham Lease of Rights)**), whereby the Eligible Person (Evesham Lease of Rights) steps in as an additional obligor (the **Step-in (Evesham Lease of Rights)**) under the Evesham Solar Park Lease of Rights (the **Additional Obligor (Evesham Lease of Rights)**).

Any Additional Obligor (Evesham Lease of Rights) assumes, jointly and severally with the Evesham OpCo Borrower, the Evesham OpCo Borrower's rights and obligations under the Evesham Solar Park Lease of Rights for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Evesham Lease of Rights Landlord of the release from any obligations to the Evesham Lease of Rights Landlord of the Additional Obligor (Evesham Lease of Rights);
- (b) the date of any permitted transfer of the benefit and/or burden of the Evesham Solar Park Lease of Rights; and
- (c) the date of termination of the Evesham Solar Park Lease of Rights in accordance with the terms of the Direct Agreement (Evesham Lease of Rights),

such period being the **Step-in Period (Evesham Lease of Rights)**.

Only the Additional Obligor (Evesham Lease of Rights) shall deal with the Evesham Lease of Rights Landlord during the Step-in Period (Evesham Lease of Rights) and any performance of any obligation under the Evesham Solar Park Lease of Rights by the Evesham Lease of Rights Landlord in favour of the Additional Obligor

(Evesham Lease of Rights) shall be a good discharge by the Evesham Lease of Rights Landlord of such obligation to the Evesham OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Evesham Lease of Rights), the Evesham Lease of Rights Landlord shall not, during the Step-in Period (Evesham Lease of Rights):

- (a) exercise any right which it has to terminate the Evesham Solar Park Lease of Rights unless such right is based on a breach of the Evesham Solar Park Lease of Rights which occurs on or after the date of the Step-in (Evesham Lease of Rights); and/or
- (b) exercise any right which it may have to terminate the Evesham Solar Park Lease of Rights due to the Evesham OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Evesham OpCo Borrower's interests in the Evesham Solar Park Lease of Rights.

Transfer

The Evesham Lease of Rights Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Evesham Lease of Rights Landlord) the transfer of the Evesham OpCo Borrower's rights and obligations under the Evesham Solar Park Lease of Rights to an Eligible Person (Evesham Lease of Rights) at any time during any Relevant Period (Evesham Lease of Rights) or Step-In Period (Evesham Lease of Rights).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Evesham Lease of Rights) shall be released from any obligations arising under or in connection with the Evesham Solar Park Lease of Rights and the Direct Agreement (Evesham Lease of Rights);
- (b) the Eligible Person (Evesham Lease of Rights) shall assume all of the rights, obligations and liabilities of the Evesham OpCo Borrower; and
- (c) the Evesham Lease of Rights Landlord shall enter into another agreement in the form of the Direct Agreement (Evesham Lease of Rights) with the security trustee of the Eligible Person (Evesham Lease of Rights).

The Evesham Lease of Rights Landlord and the Evesham OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Evesham Lease of Rights) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Evesham Solar Park Lease of Rights.

After the transfer, the Evesham Lease of Rights Landlord is only entitled to terminate the Evesham Solar Park Lease of Rights if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Evesham Lease of Rights Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Evesham Lease of Rights) without the consent of the Evesham Lease of Rights Landlord.

The Evesham Lease of Rights Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Evesham Lease of Rights) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Evesham lease of rights landlord's undertakings

The Evesham Lease of Rights Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Evesham Lease of Rights) not to vary the Evesham Solar Park Lease of Rights without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Evesham Lease of Rights Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Evesham Solar Park Lease of Rights unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Evesham Lease of Rights)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Evesham Solar Park Lease of Rights is disclaimed, forfeited or terminated, the Evesham Lease of Rights Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Evesham Solar Park Lease of Rights.

Security interests

The Evesham OpCo Borrower gives notice under the Direct Agreement (Evesham Lease of Rights) to the Evesham Lease of Rights Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Evesham Solar Park Lease of Rights.

The Evesham Lease of Rights Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Evesham Solar Park Lease of Rights.

Governing law

The Direct Agreement (Evesham Lease of Rights) and any non-contractual terms arising out of it are governed by English law.

IOW Solar Park Lease Direct Agreement

The landlord of the IOW Solar Park Lease relating to the IOW site (the **IOW Landlord**) has entered into a direct agreement with the Issuer, the IOW OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (IOW Lease)**) in respect of the IOW Solar Park Lease.

The key terms of the Direct Agreement (IOW Lease) are as follows:

Notice of termination

The Direct Agreement (IOW Lease) sets out that the IOW Landlord shall give written notice to the Issuer, the IOW OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the IOW Solar Park Lease (the **Termination Notice (IOW Lease)**), together with a statement setting out, in respect of the IOW Solar Park Lease:

- (a) any outstanding amounts owing by the IOW OpCo Borrower to the IOW Landlord;
- (b) any other liabilities or obligations of the IOW OpCo Borrower; and
- (c) any outstanding breach of the IOW OpCo Borrower.

Relevant period

The IOW Landlord will not exercise its right to terminate the IOW Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (IOW Lease) may agree) from:

- (a) the date of service of a Termination Notice (IOW Lease); or

- (b) the date of service of a notice to the IOW Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (IOW Lease)**.

Step-in rights

Under the Direct Agreement (IOW Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (IOW Lease), provide a copy to the IOW Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (IOW Lease)**), whereby the Eligible Person (IOW Lease) steps in as an additional obligor (the **Step-in (IOW Lease)**) under the IOW Solar Park Lease (the **Additional Obligor (IOW Lease)**).

Any Additional Obligor (IOW Lease) assumes, jointly and severally with the IOW OpCo Borrower, the IOW OpCo Borrower's rights and obligations under the IOW Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the IOW Landlord of the release from any obligations to the IOW Landlord of the Additional Obligor (IOW Lease);
- (b) the date of any permitted transfer of the benefit and/or burden of the IOW Solar Park Lease; and
- (c) the date of termination of the IOW Solar Park Lease in accordance with the terms of the Direct Agreement (IOW Lease),

such period being the **Step-in Period (IOW Lease)**.

Only the Additional Obligor (IOW Lease) shall deal with the IOW Landlord during the Step-in Period (IOW Lease) and any performance of any obligation under the IOW Solar Park Lease by the IOW Landlord in favour of the Additional Obligor (IOW Lease) shall be a good discharge by the IOW Landlord of such obligation to the IOW OpCo Borrower as tenant.

Step-in period

If there is a Step-in (IOW Lease), the IOW Landlord shall not, during the Step-in Period (IOW Lease):

- (a) exercise any right which it has to terminate the IOW Solar Park Lease unless such right is based on a breach of the IOW Solar Park Lease which occurs on or after the date of the Step-in (IOW Lease); and/or
- (b) exercise any right which it may have to terminate the IOW Solar Park Lease due to the IOW OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the IOW OpCo Borrower's interests in the IOW Solar Park Lease.

Transfer

The IOW Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the IOW Landlord) the transfer of the IOW OpCo Borrower's rights and obligations under the IOW Solar Park Lease to an Eligible Person (IOW Lease) at any time during any Relevant Period (IOW Lease) or Step-In Period (IOW Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (IOW Lease) shall be released from any obligations arising under or in connection with the IOW Solar Park Lease and the Direct Agreement (IOW Lease);
- (b) the Eligible Person (IOW Lease) shall assume all of the rights, obligations and liabilities of the IOW OpCo Borrower; and
- (c) the IOW Landlord shall enter into another agreement in the form of the Direct Agreement (IOW Lease) with the security trustee of the Eligible Person (IOW Lease).

The IOW Landlord and the IOW OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (IOW Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the IOW Solar Park Lease.

After the transfer, the IOW Landlord is only entitled to terminate the IOW Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the IOW Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (IOW Lease) without the consent of the IOW Landlord.

The IOW Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (IOW Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

IOW landlord's undertakings

The IOW Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (IOW Lease) not to vary the IOW Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The IOW Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the IOW Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (IOW Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the IOW Solar Park Lease is disclaimed, forfeited or terminated, the IOW Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the IOW Solar Park Lease.

Security interests

The IOW OpCo Borrower gives notice under the Direct Agreement (IOW Lease) to the IOW Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the IOW Solar Park Lease.

The IOW Landlord acknowledges receipt of notice and consents to the security interests created in respect of the IOW Solar Park Lease.

Governing law

The Direct Agreement (IOW Lease) and any non-contractual terms arising out of it are governed by English law.

Trequite Solar Park Lease Direct Agreement

The landlord of the Trequite Solar Park Lease relating to the Trequite site (the **Trequite Landlord**) has entered into a direct agreement with the Issuer, the Trequite OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Trequite Lease)**) in respect of the Trequite Solar Park Lease.

The key terms of the Direct Agreement (Trequite Lease) are as follows:

Notice of termination

The Direct Agreement (Trequite Lease) sets out that the Trequite Landlord shall give written notice to the Issuer, the Trequite OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Trequite Solar Park Lease (the **Termination Notice (Trequite Lease)**), together with a statement setting out, in respect of the Trequite Solar Park Lease:

- (a) any outstanding amounts owing by the Trequite OpCo Borrower to the Trequite Landlord;
- (b) any other liabilities or obligations of the Trequite OpCo Borrower; and
- (c) any outstanding breach of the Trequite OpCo Borrower.

Relevant period

The Trequite Landlord will not exercise its right to terminate the Trequite Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (Trequite Lease) may agree) from:

- (a) the date of service of a Termination Notice (Trequite Lease); or
- (b) the date of service of a notice to the Trequite Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Trequite Lease)**.

Step-in rights

Under the Direct Agreement (Trequite Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Trequite Lease), provide a copy to the Trequite Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Trequite Lease)**), whereby the Eligible Person (Trequite Lease) steps in as an additional obligor (the **Step-in (Trequite Lease)**) under the Trequite Solar Park Lease (the **Additional Obligor (Trequite Lease)**).

Any Additional Obligor (Trequite Lease) assumes, jointly and severally with the Trequite OpCo Borrower, the Trequite OpCo Borrower's rights and obligations under the Trequite Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Trequite Landlord of the release from any obligations to the Trequite Landlord of the Additional Obligor (Trequite Lease);

- (b) the date of any permitted transfer of the benefit and/or burden of the Trequite Solar Park Lease; and
- (c) the date of termination of the Trequite Solar Park Lease in accordance with the terms of the Direct Agreement (Trequite Lease),

such period being the **Step-in Period (Trequite Lease)**.

Only the Additional Obligor (Trequite Lease) shall deal with the Trequite Landlord during the Step-in Period (Trequite Lease) and any performance of any obligation under the Trequite Solar Park Lease by the Trequite Landlord in favour of the Additional Obligor (Trequite Lease) shall be a good discharge by the Trequite Landlord of such obligation to the Trequite OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Trequite Lease), the Trequite Landlord shall not, during the Step-in Period (Trequite Lease):

- (a) exercise any right which it has to terminate the Trequite Solar Park Lease unless such right is based on a breach of the Trequite Solar Park Lease which occurs on or after the date of the Step-in (Trequite Lease); and/or
- (b) exercise any right which it may have to terminate the Trequite Solar Park Lease due to the Trequite OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Trequite OpCo Borrower's interests in the Trequite Solar Park Lease.

Transfer

The Trequite Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Trequite Landlord) the transfer of the Trequite OpCo Borrower's rights and obligations under the Trequite Solar Park Lease to an Eligible Person (Trequite Lease) at any time during any Relevant Period (Trequite Lease) or Step-In Period (Trequite Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Trequite Lease) shall be released from any obligations arising under or in connection with the Trequite Solar Park Lease and the Direct Agreement (Trequite Lease);
- (b) the Eligible Person (Trequite Lease) shall assume all of the rights, obligations and liabilities of the Trequite OpCo Borrower; and
- (c) the Trequite Landlord shall enter into another agreement in the form of the Direct Agreement (Trequite Lease) with the security trustee of the Eligible Person (Trequite Lease).

The Trequite Landlord and the Trequite OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Trequite Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Trequite Solar Park Lease.

After the transfer, the Trequite Landlord is only entitled to terminate the Trequite Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Trequite Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Trequite Lease) without the consent of the Trequite Landlord.

The Trequite Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Trequite Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Trequite landlord's undertakings

The Trequite Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Trequite Lease) not to vary the Trequite Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Trequite Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Trequite Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Trequite Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Trequite Solar Park Lease is disclaimed, forfeited or terminated, the Trequite Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Trequite Solar Park Lease.

Security interests

The Trequite OpCo Borrower gives notice under the Direct Agreement (Trequite Lease) to the Trequite Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Trequite Solar Park Lease.

The Trequite Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Trequite Solar Park Lease.

Governing law

The Direct Agreement (Trequite Lease) and any non-contractual terms arising out of it are governed by English law.

Trewidland Solar Park Lease Direct Agreement

The landlord of the Trewidland Solar Park Lease relating to the Trewidland site (the **Trewidland Landlord**) has entered into a direct agreement with the Issuer, the Trewidland OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Trewidland Lease)**) in respect of the Trewidland Solar Park Lease.

The key terms of the Direct Agreement (Trewidland Lease) are as follows:

Notice of termination

The Direct Agreement (Trewidland Lease) sets out that the Trewidland Landlord shall give written notice to the Issuer, the Trewidland OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Trewidland Solar Park Lease (the **Termination Notice (Trewidland Lease)**), together with a statement setting out, in respect of the Trewidland Solar Park Lease:

- (a) any outstanding amounts owing by the Trewidland OpCo Borrower to the Trewidland Landlord;
- (b) any other liabilities or obligations of the Trewidland OpCo Borrower; and
- (c) any outstanding breach of the Trewidland OpCo Borrower.

Relevant period

The Trewidland Landlord will not exercise its right to terminate the Trewidland Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (Trewidland Lease) may agree) from:

- (a) the date of service of a Termination Notice (Trewidland Lease); or
- (b) the date of service of a notice to the Trewidland Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Trewidland Lease)**.

Step-in rights

Under the Direct Agreement (Trewidland Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Trewidland Lease), provide a copy to the Trewidland Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Trewidland Lease)**), whereby the Eligible Person (Trewidland Lease) steps in as an additional obligor (the **Step-in (Trewidland Lease)**) under the Trewidland Solar Park Lease (the **Additional Obligor (Trewidland Lease)**).

Any Additional Obligor (Trewidland Lease) assumes, jointly and severally with the Trewidland OpCo Borrower, the Trewidland OpCo Borrower's rights and obligations under the Trewidland Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Trewidland Landlord of the release from any obligations to the Trewidland Landlord of the Additional Obligor (Trewidland Lease);
- (b) the date of any permitted transfer of the benefit and/or burden of the Trewidland Solar Park Lease; and
- (c) the date of termination of the Trewidland Solar Park Lease in accordance with the terms of the Direct Agreement (Trewidland Lease),

such period being the **Step-in Period (Trewidland Lease)**.

Only the Additional Obligor (Trewidland Lease) shall deal with the Trewidland Landlord during the Step-in Period (Trewidland Lease) and any performance of any obligation under the Trewidland Solar Park Lease by the Trewidland Landlord in favour of the Additional Obligor (Trewidland Lease) shall be a good discharge by the Trewidland Landlord of such obligation to the Trewidland OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Trewidland Lease), the Trewidland Landlord shall not, during the Step-in Period (Trewidland Lease):

- (a) exercise any right which it has to terminate the Trewidland Solar Park Lease unless such right is based on a breach of the Trewidland Solar Park Lease which occurs on or after the date of the Step-in (Trewidland Lease); and/or
- (b) exercise any right which it may have to terminate the Trewidland Solar Park Lease due to the Trewidland OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Trewidland OpCo Borrower's interests in the Trewidland Solar Park Lease.

Transfer

The Trewidland Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Trewidland Landlord) the transfer of the Trewidland OpCo Borrower's rights and obligations under the Trewidland Solar Park Lease to an Eligible Person (Trewidland Lease) at any time during any Relevant Period (Trewidland Lease) or Step-In Period (Trewidland Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Trewidland Lease) shall be released from any obligations arising under or in connection with the Trewidland Solar Park Lease and the Direct Agreement (Trewidland Lease);
- (b) the Eligible Person (Trewidland Lease) shall assume all of the rights, obligations and liabilities of the Trewidland OpCo Borrower; and
- (c) the Trewidland Landlord shall enter into another agreement in the form of the Direct Agreement (Trewidland Lease) with the security trustee of the Eligible Person (Trewidland Lease).

The Trewidland Landlord and the Trewidland OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Trewidland Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Trewidland Solar Park Lease.

After the transfer, the Trewidland Landlord is only entitled to terminate the Trewidland Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Trewidland Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Trewidland Lease) without the consent of the Trewidland Landlord.

The Trewidland Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Trewidland Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Trewidland landlord's undertakings

The Trewidland Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Trewidland Lease) not to vary the Trewidland Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Trewidland Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Trewidland Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Trewidland Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Trewidland Solar Park Lease is disclaimed, forfeited or terminated, the Trewidland Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Trewidland Solar Park Lease.

Security interests

The Trewidland OpCo Borrower gives notice under the Direct Agreement (Trewidland Lease) to the Trewidland Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Trewidland Solar Park Lease.

The Trewidland Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Trewidland Solar Park Lease.

Governing law

The Direct Agreement (Trewidland Lease) and any non-contractual terms arising out of it are governed by English law.

Woden Solar Park Lease Direct Agreement

The landlord of the Woden Solar Park Lease relating to the Woden Park site (the **Woden Park Landlord**) has entered into a direct agreement with the Issuer, the Woden Park OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Woden Park Lease)**) in respect of the Woden Solar Park Lease.

The key terms of the Direct Agreement (Woden Park Lease) are as follows:

Notice of termination

The Direct Agreement (Woden Park Lease) sets out that the Woden Park Landlord shall give written notice to the Borrower Security Trustee if it intends to exercise any rights to terminate the Woden Solar Park Lease (the **Termination Notice (Woden Park Lease)**), followed by a statement setting out, in respect of the Woden Solar Park Lease, existing liabilities or unperformed obligations of the Woden Park OpCo Borrower to the Woden Park Landlord (of which the Woden Park Landlord is aware):

- (a) as at the date of the Termination Notice (Woden Park Lease) or the notification of an enforcement date; and;
- (b) which are due on or prior to the date falling 90 days after the Termination Notice (Woden Park Lease) (the **Required Period (Woden Park Lease)**) or the date falling 90 days after the date on which an enforcement notice has been sent under the Note Instrument (the **Enforcement Date (Woden Park Lease)**).

The Woden Park Landlord will not take any steps to forfeit or terminate the Lease during the Required Period (Woden Park Lease).

Representative

After an Enforcement Date (Woden Park Lease) or during the Required Period (Woden Park Lease) the Borrower Security Trustee may notify the Woden Park Landlord that a representative shall be appointed to administer the Woden Solar Park Lease who shall have the same rights as if it had at all times been party to the Lease in place of the Woden Park OpCo Borrower (the **Appointed Representative (Woden Park Lease)**). The Woden Park Landlord can only reject such Appointed Representative (Woden Park Lease) under certain conditions.

Step-in period

During the step-in period the Woden Park Landlord:

- (a) shall only deal with the Appointed Representative (Woden Park Lease); and
- (b) shall only be entitled to terminate the Woden Solar Park Lease if certain amounts have not been paid.

Step-out

The Appointed Representative (Woden Park Lease) can step out upon 30 days' prior written notice by the Appointed Representative (Woden Park Lease) or the Borrower Security Trustee upon which all rights of the Appointed Representative (Woden Park Lease) against the Woden Park Landlord will be cancelled (other than those arising prior to the step-out date) and the Appointed Representative (Woden Park Lease) will be released from all obligations and liabilities.

Novation

At any time after an Enforcement Date (Woden Park Lease), the Required Period (Woden Park Lease) or during the step-in period the Borrower Security Trustee may give written notice to the Woden Park Landlord and any Appointed Representative (Woden Park Lease), that it wishes to procure the transfer of the Borrower's rights and liabilities under the Woden Solar Park Lease to a suitable substitute. Such written notice shall contain details of the proposed suitable substitute who shall enter into a deed of novation with respect to the Woden Solar Park Lease.

In case of such novation:

- (a) the Woden Park OpCo Borrower shall be released from and the suitable substitute shall assume (i) any obligations or liabilities of the Woden Park OpCo Borrower arising on or after the date of the novation under or in connection with the Woden Solar Park Lease and (ii) any outstanding liabilities (other than latent liabilities or liabilities that the Woden Park Landlord does not and could not be reasonably be expected to know of) arising prior to the date of the novation which have been notified to the Borrower Security Trustee in, provided such amounts have been agreed between the Woden Park Landlord and the Woden Park OpCo Borrower or the Woden Park Landlord and the Borrower Security Trustee to be due or are otherwise due in accordance with the terms of the Woden Solar Park Lease;
- (b) the suitable substitute shall have the same rights as if he had at all times been party to a contract on the same terms as the Woden Solar Park Lease;
- (c) any then subsisting ground for termination of the Woden Solar Park Lease by the Woden Park Landlord to be deemed to have no effect and any subsisting Termination Notice (Woden Park Lease) to be automatically revoked; and
- (d) the Woden Park Landlord to enter into a direct agreement with the finance parties lending to the suitable substitute on substantially the same terms as this Woden Solar Park Lease Direct Agreement.

Assignment

The Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Woden Park Lease) to a successor security trustee without the consent of the Woden Park Landlord.

The Woden Park Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Woden Park Lease) if requested by the Borrower Security Trustee.

Governing law

The Direct Agreement (Woden Park Lease) and any non-contractual terms arising out of it are governed by English law.

Beggan Farm Solar Park Lease Direct Agreement

The landlord of the Beggan Farm Solar Park Lease relating to the Beggan Farm site (the **Beggan Farm Landlord**) has entered into a direct agreement with the Issuer, the Beggan Farm OpCo Borrower (as tenant), the Issuer Security Trustee and the Borrower Security Trustee (the **Direct Agreement (Beggan Farm Lease)**) in respect of the Beggan Farm Solar Park Lease.

The key terms of the Direct Agreement (Beggan Farm Lease) are as follows:

Notice of termination

The Direct Agreement (Beggan Farm Lease) sets out that the Beggan Farm Landlord shall give written notice to the Issuer, the Beggan Farm OpCo Borrower, the Issuer Security Trustee and the Borrower Security Trustee if it intends to exercise any rights to terminate the Beggan Farm Solar Park Lease (the **Termination Notice (Beggan Farm Lease)**), together with a statement setting out, in respect of the Beggan Farm Solar Park Lease:

- (a) any outstanding amounts owing by the Beggan Farm OpCo Borrower to the Beggan Farm Landlord;
- (b) any other liabilities or obligations of the Beggan Farm OpCo Borrower; and
- (c) any outstanding breach of the Beggan Farm OpCo Borrower.

Relevant period

The Beggan Farm Landlord will not exercise its right to terminate the Beggan Farm Solar Park Lease for a period of six months (or such longer period as the parties to the Direct Agreement (Beggan Farm Lease) may agree) from:

- (a) the date of service of a Termination Notice (Beggan Farm Lease); or
- (b) the date of service of a notice to the Beggan Farm Landlord by the Issuer Security Trustee and the Borrower Security Trustee that an event of default or enforcement has occurred,

such period being the **Relevant Period (Beggan Farm Lease)**.

Step-in rights

Under the Direct Agreement (Beggan Farm Lease), the Issuer Security Trustee or the Borrower Security Trustee may, at any time during the Relevant Period (Beggan Farm Lease), provide a copy to the Beggan Farm Landlord of an undertaking given by any of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee;
- (b) an Affiliate of the Issuer Security Trustee or the Borrower Security Trustee; or
- (c) any other person of sound financial standing appointed by the Issuer Security Trustee or the Borrower Security Trustee,

(each an **Eligible Person (Beggan Farm Lease)**), whereby the Eligible Person (Beggan Farm Lease) steps in as an additional obligor (the **Step-in (Beggan Farm Lease)**) under the Beggan Farm Solar Park Lease (the **Additional Obligor (Beggan Farm Lease)**).

Any Additional Obligor (Beggan Farm Lease) assumes, jointly and severally with the Beggan Farm OpCo Borrower, the Beggan Farm OpCo Borrower's rights and obligations under the Beggan Farm Solar Park Lease for the period up to and including the date of the earlier of:

- (a) the Issuer Security Trustee or the Borrower Security Trustee having given 14 days' written notice to the Beggan Farm Landlord of the release from any obligations to the Beggan Farm Landlord of the Additional Obligor (Beggan Farm Lease);
- (b) the date of any permitted transfer of the benefit and/or burden of the Beggan Farm Solar Park Lease; and
- (c) the date of termination of the Beggan Farm Solar Park Lease in accordance with the terms of the Direct Agreement (Beggan Farm Lease),

such period being the **Step-in Period (Beggan Farm Lease)**.

Only the Additional Obligor (Beggan Farm Lease) shall deal with the Beggan Farm Landlord during the Step-in Period (Beggan Farm Lease) and any performance of any obligation under the Beggan Farm Solar Park Lease by

the Beggan Farm Landlord in favour of the Additional Obligor (Beggan Farm Lease) shall be a good discharge by the Beggan Farm Landlord of such obligation to the Beggan Farm OpCo Borrower as tenant.

Step-in period

If there is a Step-in (Beggan Farm Lease), the Beggan Farm Landlord shall not, during the Step-in Period (Beggan Farm Lease):

- (a) exercise any right which it has to terminate the Beggan Farm Solar Park Lease unless such right is based on a breach of the Beggan Farm Solar Park Lease which occurs on or after the date of the Step-in (Beggan Farm Lease); and/or
- (b) exercise any right which it may have to terminate the Beggan Farm Solar Park Lease due to the Beggan Farm OpCo Borrower's insolvency or as direct consequence of the enforcement of any security interest over the Beggan Farm OpCo Borrower's interests in the Beggan Farm Solar Park Lease.

Transfer

The Beggan Farm Landlord consents to the Issuer Security Trustee or the Borrower Security Trustee procuring (on 30 days' written notice to the Beggan Farm Landlord) the transfer of the Beggan Farm OpCo Borrower's rights and obligations under the Beggan Farm Solar Park Lease to an Eligible Person (Beggan Farm Lease) at any time during any Relevant Period (Beggan Farm Lease) or Step-In Period (Beggan Farm Lease).

In the case of any such permitted transfer:

- (a) the Issuer Security Trustee, the Borrower Security Trustee and any Additional Obligor (Beggan Farm Lease) shall be released from any obligations arising under or in connection with the Beggan Farm Solar Park Lease and the Direct Agreement (Beggan Farm Lease);
- (b) the Eligible Person (Beggan Farm Lease) shall assume all of the rights, obligations and liabilities of the Beggan Farm OpCo Borrower; and
- (c) the Beggan Farm Landlord shall enter into another agreement in the form of the Direct Agreement (Beggan Farm Lease) with the security trustee of the Eligible Person (Beggan Farm Lease).

The Beggan Farm Landlord and the Beggan Farm OpCo Borrower may transfer their respective rights and obligations under the Direct Agreement (Beggan Farm Lease) with the consent of the Issuer Security Trustee and the Borrower Security Trustee (such consent not to be unreasonably withheld or delayed) to any successor in title of the reversion of the property being the subject of the Beggan Farm Solar Park Lease.

After the transfer, the Beggan Farm Landlord is only entitled to terminate the Beggan Farm Solar Park Lease if:

- (a) any breach occurs after the date of the transfer; or
- (b) any breach which is capable of remedy occurred prior to the date of the transfer but has not been remedied within a reasonable period commencing seven days (or such other period as agreed by the Beggan Farm Landlord) after the date of the transfer.

Assignment

The Issuer Security Trustee and the Borrower Security Trustee may assign, transfer, novate or dispose of any of, or any interest in, their respective rights and obligations under the Direct Agreement (Beggan Farm Lease) without the consent of the Beggan Farm Landlord.

The Beggan Farm Landlord shall enter into a direct agreement *mutatis mutandis* in the form of the Direct Agreement (Beggan Farm Lease) if requested by the Issuer Security Trustee or the Borrower Security Trustee is reasonably required in connection with a refinancing or a replacement of the Issuer Security Trustee or the Borrower Security Trustee.

Beggan Farm landlord's undertakings

The Beggan Farm Landlord undertakes to the Issuer Security Trustee and the Borrower Security Trustee under the Direct Agreement (Beggan Farm Lease) not to vary the Beggan Farm Solar Park Lease without first obtaining the written consent of the Issuer Security Trustee and the Borrower Security Trustee.

Deed of covenant

The Beggan Farm Landlord agrees not to transfer, grant a lease over or grant security over the whole or any part of the property being the subject of the Beggan Farm Solar Park Lease unless its successor executes a deed of covenant (in the form attached to the Direct Agreement (Beggan Farm Lease)) on or before the date of the deed or document effecting the transfer or grant of lease or security (as applicable).

Replacement lease

If the Beggan Farm Solar Park Lease is disclaimed, forfeited or terminated, the Beggan Farm Landlord will enter into a new lease with the Issuer Security Trustee or the Borrower Security Trustee on substantially the same terms as the Beggan Farm Solar Park Lease.

Security interests

The Beggan Farm OpCo Borrower gives notice under the Direct Agreement (Beggan Farm Lease) to the Beggan Farm Landlord that it has charged and assigned by way of security to the Borrower Security Trustee all of its present and future rights, title, interest and benefits in, to and under the Beggan Farm Solar Park Lease.

The Beggan Farm Landlord acknowledges receipt of notice and consents to the security interests created in respect of the Beggan Farm Solar Park Lease.

Governing law

The Direct Agreement (Beggan Farm Lease) and any non-contractual terms arising out of it are governed by English law.

13. Issuer Cash Management Agreement

On or around the Closing Date, the Issuer entered into the Cash Management Agreement pursuant to which the Issuer appointed the Issuer Cash Manager to be its agent to provide certain cash management services in respect of the Issuer Account. The Issuer Cash Manager has undertaken 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 is required to perform such responsibilities and duties diligently and in conformity with the Issuer's obligations with respect to the transaction and that it is 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 Note 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 Issuer Priorities of Payments.

On each Calculation Date, the Issuer Cash Manager is required to calculate 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 calculates, 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

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.

The Issuer Cash Manager will maintain records to reflect all transactions carried out by or in respect of the Issuer Transaction Account, 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 has agreed to 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 has agreed, subject to the relevant Issuer Priorities of Payments, from time to time on demand of the Issuer Cash Manager to 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 and any non-contracted obligations arising out of it are governed by English law.

14. Borrower Cash Management Agreement

On or about the Closing Date, the Borrowers entered into the Borrower Cash Management Agreement pursuant to which the Borrowers appointed the Borrower Cash Manager to be their agent to provide certain cash management services in respect of the Project Accounts. The Borrower Cash Manager has undertaken 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 Note Instrument and the Composite Debenture.

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 Borrower Priority of Payments.

On each Calculation Date, the Borrower Cash Manager is required to calculate the various amounts available and required to pay interest and principal due on the Loan on the relevant Borrower Note 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 Parent Borrower, subject to and in accordance with the Borrower Cash Management Agreement, invest amounts standing to the credit of the Reserve Accounts in Authorised Investments held for and on behalf of Borrowers.

Reports and records

The Borrowers will deliver to the Borrower Cash Manager, or procure that the Borrower Cash Manager has delivered to it, such material 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 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 Borrower Priority of Payments, 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; 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 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 Composite Debenture 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 and any non-contracted obligations arising out of it are governed by English law.

15. Shareholder Charge

To provide further security for the Borrowers' obligations under the Note Instrument and the other Borrower Transaction Documents, the Shareholder has, on or about the Closing Date, entered into the Shareholder Charge with the Borrower Security Trustee and the Issuer Security Trustee. A summary of the material terms of the Shareholder Charge is set out below. The summary does not purport to be complete and is subject to the provisions of the Shareholder Charge.

Security

The Shareholder grants a first fixed charge of all of the rights which it now has and all of the rights which it obtains at any time in the future in amongst others any shareholder loan between the Shareholder and any of the Borrowers and shares in the Parent Borrower are given to the Borrower Security Trustee as trustee for the Finance Parties and the Issuer Security Trustee as trustee for the Issuer.

Governing law

The Share Charge and any non-contracted obligations arising out of it are governed by English law.

16. Security Trust and Intercreditor Deed

The obligations of the Borrowers to each other and/or the Shareholder (the **Junior Debt**) is subordinated to the Loan pursuant to the security trust and intercreditor deed (the **Security Trust and Intercreditor Deed**) entered into by the Borrowers, the Facility Agent, the Borrower Account Bank, the Borrower Security Trustee, the Issuer Security Trustee, the Issuer, the Shareholder and Ralos New Energy UK Ltd on or about the Closing Date. A summary of the material terms of the Security Trust and Intercreditor Deed is set out below. The summary does not purport to be complete and is subject to the provisions of Security Trust and Intercreditor Deed.

Permitted payments

The Shareholder, Ralos New Energy UK Ltd and the Borrowers shall be entitled to receive and retain payments made from the Distribution Account.

Enforcement instructions

The Borrower Security Trustee may refrain from enforcing the Borrower Security unless instructed otherwise by the Issuer Security Trustee.

Subject to the Borrower Security having become enforceable in accordance with its terms, the Issuer Security Trustee may give or refrain from giving instructions to the Borrower Security Trustee to enforce or refrain from enforcing the Borrower Security as they see fit.

The Finance Parties shall not have any independent power to enforce, or have recourse to, any of the Borrower Security or to exercise any right, power, authority or discretion arising under the relevant Borrower Transaction Documents except through the Borrower Security Trustee PROVIDED THAT:

- (a) if Borrower Security Trustee, having become bound to do so subject to and in accordance with the terms of the relevant Borrower Transaction Documents, fails to take any steps or proceedings to enforce the

Borrower Security within 30 days of becoming so bound and such failure is continuing, then (for so long as any Loan is outstanding) the Issuer Security Trustee; or

- (b) in the event of the failure of the Issuer Security Trustee, having become bound to do so subject to and in accordance with the terms of the relevant Borrower Transaction Documents, fails to take such steps or proceedings within 30 days of becoming so bound and such failure is continuing, then (for so long as any Loan is outstanding) any other Finance Party,

shall be entitled to take such steps and proceedings to enforce any rights of the Borrower Security Trustee arising out of the relevant Borrower Transaction Documents (as named in these documents as the Borrower Security Trustee) as the Issuer Security Trustee or any other Finance Party, as applicable, shall deem necessary.

The Borrower Security Trustee may refrain from acting until it has received any indemnification and/or security that it may in its discretion require (which may be greater in extent than that contained in the relevant Borrower Transaction Documents and which may include payment in advance) for any cost, loss and liability (together with any applicable VAT) which it may incur in complying with those instructions.

Resignation of the Borrower Security Trustee

The Borrower Security Trustee may resign and appoint one of its affiliates as successor. Alternatively the Borrower Security Trustee may resign by giving 30 days' notice to the other parties, in which case the Issuer may appoint a successor Borrower Security Trustee.

If the Issuer has not appointed a successor Borrower Security Trustee within 20 days after notice of resignation was given, the retiring Borrower Security Trustee (after consultation with the Facility Agent) may appoint a successor Borrower Security Trustee.

The retiring Borrower Security Trustee shall make available to the successor Borrower Security Trustee such documents and records and provide such assistance as the successor Borrower Security Trustee may reasonably request for the purposes of performing its functions as Borrower Security Trustee under the relevant Borrower Transaction Documents. The Borrowers shall, within three business days of demand, reimburse the retiring Borrower Security Trustee for the amount of all costs and expenses (including legal fees) properly incurred by it in making available such documents and records and providing such assistance.

The Borrower Security Trustee's resignation notice shall only take effect upon:

- (a) the appointment of a successor; and
- (b) the transfer of all the Borrower Security to that successor.

Costs and expenses

The Borrowers shall, within three business days of demand, pay to the Borrower Security Trustee the amount of all costs and expenses (including legal fees and together with any applicable VAT) incurred by it in connection with any proceedings instituted by or against the Borrower Security Trustee as a consequence of taking or holding the Borrower Security or enforcing these rights.

Indemnity

The Borrowers shall promptly indemnify the Borrower Security Trustee and every receiver and delegate against any cost, loss or liability (together with any applicable VAT) incurred by any of them as a result of:

- (a) any failure by any of the Borrowers to comply with its obligations under its costs and expenses obligations under the Security Trust and Intercreditor Deed;
- (b) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;
- (c) the taking, holding, protection or enforcement of the Borrower Security;

- (d) the exercise of any of the rights, powers, discretions and remedies vested in the Borrower Security Trustee, each receiver and each delegate by the relevant Borrower Transaction or by law;
- (e) any default by any of the Borrowers or any party other than the Finance Party in the performance of any of the obligations expressed to be assumed by any of them in the relevant Borrower Transaction Documents;
- (f) instructing lawyers, accountants, tax advisers, surveyors, a financial adviser or other professional advisers or experts as permitted under the Security Trust and Intercreditor Deed; or
- (g) acting as Borrower Security Trustee, receiver or delegate under the relevant Borrower Transaction Documents or which otherwise relates to any of the Borrower Security (otherwise, in each case, than by reason of the relevant Borrower Security Trustee's, receiver's or delegate's gross negligence or wilful misconduct).

The Borrower Security Trustee and every receiver and delegate may, in priority to any payment to the Finance Parties, indemnify itself out of the Borrower Security in respect of, and pay and retain, all sums necessary to give effect to the above indemnity and shall have a lien on the Borrower Security and the proceeds of the enforcement of the Borrower Transaction Security for all moneys payable to it.

Each Borrower shall promptly and as principal obligor indemnify each Finance Party against any cost, loss or liability (together with any applicable VAT), whether or not reasonably foreseeable, incurred by any of them in relation to or arising out of enforcement.

Limited recourse

The obligations of the parties are solely corporate obligations. No recourse shall be had in respect of any obligation, covenant, undertaking or claim arising out of or based upon this Agreement against any employee, officer, director or company secretary of the Security Trust and Intercreditor Deed.

The parties (other than the Issuer) agree and confirm that the sole recourse of any such party in respect of any payment obligations of the Issuer owing to it under the Security Trust and Intercreditor Deed shall be against the subject matter of the Borrower Security and such person shall not have any claim against the Issuer or the other parties to the Security Trust and Intercreditor Deed to the extent that such Borrower Security are insufficient to meet such payment obligations.

As between the Issuer and the Borrower Security Trustee only, it is agreed that clause 27.2 (*Non-petition*) of the Issuer Deed of Charge shall apply to the Security Trust and Intercreditor Deed and the Issuer's obligations under the Security Trust and Intercreditor Deed as if set out in the Security Trust and Intercreditor Deed.

Governing law

The Security Trust and Intercreditor Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

USE OF PROCEEDS

The gross proceeds from the issue of the Notes will be £40,000,000. On the Closing Date, the Issuer advanced the Loan to the Borrowers in an amount equal to the gross proceeds from the issue of the Notes. The Borrowers have applied the proceeds of the Loan as described in the section “*Summary of Principal Documents – Note Instrument and Note Subscription Agreement – Purpose*”.

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 Notes are estimated to be up to £997,000. The total net proceeds from the issue of the Notes was £39,000,000.

THE ISSUER

Introduction

The Issuer was incorporated in England and Wales on 4 December 2014 under registered number 9341434 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 declaration of trust dated 26 February 2015 and none of the Borrowers owns, 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 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 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:

Name	Business Address	Principal Activities
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:

Name	Business Address	Principal Activities
Jonathan Keighley	35 Great St. Helen's London EC3A 6AP	Director
Robert Berry	35 Great St. Helen's London EC3A 6AP	Director

Name	Business Address	Principal Activities
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	Director
Susan Abrahams	35 Great St. Helen's London EC3A 6AP	Director
Michael Drew	35 Great St. Helen's London EC3A 6AP	Company Secretary
Jennifer Jones	35 Great St. Helen's London EC3A 6AP	Company Secretary
Aline Sternberg	35 Great St. Helen's London EC3A 6AP	Company Secretary

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Share Fully Paid-up	Paid-up Share Capital (£)
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.

None of the Parent Borrower, the OpCo Borrowers or any other party involved in the issue owns directly or indirectly any of the share capital of the Issuer and none of the Parent Borrower, the OpCo Borrowers or 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 BORROWER

Introduction

The Parent Borrower was incorporated in England and Wales on 7 November 2013 under registered number 8766702 as a private company with limited liability under the Companies Act 2006. The registered office of the Parent Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Parent Borrower is held by the Shareholder.

Principal Activities

The principal objects of the 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 Parent Borrower was established for the limited purposes of holding shares in OpCo Borrowers, entering into the Note Instrument and related Transaction Documents and certain associated transactions described elsewhere in these Listing Particulars.

Directors and Secretary

The directors of the Parent Borrower and their respective business addresses and other principal activities are:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Parent Borrower are held by the Shareholder.

Financial Information

The Parent Borrower will prepare annual reports and accounts. The Parent Borrower's audited financial statements for its financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Parent Borrower since 31 December 2014, 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 Parent Borrower since the date of its last published audited accounts.

THE OPCO BORROWERS

1. THE CLAWDD DDU OPCO BORROWER

Introduction

The Clawdd Ddu OpCo Borrower was incorporated in England and Wales on 3 January 2013 under registered number 8346119 as a private company with limited liability under the Companies Act 2006. The registered office of the Clawdd Ddu OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Clawdd Ddu OpCo Borrower is held by the Parent Borrower.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Clawdd Ddu Solar Park.

Directors and Secretary

The directors of the Clawdd Ddu OpCo Borrower and their respective business address and other principal activities are:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Clawdd Ddu OpCo Borrower are held by the Parent Borrower.

Financial Information

The Clawdd Ddu OpCo Borrower will prepare annual reports and accounts. The Clawdd Ddu OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Clawdd Ddu OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Clawdd Ddu OpCo Borrower since 31 December 2014, being the date of its last published accounts.

2. THE EVESHAM OPCO BORROWER

Introduction

The Evesham OpCo Borrower was incorporated in England and Wales on 5 April 2013 under registered number 8476135 as a private company with limited liability under the Companies Act 2006. The registered office of the Evesham OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Evesham OpCo Borrower is held by the Parent Borrower.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Evesham Solar Park.

Directors and Secretary

The directors of the Evesham OpCo Borrower and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Evesham OpCo Borrower are held by the Parent Borrower.

Financial Information

The Evesham OpCo Borrower will prepare annual reports and accounts. The Evesham OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Evesham OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Evesham OpCo Borrower since 31 December 2014, being the date of its last published accounts.

3. THE IOW OPCO BORROWER

Introduction

The IOW OpCo Borrower was incorporated in England and Wales on 25 November 2013 under registered number 8789592 as a private company with limited liability under the Companies Act 2006. The registered office of the IOW OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the IOW OpCo Borrower is held by the Parent Borrower.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the IOW Solar Park.

Directors and Secretary

The directors of the IOW OpCo Borrower and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the IOW OpCo Borrower are held by the Parent Borrower.

Financial Information

The IOW OpCo Borrower will prepare annual reports and accounts. The IOW OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the IOW OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the IOW OpCo Borrower since 31 December 2014, being the date of its last published accounts.

4. THE TREQUITE OPCO BORROWER

Introduction

The Trequite OpCo Borrower was incorporated in England and Wales on 4 October 2013 under registered number 8719097 as a private company with limited liability under the Companies Act 2006. The registered office of the Trequite OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Trequite OpCo Borrower is held by the Parent Borrower.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Trequite Solar Park.

Directors and Secretary

The directors of the Trequite OpCo Borrower and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Trequite OpCo Borrower are held by the Parent Borrower.

Financial Information

The Trequite OpCo Borrower will prepare annual reports and accounts. The Trequite OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Trequite OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Trequite OpCo Borrower since 31 December 2014, being the date of its last published accounts.

5. THE TREWIDLAND OPCO BORROWER

Introduction

The Trewidland OpCo Borrower was incorporated in England and Wales on 4 October 2013 under registered number 8718901 as a private company with limited liability under the Companies Act 2006. The registered office of the Trewidland OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Trewidland OpCo Borrower is held by the Parent Borrower.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Trewidland Solar Park.

Directors and Secretary

The directors of the Trewidland OpCo Borrower and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Trewidland OpCo Borrower are held by the Parent Borrower.

Financial Information

The Trewidland OpCo Borrower will prepare annual reports and accounts. The Trewidland OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Trewidland OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Trewidland OpCo Borrower since 31 December 2014, being the date of its last published accounts.

6. THE WODEN PARK (1) OPCO BORROWER

Introduction

The Woden Park (1) OpCo Borrower was incorporated in England and Wales on 12 April 2013 under registered number 8485585 as a private company with limited liability under the Companies Act 2006. The registered office of the Woden Park (1) OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Woden Park (1) OpCo Borrower is held by Blestium Ltd..

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Woden Solar Park.

Directors and Secretary

The directors of the Woden Park (1) OpCo Borrower and their respective business address and other principal activities as are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Woden Park (1) OpCo Borrower are held by HoldCo Woden Park.

Financial Information

The Woden Park (1) OpCo Borrower will prepare annual reports and accounts. The Woden Park (1) OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Woden Park (1) OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Woden Park (1) OpCo Borrower since 31 December 2014, being the date of its last published accounts.

7. THE WODEN PARK (2) OPCO BORROWER

Introduction

The Woden Park (2) OpCo Borrower was incorporated in England and Wales on 12 April 2013 under registered number 8485592 as a private company with limited liability under the Companies Act 2006. The registered office of the Woden Park (2) OpCo Borrower is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of the Woden Park (2) OpCo Borrower is held by Blestium Ltd.

Principal Activities

Acting as a special purpose vehicle for the purpose of the development and operation of the Beggan Farm Solar Park.

Directors and Secretary

The directors of the Woden Park (2) OpCo Borrower and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in the Woden Park (2) OpCo Borrower are held by HoldCo Woden Park.

Financial Information

The Woden Park (2) OpCo Borrower will prepare annual reports and accounts. The Woden Park (2) OpCo Borrower's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of the Woden Park (2) OpCo Borrower since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of the Woden Park (2) OpCo Borrower since 31 December 2014, being the date of its last published accounts.

8. HOLDCO WODEN PARK

Introduction

HoldCo Woden Park was incorporated in England and Wales on 11 April 2013 under registered number 8484782 as a private company with limited liability under the Companies Act 2006. The registered office of HoldCo Woden Park is located at 6th Floor, Queen's House, 55-56 Lincoln's Inn Fields, London WC2A 3LJ and its contact telephone number is (+44) 207 421 7733. The entire issued share capital of HoldCo Woden Park is held by the Parent Borrower.

Principal Activities

Acting as a holding company of MonSolar IQ Limited and GlenSolar IQ Limited.

Directors and Secretary

The directors of HoldCo Woden Park and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Jonas Benholz	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Analyst
Alexander Kolb	Große Elbstraße 45, 22767, Hamburg, Germany	Investment Manager

Share Capital

Issued Share Capital (£)	Value of each Share (£)	Shares Fully Paid-up	Paid-up Share Capital (£)
100	1.00	100	100

All of the issued shares in HoldCo Woden Park are held by the Parent Borrower.

Financial Information

HoldCo Woden Park will prepare annual reports and accounts. HoldCo Woden Park's audited financial statements for the financial year ended 31 December 2014 are set out in Annex I of these Listing Particulars.

There has been no significant change in the financial or trading position of HoldCo Woden Park since 31 December 2014, being the end of the financial period for which its most recent audited financial statements have been published.

There has been no material adverse change in the prospects of HoldCo Woden Park since 31 December 2014, being the date of its last published accounts.

THE SHAREHOLDER

Introduction

The Shareholder was incorporated in Germany on 5 November 2014 under registered number HRB 134004 as a private company with limited liability under German law. The registered office of the Shareholder is located Große Elbstraße 45, 22767, Hamburg, Germany and its contact telephone number is +49 (0) 40 3785680. The entire issued share capital of the Shareholder is held by Capital Stage Solar IPP GmbH (a company incorporated in Germany on 2 April 2002 under registered number HRB 83271 as a private company with limited liability under German law).

Principal Activities

The principal objects of the Shareholder are, amongst other things, to operate photovoltaic plants as well as acquiring companies in particular companies that operate photovoltaic plants. The Shareholder acts as a holding company of the Parent Borrower and certain related transactions described elsewhere in these Listing Particulars.

Directors and Secretary

The directors of the Shareholder and their respective business address and other principal activities are as follows:

Name	Business Address	Principal Activities
Mr Felix Goedhart	Große Elbstraße 45, 22767 Hamburg	Managing Director

Share Capital

Issued Share Capital (EUR)	Value of each Share (EUR)	Shares Fully Paid-up	Paid-up Share Capital (EUR)
29,000	1	29,000	29,000

All of the issued shares in the Shareholder are held by Capital Stage Solar IPP GmbH.

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 (as defined below) 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 are represented on issue by one or more Global Note Certificates in fully registered form without interest coupons. The Global Note Certificate have been registered in the name of a nominee and deposited on the Closing Date with the common depository for Euroclear and Clearstream, Luxembourg (the **Common Depository**). The Global Note Certificate is issued in minimum denominations of £100,000 and integral multiples of £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 Note 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 Note 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 Note 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 Note 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 Note 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 Note 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 (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 Note 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 Note Trust Deed and such Global Note Certificate. The Definitive Note Certificates will be issued in registered form only, in the initial denomination of £100,000 and integral multiples of £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 £40,000,000 in aggregate principal amount of 1.713 per cent. Secured RPI-linked Notes due 2033 (the **Notes**) has been authorised by a resolution dated on or about 28 April 2015 of TRFC 2014-2 PLC (the **Issuer**).

The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated on or about 5 May 2015 (as amended or supplemented from time to time, the **Note 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 Note Trust Deed).

These terms and conditions (these **Conditions**) include summaries of, and are subject to, the detailed provisions of the Note Trust Deed. The additional agreements entered into in relation to the Notes include:

- (i) the 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, UK Branch in its separate capacities as paying agent and calculation agent in respect of the Notes (the **Paying Agent** and the **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); and
- (iii) the cash management agreement dated on or about the Closing Date (as amended or supplemented from time to time, and including the issuer account mandate entered into pursuant thereto, the **Issuer Cash Management Agreement**) between, among others, the Issuer, Elavon Financial Services Limited, UK Branch 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 Note Trust Deed, the Issuer Deed of Charge, the Issuer Cash Management Agreement, the Agency Agreement, the Corporate Services Agreement, the Subscription Agreement, Issuer Account Mandate, the relevant fee letter 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 Note Trust Deed.

2 FORM, DENOMINATION AND TITLE

- (a) **Form and Denomination**

The Notes are in registered form in nominal denominations of £100,000 and integral multiples of £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). These 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 defined below) 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 £100,000 and integral multiples of £10,000 in excess thereof. The Global Note Certificate will be registered in the name of a nominee of, and deposited with a common depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) (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, Luxembourg 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, Luxembourg 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, 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*
- (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 Note Certificates are issued in accordance with the Note 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 Note Trust Deed and the Global Note Certificate. The Definitive Note Certificates will be issued in registered form only, in the initial denomination of £100,000 and integral multiples of £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 Note 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.

(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**

Subject to Condition 19 (*Limited recourse and non-petition*), 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) **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, or any loss or theft or reduction in the value of, the Issuer Charged Property, or from any obligation to insure the Issuer Charged Property and from any claim arising if and to the extent that any Issuer Charged Property is 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 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 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 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, 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.

(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 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 and which are of general application.

(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 Note 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 Note Trust Deed (including these Conditions) and the Notes as if the same were contained in the Note 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 indebtedness, other than 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 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 3 March and 3 September in each year, commencing on 3 September 2015 (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 first payment for the period from and including the Closing Date to (but excluding) 3 September 2015 shall be made on the first Note Interest Payment Date.

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 (*Payment and Indexation*).

(b) **Rate of Interest**

- (i) Subject to paragraph (ii) below, the rate of interest in respect of the Notes (the **Rate of Interest**) for each Note Interest Period shall be 1.713 per cent. per annum, subject to indexation in accordance with Condition 7 (*Payments and Indexation*).
- (ii) If the Notes have not been listed on a “recognised stock exchange”, within the meaning of section 987 of the Income Tax Act 2007, before the first Note Interest Payment Date:
 - (A) the rate of interest in respect of the Notes for each Note Interest Period shall be 1.763 per cent. per annum, subject to indexation in accordance with Condition 7 (*Payments and Indexation*); and
 - (B) notwithstanding Condition 9 (*Taxation*) and provided the Issuer receives the relevant amount from the Parent Borrower, the Issuer shall pay an amount equal to any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature on payments in respect of the Notes by or on behalf of the Issuer, in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the net amounts which would have been receivable in respect of the Notes in the absence of the withholding or deduction.

(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 and Indexation*) 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), 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), an unpaid sum shall bear interest at a rate which is 1.50 per cent. higher than the rate which would have been payable if the unpaid sum had been paid during such period.
- (iii) Any interest which shall have accrued under Condition 6(c)(ii) 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 the 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 the 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 Global Note Certificate.

(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 (*Interest*) or 8 (*Redemption*), as the case may be, multiplied by the Index Ratio applicable to the month in which such payment falls to be made or in the case of an early redemption pursuant to condition 5.5 (*Redemption upon changes affecting the Index*) of the Note Instrument applicable to the last Borrower Interest Payment Date (as defined in the Note Instrument) before the circumstances giving rise to such early redemption arise and rounded to five decimal places (with 0.000005 being rounded upwards).

(e) **Payments**

Each payment in respect of the Notes pursuant to Conditions 6 (*Interest*) and 8 (*Redemption*) 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 (*Redemption*), 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 (*Redemption*) (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 day falling 15 Business Days prior to the Borrower Note Payment Date (as defined in the Note Instrument) immediately preceding such Note Interest Payment Date or any other day specified by the Note Instrument.

Base Index Figure means, subject to Condition 7(h) (*Changes in Circumstances Affecting the Index*), 256.65667.

Index means, in relation to any relevant calculation month (as defined in Condition 7(h)(ii)), subject as provided in Condition 7(h)(i), the UK 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 UK 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 Conditions 7(h) (*Changes in Circumstances Affecting the Index*) and 7(j) (*Cessation of or Fundamental Changes to the Index*), be determined in accordance with the following formula:

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

and rounded to the nearest fifth decimal place.

IFA means the Index Figure for the first day of the month in which the applicable Calculation Date.

RPI_{m-3} 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_{m-2} 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; and

Reference Gilt means the 0.125 per cent Index-Linked Treasury Stock due 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.

(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 (*Redemption*) by (ii) the Index Ratio for the next Note Interest Payment Date.

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) (*Determination of Index Ratio*) 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 Calculation Date is not published on or before the fourteenth Business Day before the Calculation 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) published by the United Kingdom Debt Management Office or the Bank of England, as the case may be, and as approved by the Controlling Party (acting solely on the advice of the Indexation Adviser) 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)) or (2) if no such determination is made by such Indexation Adviser and as approved by the Controlling Party 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, provided that the identity of the Indexation Adviser has been approved by the Parent Borrower (such approval not to be unreasonably withheld nor delayed).

- (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) (*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 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) 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 redemption, 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 and/or the Noteholders, the Facility Agent will be required pursuant to the terms of the Note Instrument, to give written notice of such occurrence to the Issuer, and the Parent Borrower and the Controlling Party (acting solely on the advice of the Indexation Adviser) together shall seek to agree for the purpose of the 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 Borrower 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 Borrower and the Facility Agent under the terms of the Note Instrument 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 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 Borrower.

(iii) If the Index is adjusted or replaced by a substitute index as agreed by the Parent Borrower 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 Controlling Party (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 Parent Borrower, the Facility Agent and the other Finance Parties.

(iv) If any of the provisions of Condition 7(j) apply, the Controlling Party will be entitled to appoint an Indexation Adviser at the cost of the Parent Borrower.

(k) **Publication of Nominal Interest Amount and Nominal Principal Amount**

The Calculation Agent will cause the Index Ratio, the Nominal Interest Amount and the 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 (*Notices*), 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 7 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 7, 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 7, or person appointed by it, at the expense of the Issuer, for such purpose pursuant to this Condition 7, 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 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 3 March 2033 (the **Final Maturity Date**) at an amount equal to the aggregate Outstanding Principal Amount of the Notes, plus accrued but unpaid interest thereon, subject to indexation in accordance with Condition 7 (*Payments and Indexation*) (the **Final Redemption Amount**).

(b) **Scheduled/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) (*Acceleration*)), 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,

plus accrued but unpaid interest thereon, subject to indexation in accordance with Condition 7 (*Payments and Indexation*), 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:

Note Interest Payment Date	Principal Due	Principal Due (per Nominal Holding of £100,000)	Note Interest Payment Date	Principal Due	Principal Due (per Nominal Holding of £100,000)
3-Sept-15	1,396,386.06	3,490.97	3-Sept-24	1,211,021.19	3,027.55
3-Mar-16	1,093,086.09	2,732.72	3-Mar-25	1,023,026.38	2,557.57
3-Sept-16	1,439,320.60	3,598.30	3-Sept-25	1,191,322.49	2,978.31
3-Mar-17	1,090,541.15	2,726.35	3-Mar-26	1,019,624.88	2,549.06
3-Sept-17	1,427,237.14	3,568.09	3-Sept-26	1,192,971.98	2,982.43
3-Mar-18	1,085,368.01	2,713.42	3-Mar-27	1,037,019.19	2,592.55
3-Sept-18	1,332,787.82	3,331.97	3-Sept-27	1,315,346.55	3,288.37
3-Mar-19	993,778.76	2,484.45	3-Mar-28	1,027,090.09	2,567.73
3-Sept-19	1,286,550.97	3,216.38	3-Sept-28	1,358,374.47	3,395.94
3-Mar-20	992,253.48	2,480.63	3-Mar-29	1,016,397.22	2,540.99
3-Sept-20	1,159,810.04	2,899.53	3-Sept-29	1,335,059.33	3,337.65
3-Mar-21	925,814.00	2,314.53	3-Mar-30	841,294.99	2,103.24
3-Sept-21	1,155,149.99	2,887.87	3-Sept-30	1,181,588.21	2,953.97
3-Mar-22	950,031.10	2,375.08	3-Mar-31	778,422.38	1,946.06
3-Sept-22	1,178,150.48	2,945.38	3-Sept-31	1,158,341.54	2,895.85
3-Mar-23	979,884.60	2,449.71	3-Mar-32	777,033.15	1,942.58
3-Sept-23	1,192,725.30	2,981.81	3-Sept-32	1,150,098.08	2,875.25
3-Mar-24	999,347.13	2,498.37	3-Mar-33	707,745.17	1,769.36

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:

- (1) the Issuer notifies the Borrowers of a requirement to prepay the Loan pursuant to condition 5.1 (*Illegality*) of the Note Instrument (a **Lender Elected Prepayment**); or
- (2) the Borrowers notify the Issuer that they are electing to prepay the Loan pursuant to condition 5.3 (*Voluntary early redemption*) of the Note Instrument (a **Borrower Voluntary Prepayment**), or conditions 5.4 (*Right of redemption in relation to a single Noteholder*) or 5.5 (*Redemption upon*

changes affecting the Index) of the Note Instrument (each a **Borrower Elected Prepayment**),

then the Issuer must, promptly on giving of such notice of prepayment in the case of a Lender Elected Prepayment, or receipt of such notice of prepayment in the case of a Borrower Voluntary Prepayment or a Borrower Elected Prepayment, give notice to the Noteholders in accordance with Condition 15 (*Notices*) 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 Lender Elected Prepayment or a Borrower Elected Prepayment, redeem each Note in whole but not in part, at par subject to indexation in accordance with Condition 7 (*Payments and Indexation*) in the case of a Lender Elected Prepayment, or the Redemption Price in the case of a Borrower Voluntary Prepayment or a Borrower Elected Prepayment, in each case plus accrued but unpaid interest thereon, subject to indexation in accordance with Condition 7 (*Payments and Indexation*), 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 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 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 Loan) shall also be a **Note Amortisation Amount** for such Note.

- (iii) In respect of each Mandatory Prepayment Redemption other than a Lender Elected Prepayment, the Calculation Agent will determine the Redemption Percentage in accordance with the following definitions:

Redemption Price means an amount in Sterling equal to the higher of:

- (A) the Nominal Principal Amount of the Notes to be redeemed (adjusted for indexation in accordance with Condition 7 (*Payments and Indexation*)) ; and
- (B) an amount calculated by discounting the remaining principal and interest payments (ignoring future charges in the Index Ratio) of the Notes at a rate equal to the Gross Real Redemption Yield of the Reference Gilt.

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 Borrower, may approve;

- (iv) 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) **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 or the Paying Agent on its behalf 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 Note Instrument, 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 (*Notices*) and to the Note Trustee and having certified to the Note Trustee in accordance with clause 7.15 of the Note Trust Deed 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 (*Payments and Indexation*), 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 (*Payments and Indexation*).

(d) **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) Amounts equal to 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 except to the extent that any such payment has been improperly withheld or refused or default has otherwise been made in the payment thereof 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.

(e) **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.

(f) **Cancellation of Notes**

All Notes which are redeemed pursuant to this Condition 8 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).

(g) **No other Redemption**

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in this Condition 8.

9 TAXATION

Subject to Condition 6(b)(ii)(B), 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:

- (1) administrative or technical error; or
- (2) a Disruption Event; and

(B) payment is made within:

- (1) (in the case of paragraph (A)(1) above) 5 Business Days of its due date; or
- (2) (in the case of paragraph (A)(2) 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:

- (1) from performing its payment obligations under the Transaction Documents to which it is a party; or
- (2) 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 Borrower Default** under and as defined in the Note Instrument 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 an amount in Sterling equal to the higher of:

- (i) the Nominal Principal Amount of the Notes to be redeemed (adjusted for indexation in accordance with Condition 7 (*Payments and Indexation*)) on the date of the Issuer Acceleration Notice; and
- (ii) an amount calculated by discounting the remaining principal and interest payments (ignoring future changes in the Index Ratio) of the Notes at a rate equal to the Gross Real Redemption Yield of the Reference Gilt at 3:00p.m. (London time) on the date falling two Business Days prior to the date of the Issuer Acceleration Notice,

plus accrued but unpaid interest thereon up to, but excluding, the date of the Issuer Acceleration Notice, subject to indexation in accordance with Condition 7 (*Payments and Indexation*)

12 ENFORCEMENT

(a) Provisions in the Issuer Deed of Charge

The Issuer Deed of Charge contain provisions relating to the enforcement of the Issuer Security. The provisions in this Condition 12 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 Issuer Charged Property shall become enforceable upon an acceleration 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 or if so requested in writing by holders of at least one quarter of the aggregate Outstanding Principal Amount of the Notes then outstanding, 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 Issuer Charged Property in whole or in part and/or take such action as may be permitted under applicable laws against the Issuer in respect of the Issuer Charged Property 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 and which may include directing the Issuer and/or the Borrower Security Trustee to enforce the Note Instrument and the Borrower Transaction Security), 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 neither the Note Trustee nor the Issuer Security Trustee shall 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 Note Trust Deed and the Noteholders in accordance with Condition 15 (*Notices*) in the event that it or the Issuer Security Trustee takes Enforcement Action at any time. The aggregate proceeds of enforcement of the Issuer Security shall be applied by the Issuer Security Trustee 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 Note Trust Deed

The Note 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 Note Trust Deed.

(b) Decisions and Meetings of Noteholders

(i) General

The Note 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		
Type of Resolution	Any meeting (other than a meeting adjourned for want of quorum)	Meeting previously adjourned for want of quorum
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 in respect of approval of a Basic Terms Modification)	One or more persons holding or representing not less than 50 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 in respect of approval of Basic Terms Modification	One or more persons holding or representing not less than two-thirds 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.

Minimum Percentage Voting Requirements	
Type of Resolution	Percentage
Extraordinary Resolution of all Noteholders (including, for the avoidance of doubt, in relation to approval of Basic Terms Modification)	At least two-thirds of the votes cast
Ordinary Resolution of all Noteholders	More than 50 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, the Borrowers 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 the Borrowers, or against any of its property whether such rights shall arise under the Transaction Documents, the Notes or otherwise;
- (B) to assent to any modification of the Note Trust Deed, these Conditions or the Transaction Documents which shall be proposed by the Issuer, the Borrowers 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, the Issuer Security Trustee or the Borrower Security Trustee from any liability in respect of any act or omission for which it may become responsible under the Transaction Documents or the Notes;
- (F) to give any authority, discretion or sanction under which the provisions of the Transaction Documents 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 Note 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 Priorities 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 Issuer Security; and
- (H) any modification of this Condition 14(b) (*Decisions and Meetings of Noteholders*).

(c) **Modification and Waiver**

If the Noteholder Representative (if appointed) does not object, the Note Trustee may agree, without the consent of the Noteholders, (i) to any modification (other than a Basic Terms Modification) of, or to the waiver or authorisation of any breach or proposed breach of, these Conditions, the Note 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. 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 shall 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 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) and to give any consent, direction or do any other thing which the Transaction Documents entitles the Noteholder Representative to give or do (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 (including, without limitation, as against the Facility Agent and the Borrower Security Trustee (each as defined in the Note Instrument)) under the Borrower

Transaction Documents, subject to the terms thereof, which include, but are not limited to the right to give approvals, consents, waivers, to receive information in relation to the Borrowers 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 may or may not 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 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.
- (ix) The Note Trustee shall not exercise any power of waiver, authorisation or modification referred to in Condition 14(c) without first notifying the Noteholder Representative (if one has been appointed). If the Noteholder Representative objects within 10 Business Days of such notification, the Note Trustee shall not exercise any such power of waiver or modification and any such proposed modification will be deemed as Basic Terms Modification.

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, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear or Clearstream, Luxembourg 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 Note 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 16), 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 Note 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 Note Trust Deed, the Note Trustee is entitled to request consent, approval or directions from the Noteholders by Ordinary Resolution (unless otherwise specified) 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 Note Instrument 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. The Note Trustee shall not be liable for any failure to give or any delay in giving instructions to the Facility Agent or Issuer Security Trustee, as the case may be, in

the absence of or delay in giving 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 Note 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 Note 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 Note 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

The Note Trust Deed, the 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.

19 LIMITED RECOURSE AND NON-PETITION

(a) **Limited recourse**

As a condition of and in consideration for the issue of the Notes, the Noteholders agree and confirm that the sole recourse of any Noteholder in respect of any payment obligation of the Issuer owing to it under any Transaction Document shall be against the Issuer Charged Property and shall be subject to the applicable Issuer Priorities of Payments and no Noteholder shall have any claim against the Issuer or any other party to the extent that such assets are insufficient to meet such payment obligations.

(b) **Non-petition**

Each of the Noteholders hereby agrees with the Issuer that it shall not, until the expiry of two years and one day after the payment of all sums outstanding and owing by the Issuer under the Transaction

Documents take any bankruptcy, insolvency or liquidation proceedings or any corporate action or other steps or legal proceedings for the winding-up, dissolution or reorganisation or for the appointment of a receiver, administrator, administrative receiver, trustee, liquidator, sequestrator or similar officer of the Issuer or of any or all of the Issuer's assets.

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 **PSM**) 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 per cent.) subject to such relief as may be available, for example under the provisions of any applicable double taxation treaty, or in certain other circumstances.

Stamp duty and stamp duty reserve tax

No United Kingdom stamp duty or stamp duty reserve tax should be payable on the issue or transfer of the Notes.

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 24 April 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 29 April 2015 between the Issuer, each of the Borrowers and Boston & Alexander LLP acting through its appointed representative IDCM Limited (in its capacity as Arranger and 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 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.

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 28 April 2015.
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 19 June 2015. 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:

Common Code	ISIN
122560953	XS1225609533

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 4 December 2014 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. Since the date of its incorporation, the Issuer has entered into the Subscription Agreement and the other Issuer Transaction Documents, being contracts entered into other than in its ordinary course of business.
8. 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.
9. 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.
10. The Trust Deed, the Issuer Deed of Charge and the Security Trust and Intercreditor Deed 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 Note Trust Deed, the Issuer Deed of Charge and the Security Trust and Intercreditor Deed, 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.
11. 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) the contracts and documents listed below:
 - (i) the Note Trust Deed;

- (ii) the Agency Agreement;
 - (iii) the Issuer Deed of Charge;
 - (iv) the Issuer Cash Management Agreement;
 - (v) the Borrower Cash Management Agreement;
 - (vi) the Security Trust and Intercreditor Deed;
 - (vii) the Composite Debenture;
 - (viii) the Assignment Agreements;
 - (ix) the Corporate Services Agreement;
 - (x) the Note Instrument and Note Subscription Agreement;
 - (xi) the Shareholder Charge; and
 - (xii) the Direct Agreements.
- (c) the memorandum and articles of association of the each OpCo Borrower;
 - (d) the memorandum and articles of association of the Parent Borrower;
 - (e) audited accounts of each OpCo Borrower; and
 - (f) audited accounts of the Parent Borrower.
13. The Issuer does not intend to provide post-issuance transaction information regarding the Notes or the 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 Panel Reserve Account, the Inverter Reserve Account and the Cash Trap 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 – Note Instrument – Information undertakings*”. The Investor Reports will be accessible on and from the third Business Day before each Note Interest Payment Date via the following website: www.usbank.com/abs. 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 4 December 2014 (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. Deloitte LLP, whose registered office is at 2 New Street Square, London EC4A 3BZ, is a member of the Institute of Chartered Accountants in England and Wales.

The auditor for each of the Borrowers is Deloitte LLP, which has audited the financial statements of each of the Borrowers for the year ended 31 December 2014.

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 2014 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.

The notes to the financial statements contained in Annex I in connection with the Parent Borrower and each OpCo Borrower contain an 'Emphasis of matter – going concern' paragraph which highlights that the then existing banking facilities with Deutsche Bank Luxembourg S.A expired on 5 May 2015 and the Borrowers were in the process of negotiating a new financing arrangement with the Issuer to issue these the Notes. As at the date of publication of the Listing Particulars this 'Emphasis of matter' paragraph no longer affects the Borrowers and the banking facilities with Deutsche Bank Luxembourg S.A have been replaced by a new financing arrangement through the issuance of the Notes.

17. Elavon Financial Services Limited, a limited liability company registered in Ireland with the Companies Registration Office (registered number 418442), will be appointed as the Registrar and, acting through its UK Branch (registered number BR009373), will be appointed as the Issuer Cash Manager, the Paying Agent, the Calculation Agent, the Issuer Account Bank, the Borrower Cash Manager, the Borrower Account Bank and the Facility Agent.

U.S. Bank Global Corporate Trust Services, which is a trading name of Elavon Financial Services Limited (a U.S. Bancorp group company), is an integral part of the worldwide Corporate Trust business of U.S. Bank. U.S. Bank Global Corporate Trust Services in Europe conducts business primarily through the U.K. Branch of Elavon Financial Services Limited from its offices in London at 125 Old Broad Street, London EC2N 1AR, United Kingdom.

Elavon Financial Services Limited is a bank incorporated in Ireland and a wholly owned subsidiary of U.S. Bank National Association. Elavon Financial Services Limited is authorised by the Central Bank and the activities of its UK branch are also subject to the limited regulation of the FCA and the PRA.

U.S. Bank Global Corporate Trust Services in combination with U.S. Bank National Association, the legal entity through which the Corporate Trust Division conducts business in the United States, is one of the world's largest providers of trustee services with more than U.S.\$4 trillion in assets under administration in municipal, corporate, asset-backed and international bonds. The division provides a wide range of trust and agency services such as calculation/paying agent, collateral administration and document custody through its network of 48 U.S.-based offices, an Argentinean office and European offices in London and Dublin.

TRANSFER RESTRICTIONS

Each purchaser of an interest in a Global Note Certificate or a Definitive Note Certificate (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 Certificate will bear a legend substantially to the effect set forth below and that the Issuer has covenanted in the Note 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 CERTIFICATE PRIOR TO THE TERMINATION OF THE DISTRIBUTION COMPLIANCE PERIOD (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), BENEFICIAL INTERESTS IN THIS GLOBAL NOTE CERTIFICATE 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.

ANNEX I
FINANCIAL STATEMENTS OF THE BORROWERS

GRID ESSENCE UK LTD

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

14 month period ended 31 December 2014

GRID ESSENCE UK LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS 14 month period ended 31 December 2014

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GRID ESSENCE UK LTD

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (Appointed on 7 November 2013) Laurent Fortino (Appointed on 7 May 2014) Steve Bourbonnais (Appointed on 16 December 2013 and resigned on 7 May 2014) Josef Barr (Appointed on 28 January 2014 and resigned on 7 May 2014) Andreas Iona (appointed on 21 August 2014)
Registered office:	Lincoln's Inn Fields, 55-56, 6th Floor Queens House London WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8766702

GRID ESSENCE UK LTD

DIRECTORS' REPORT

The Board of Directors presents its first annual report and audited financial statements of the Company for the year ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors report.

Incorporation

The Company Grid Essence UK Ltd was incorporated in England and Wales on 7 November 2013 as a private company limited by shares under the Companies Act 2006.

Principal activity

The principal activity of the Company is the holding of Special Purposes Vehicles involved in the construction, operation and maintenance of solar parks in the United Kingdom.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are as expected.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxemburg S.A.. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due.

Results

The Company's results for the period are set out on page 7.

The Company shows a loss of £6.3m resulting from finance charges and legal fees on incorporation. The Company has net current liabilities of £11.2m arising from the loss for the period.

Dividends

No dividends have been paid or proposed in the period.

GRID ESSENCE UK LTD

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor during the period.

Share capital

Authorised capital

Under its Memorandum the Company fixed its share capital at 100 ordinary shares of nominal value of £UK 1 each.

Issued capital

Upon incorporation on 7 November 2013 the Company issued to the subscribers of its Memorandum of Association 100 ordinary shares of £UK 1 each at par.

Board of Directors

The members of the Company's Board of Directors as at 30 June 2014 and at the date of this report are presented on page 1. The appointments and resignations of the directors, from the date of incorporation to the date of this report are presented in page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

GRID ESSENCE UK LTD

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Grid Essence UK Ltd

We have audited the financial statements of Grid Essence UK Limited for the 14 month period ended 31 December 2014 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 18. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxemburg S.A. expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Independent auditor's report to the Members of Grid Essence UK Ltd (continued)

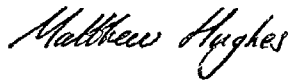
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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 Directors' report in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report.



**Matthew Hughes Bsc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom**

24 March 2015

GRID ESSENCE UK LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME 14 month period ended 31 December 2014

	Note	From incorporation date to 31/12/2014 UK£
Continuing		
Revenue	5	251,197
<i>Administration expenses</i>		<u><i>(1,966,876)</i></u>
Operating loss	6	(1,715,679)
Finance income	7	32
Finance costs	7	<u>(4,677,579)</u>
Loss before tax		(6,393,226)
Tax	8	<u>-</u>
Net loss for the year		(6,393,226)
Other comprehensive income		<u>-</u>
Total comprehensive expense for the year		<u>(6,393,226)</u>


The notes on pages 11 to 23 form an integral part of these financial statements.

GRID ESSENCE UK LTD

STATEMENT OF FINANCIAL POSITION 31 December 2014

	Note	31/12/2014 UK£
ASSETS		
Non-current assets		
Investments in subsidiaries	9	<u>4,850,921</u>
		<u>4,850,921</u>
Current assets		
Receivables	10	34,248,828
Cash at bank	11	<u>2</u>
		<u>34,248,830</u>
Total assets		<u><u>39,099,751</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	12	100
Accumulated losses		<u>(6,393,226)</u>
Total equity		<u>(6,393,126)</u>
Current liabilities		
Payables	14	341,671
Borrowings	13	<u>45,151,206</u>
Total liabilities		<u>45,492,877</u>
Total equity and liabilities		<u><u>39,099,751</u></u>

On 23 March 2015 the Board of Directors of Grid Essence UK Ltd authorised these financial statements for issue.


.....
Charles Savva
Director

Company's registered number
08766702

The notes on pages 11 to 23 form an integral part of these financial statements.

GRID ESSENCE UK LTD

STATEMENT OF CHANGES IN EQUITY 14 month period ended 31 December 2014

	Note	Share capital UK£	Accumulated losses UK£	Total UK£
Comprehensive loss				
Net loss		-	(6,393,226)	(6,393,226)
Total comprehensive loss		-	(6,393,226)	(6,393,226)
Transactions with owners				
Issue of share capital on incorporation	12	100	-	100
Total transactions with owners		100	-	100
Balance at 31 December 2014		100	(6,393,226)	(6,393,126)

The notes on pages 11 to 23 form an integral part of these financial statements.

GRID ESSENCE UK LTD

STATEMENT OF CASH FLOWS 14 month period ended 31 December 2014

	Note	From incorporation date to 31/12/2014 UKE
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		(6,393,226)
Adjustments for:		
Interest income	7	(32)
Interest expense	7	<u>1,319,696</u>
Cash flows used in operations before working capital changes		(5,073,562)
Increase in receivables		(34,248,828)
Increase in payables		<u>341,671</u>
Cash flows used in operations		<u>(38,980,719)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	9	(4,850,921)
Interest received		<u>32</u>
Net cash flows used in investing activities		<u>(4,850,889)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		100
Proceeds from borrowings		45,151,206
Interest paid		<u>(1,319,696)</u>
Net cash flows from financing activities		<u>43,831,610</u>
Net increase in cash and cash equivalents		2
Cash and cash equivalents:		
At beginning of the year		<u>-</u>
At end of the year	11	<u>2</u>

The notes on pages 11 to 23 form an integral part of these financial statements.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS 14 month period ended 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Grid Essence UK Ltd (the "Company") was incorporated in England and Wales on 7 November 2013 as a private company limited by shares under the Companies Act 2006. Its registered office is at Lincoln's Inn Fields, 55-56, 6th Floor Queens House, London, WC2A 3LJ, United Kingdom.

Principal activity

The principal activity of the Company is the holding of Special Purposes Vehicles involved in the construction, operation and maintenance of solar parks in the United Kingdom.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The Company has taken the exemption from preparing Group accounts under section 466 of Companies Act 2006 as the Group qualifies as small.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 7 November 2013.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Net Commission**

Net commission is recognised when significant risks and rewards of ownership of the goods have been transferred to the customer, which is usually when the goods have been delivered to the customer, the customer has accepted the goods and collectability of the related receivable is reasonably assured. The Company purchases solar equipment on behalf of fellow Group companies. It recognises revenue as agent for net commissions.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Finance expenses include interest expense on loans, foreign exchange differences, bank advisory fees, structuring fees, success fees and bank charges. Finance expenses are recognised as expenses in the period in which they fall due.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

2. Accounting policies (continued)

Foreign currency translation

(1) **Functional and presentation currency**

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (UK£), which is the Company's functional and presentation currency.

(2) **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

2. Accounting policies (continued)

Tax (continued)

initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Dividends

Dividend distribution to the Company's shareholders is recognised in the Company's financial statements in the year in which they are approved by the Company's shareholders.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS 14 month period ended 31 December 2014

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recorded initially at the proceeds received, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's interest rate profile is set out in note 13 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £451,512.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.6 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Net commission

	From incorporation date to 31/12/2014 UK£
Net commission	<u>251,197</u>
	<u><u>251,197</u></u>

The Company has received net commission of £251,197 on gross sales of £25,473,422 where the Company has purchased assets on behalf of other Group companies.

6. Operating (loss)

	From incorporation date to 31/12/2014 UK£
Operating (loss) is stated after charging the following items:	
Director fees	1,000
Auditor's remuneration	170,000

Directors fees of £1,000 are charged from GMPV Consulting Services Ltd as set out in note 15.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. The Company has not incurred any non audit fees. Non audit fees payable to Deloitte LLP are £30,000 for tax advisory services.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

7. Finance income

	From incorporation date to 31/12/2014 UKE
Finance income	
Bank interest	32
	<u>32</u>
Finance costs	
Interest expense	
Loan interest	1,319,696
Sundry finance expenses	
Bank charges and unutilisation fees	349,982
Bank advisory fees	2,400,000
Structuring and success fees	400,000
Realised exchange loss	244
Waiver fee	207,657
	<u>4,677,579</u>

8. Tax

	From incorporation date to 31/12/2014 UKE
Current tax	-
Deferred tax	-
Total tax	<u>-</u>
	From incorporation date to 31/12/2014 UKE
Loss before tax	<u>(6,393,226)</u>
Tax at the UK corporation tax rate of 21.5%	(1,374,544)
Tax effect of expenses not deductible for tax purposes	489
Effect of change in rate difference on deferred tax	98,114
Deferred tax not recognised	<u>(1,275,941)</u>
Tax charge	<u>-</u>

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS 14 month period ended 31 December 2014

9. Investments in subsidiaries

	2014
	UK£
Balance at 7 November 2013	-
Additions	<u>4,850,921</u>
Balance at 31 December	<u>4,850,921</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Holding %	31/12/2014 UK£
Clawdd Ddu Farm Ltd	United Kingdom	100	1,546,370
Trewidland Farm Ltd	United Kingdom	100	56,605
Trequite Farm Ltd	United Kingdom	100	93,165
Blestium Ltd	United Kingdom	100	563,162
Bypass Nurseries LSPV Limited	United Kingdom	100	119,220
Foxburrow Farm Solar Ltd	United Kingdom	100	1,351,834
IOW Solar Energy Limited	United Kingdom	100	1,120,565
			<u>4,850,921</u>

All the above subsidiaries are involved in the development, construction, operation and maintenance of solar parks in the United Kingdom for a total peak module power of 53 MWp.

10. Receivables

	31/12/2014
	UK£
Receivables from own subsidiaries (Note 15)	33,635,328
Receivable VAT	107,500
Other receivables	<u>456,000</u>
	<u>34,248,828</u>

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

11. Cash at bank

Cash balances are analysed as follows:

	31/12/2014
	UK£
Cash at bank	<u>2</u>
	<u>2</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

12. Share capital

	2014 Number of shares	2014 UK£
Authorised, issued and fully paid		
Issue of shares on incorporation	<u>100</u>	<u>100</u>
Balance at 31 December	<u>100</u>	<u>100</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 100 ordinary shares of nominal value of £UK 1 each.

Issued capital

Upon incorporation on 7 November 2013 the Company issued to the subscribers of its Memorandum of Association 100 ordinary shares of £UK 1 each at par.

13. Borrowings

	2014 UK£
Balance at 7 November 2013	-
Additions	<u>45,151,206</u>
Balance at 31 December	<u>45,151,206</u>
	31/12/2014 UK£
Current borrowings	
Bank loans	<u>45,151,206</u>

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS 14 month period ended 31 December 2014

13. Borrowings (continued)

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UK£77,000,000. The loan bears interest of LIBOR plus 2.5%-6%. The Directors consider that the carrying value of debt equates to its fair value. The outstanding amount as at the reporting date consists of the following:

Tranche A1: UK£35,620,458

Tranche A2: UK£2,237,320

Tranche A3: UK£1,243,450

VAT facility: UK£6,049,978

Interest expense and unutilisation fee accrued: UK£1,210,516

The bank loan was repayable in full by 31 December 2014 and this has been extended to 16 January 2015 and further extended to 30 April 2015.

The bank loan is secured as follows:

- A share charge between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Grid Essence UK Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Grid Essence UK Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS

14 month period ended 31 December 2014

14. Payables

	31/12/2014
	UK£
Shareholders' current accounts - credit balances (Note 15)	31,695
Accruals	129,998
Other creditors	179,466
Payables to related companies (Note 15)	<u>512</u>
	<u>341,671</u>

The average credit period taken for trade payables is 30 days.

The fair values of payables due within one year approximate to their carrying amounts as presented above.

15. Related party transactions

The Company is controlled by Grid Essence Holdings Ltd, incorporated in Cyprus which owns 100% of the Company's shares.

The following transactions were carried out with related parties:

15.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	From incorporation date to 31/12/2014 UK£
Directors' fees	<u>1,000</u>
	<u>1,000</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

15.2 Receivables from related parties (Note 10)

	31/12/2014
Name	UK£
Clawdd Ddu Farm Ltd	7,200,688
Trewidland Farm Ltd	3,537,052
Trequite Farm Ltd	7,524,693
Bypass Nurseries LSPV Limited	2,522,952
IOW Solar Limited	3,957,199
Monsolar IQ Ltd	3,130,613
Foxburrow Farm Solar Ltd	<u>5,812,131</u>
	<u>33,685,328</u>

The above balances are interest free, and have no specified repayment date.

The amount receivables by the above companies mostly represent the cost for the module panels purchased which were paid by the Company on behalf of the above companies.

GRID ESSENCE UK LTD

NOTES TO THE FINANCIAL STATEMENTS 14 month period ended 31 December 2014

15. Related party transactions (continued)

15.3 Payables to related parties (Note 14)

		31/12/2014
Name	Nature of transactions	UKE
C.Savva and Associates Ltd	Professional and Accounting services	<u>512</u>
		<u>512</u>

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £13,629 from C.Savva and Associates Ltd during the year.

15.4 Shareholders' current accounts - credit balances (Note 14)

	31/12/2014
	UKE
Grid Essence Holdings Ltd	<u>31,695</u>
	<u>31,695</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

16. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

17. Commitments

The Company had no capital or other commitments as at 31 December 2014.

18. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to allow the Company and wider Group to complete its refinancing exercise to 16 January 2015. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

**CLAWDD DDU FARM LIMITED
(FORMERLY KNOWN AS ELGIN
ENERGY 7 LIMITED)**

**NON STATUTORY REPORT AND FINANCIAL
STATEMENTS**

Year Ended 31 December 2014 and the period from
3 January 2013 to 31 December 2013

**CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN
ENERGY 7 LIMITED)**

NON STATUTORY REPORT AND FINANCIAL STATEMENTS

Year Ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

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CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Andreas Iona (appointed on 21 August 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Josef Barr (appointed on 24 January 2014 and resigned on 7 May 2014) Steve Bourbonnais (appointed on 24 January 2014 and resigned on 7 May 2014) Miguel Cuesta Boothman (appointed on 24 January 2014 and resigned on 7 May 2014) Ronan Kilduff (appointed on 3 January 2013 and resigned on 24 January 2014) Tony Kilduff (appointed on 3 January 2013 and resigned on 24 January 2014) Joseph Walsh (appointed on 3 January 2013 and resigned on 24 January 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 24 January 2014)
Registered office:	55-56 Lincoln's Inn Fields, Queen's House, 6th Floor London WC2A 3LJ United Kingdom
Bankers:	Deutsche Bank AG London Barclays Bank
Registration number:	8346119

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

DIRECTORS' REPORT

The Board of Directors presents its Non Statutory Report and audited financial statements of the Company for the year ended 31 December 2014 and the 12 month period ended 31 December 2013. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in South Wales with an installed peak module power of approximately 13.52MWp.

Change of ownership and Company name

The Company was acquired by Grid Essence UK Limited on 16 January 2014. On 30 July 2014, the Company changed its name from Elgin Energy 7 Limited to Clawdd DDU Farm Limited.

Review of current position, future developments and significant risks

The Company completed the construction of a solar park as at 31 March 2014 and from 1 April 2014 started generating revenues from energy sales.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £703,102 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £703,102 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the period are set out on page 7.

Dividends

No dividends have been paid or proposed in the year or preceding period.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company since incorporation. The Company was incorporated in England and Wales on 3 January 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this Report are presented on page 1. The appointments and resignations of directors, from incorporation to the date of this report, are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

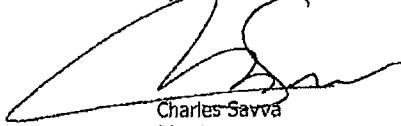
Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

Directors' responsibilities statement

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Clawdd DDU Farm Limited (formerly known as Elgin Energy 7 Limited) (continued)

We have audited the non-statutory financial statements of Clawdd DDU Farm Limited for the period from 3 January 2013 to 31 December 2013 and the year ended 31 December 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely to the company's directors in accordance with our engagement letter dated 20 March 2015 and solely for the purpose of providing the Directors with an audit opinion on the financial statements of the Companies that will be used as the basis for the financial information for the Companies bond issue and draw down of funds. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an independent 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

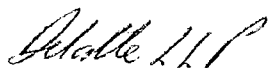
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and as at 31 December 2014 and of its profit for the period from 3 January 2013 to 31 December 2013 and the year ended 31 December 2014;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

**Independent auditor's report to the Members of Clawdd DDU
Farm Limited (formerly known as Elgin Energy 7 Limited)
(continued)**

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £703,102 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



**Deloitte LLP
Chartered Accountants
Leeds, United Kingdom
24 March 2015**

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2014 and the 12 month period ended 31 December 2013

	Note	Year ended 31/12/2014 UK£	From Incorporation date to 31/12/2013 UK£
Continuing			
Revenue	5	963,902	-
Cost of sales		(559,187)	-
Gross profit		404,715	-
Other income	6	50,000	-
Selling and distribution expenses		(38,242)	-
Administration expenses		(155,062)	-
Operating profit	7	261,411	-
Net finance costs	8	(228,437)	-
Profit before tax		32,974	-
Tax	9	(13,477)	-
Net profit for the year/period		19,497	-
Other comprehensive income		-	-
Total comprehensive income for the year/period		19,497	-


The notes on pages 11 to 29 form an integral part of these financial statements.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

STATEMENT OF FINANCIAL POSITION
31 December 2014 and 31 December 2013

	Note	31/12/2014 UKE	31/12/2013 UKE
ASSETS			
Non-current assets			
Property, plant and equipment	10	12,359,921	255,000
Intangible assets	11	<u>234,257</u>	-
		<u>12,594,178</u>	255,000
Current assets			
Trade and other receivables	12	1,786,589	51,000
Cash at bank	13	<u>210,375</u>	100
		<u>1,996,964</u>	51,100
Total assets		<u>14,591,142</u>	306,100
EQUITY AND LIABILITIES			
Equity			
Share capital	14	100	100
Accumulated profits		<u>19,497</u>	-
Total equity		<u>19,597</u>	100
Non-current liabilities			
Deferred tax liabilities	16	13,477	-
Provisions for other liabilities and charges	17	<u>86,117</u>	-
		<u>99,594</u>	-
Current liabilities			
Trade and other payables	18	7,474,612	306,000
Borrowings	15	<u>6,997,339</u>	-
Total liabilities		<u>14,571,545</u>	306,000
Total equity and liabilities		<u>14,591,142</u>	306,100

On 23 March 2015 the Board of Directors of Clawdd DDU Farm Limited (formerly known as Elgin Energy 7 Limited) authorised these financial statements for issue.


.....
Charles Savva
Director

Company's registered number:
8346119

The notes on pages 11 to 29 form an integral part of these financial statements.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

	Note	Share capital UK£	Accumulated profits UK£	Total UK£
Transactions with owners				
Issue of share capital on Incorporation	14	100	-	100
Balance at 31 December 2013		100	-	100
Comprehensive income				
Net profit for the year		-	19,497	19,497
Total comprehensive Income for the year		-	19,497	19,497
Balance at 31 December 2014		100	19,497	19,597

The notes on pages 11 to 29 form an integral part of these financial statements.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

STATEMENT OF CASH FLOWS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

	Note	Year ended 31/12/2014 UK£	From incorporation date to 31/12/2013 UK£
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		32,974	-
Adjustments for:			
Depreciation of property, plant and equipment	10	429,308	-
Amortisation charge of intangible assets	11	7,245	-
Interest income	8	(1,404)	-
Interest expense	8	264,996	-
Cash flows from operations before working capital changes		733,119	-
Increase in trade and other receivables		(1,735,589)	-
Increase in trade and other payables		7,168,612	-
Cash flows from operations		6,166,142	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	11	(239,552)	-
Payment for purchase of property, plant and equipment	10	(10,401,903)	-
Interest received		1,404	-
Net cash flows used in investing activities		(10,640,051)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	100
Proceeds from borrowings		4,949,180	-
Interest paid		(264,996)	-
Net cash flows from financing activities		4,684,184	100
Net increase in cash and cash equivalents		210,275	100
Cash and cash equivalents:			
At beginning of the year/period		100	-
At end of the year/period	13	210,375	100

The notes on pages 11 to 29 form an integral part of these financial statements.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Clawdd DDU Farm Limited (formerly known as Elgin Energy 7 Limited) (the "Company") was incorporated in England and Wales on 3 January 2013 as a private limited company under the Companies Act 2006. Its registered office is at 55-56 Lincoln's Inn Fields, Queen's House, 6th Floor, London, WC2A 3LJ, United Kingdom.

Change of ownership and Company name

The Company was acquired by Grid Essence UK Limited on 16 January 2014. On 30 July 2014, the Company changed its name from Elgin Energy 7 Limited to Clawdd DDU Farm Limited.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in South Wales with an installed peak module power of approximately 13.52MWp.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Electricity distribution**

Revenue from electricity distribution is recognised when significant risks and rewards of ownership of the electricity have been transferred to the customer, which is usually when the Company has delivered electricity to the customer, the customer has accepted the electricity and collectability of the related receivable is reasonably assured.

- **ROCs and LECs**

Revenues from sales of ROCs and LECs are recorded at invoiced value net of VAT. Revenue is recognized when the risks and rewards of ownership of the ROC and LEC have been transferred to the account of a third party.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Property under construction	0
Module panels	4
Grid connection	4
Plant and machinery	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in interest expense.

Intangible assets

Separately acquired intangible assets are shown at historical cost and are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The intangibles are amortised over their expected useful life of 25 years. Amortisation is included within cost of sales in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's Interest rate profile is set out in note 15 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £69,973.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014

3. Financial risk management (continued)

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.5 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

5. Revenue

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Electricity distribution	<u>963,902</u>	-
	<u>963,902</u>	-

The Company has only one cash generating unit. All revenue arises from the Company's principal activity of Electricity Distribution within the UK. Revenues arise from the Company's only customer which accounts for 100% of revenue during the period.

6. Other Income

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Reimbursement of insurance cost	<u>50,000</u>	-
	<u>50,000</u>	-

7. Operating profit

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
The operating profit for the year/period is after charging:		
Director fees	1,000	-
Operating lease costs	54,073	-
Depreciation (Note 10)	429,308	-
Amortisation	<u>7,245</u>	-

Directors fees of £1,000 are charged from GMPV Consulting Services Ltd as set out in note 19.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. The Company has not incurred any non audit fees. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

8. Net finance costs

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Interest income	1,404	-
Finance income	1,404	-
Interest expense	(240,597)	-
Less amounts included in qualifying assets	35,155	-
Debt arrangement fees	(24,399)	-
Finance costs	(229,841)	-
Net finance costs	(228,437)	-

9. Tax

The income tax expense comprises:

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Current tax	-	-
Deferred tax - charge (Note 16)	13,477	-
Total tax	13,477	-

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Profit before tax	32,974	-
Tax at the UK corporation tax rate of 21.5%	7,089	-
Tax effect of expenses not deductible for tax purposes	7,398	-
Effect of change in rate on deferred tax	(1,010)	-
Tax charge	13,477	-

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

10. Property, plant and equipment

	Property under construction UK£	Restoration of Land UK£	Plant and machinery UK£	Module panels UK£	Grid connection UK£	Total UK£
Cost						
Balance at beginning of period	-	-	-	-	-	-
Additions	255,000	-	-	-	-	255,000
Balance at 31 December 2013	255,000	-	-	-	-	255,000
Additions	5,928,557	84,167	-	6,451,619	69,886	12,559,229
Reclassification to plant and machinery	(6,183,557)	-	6,183,557	-	-	-
Balance at 31 December 2014	-	84,167	6,183,557	6,451,619	69,886	12,814,229
Depreciation						
Balance at beginning of period	-	-	-	-	-	-
Charge for the year	-	3,367	205,507	215,054	5,380	429,308
Balance at 31 December 2014	-	3,367	205,507	215,054	5,380	429,308
Net book amount						
Balance at 31 December 2014	-	80,800	5,978,050	6,236,565	64,506	12,384,921
Balance at 31 December 2013	255,000	-	-	-	-	255,000

The Company has received all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power of approximately 13.52MWp. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement. As at 31 March 2014 the Company has completed the construction and from 1 April 2014 generates revenues from energy sales.

During the construction period, the Company has capitalised borrowing costs amounting to UK£35,155 on qualifying assets. From 1 April 2014 the borrowing costs are expensed to the profit or loss account as the project was completed. The assets were brought into use on 1 April 2014 when electricity generation commenced.

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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

11. Intangible assets

	Community contribution UK£	Rights UK£	Total UK£
Cost			
Balance at beginning of period	-	-	-
Additions	81,126	160,376	241,502
Balance at 31 December 2014	81,126	160,376	241,502
Amortisation			
Balance at beginning of period	-	-	-
Amortisation for the year	2,434	4,811	7,245
Balance at 31 December 2014	2,434	4,811	7,245
Net book amount			
Balance at 31 December 2014	78,692	155,565	234,257

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre-tax. The carrying value of the Company's assets is supportable. A 12% reduction in sales or 3% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets. If a 5% fall in revenue were to arise from that forecast no impairment would be required. The current forecasts provide headroom of £2.1 million.

12. Trade and other receivables

	31/12/2014 UK£	31/12/2013 UK£
Trade receivables	237,929	-
Receivable from related company (Note 19)	14,295	-
Prepayments	12,771	-
Accrued income	15,905	-
VAT refundable	1,510,689	51,000
	1,791,589	51,000

Trade receivables of £237,929 are due from the company's largest customer Total Power and Gas (2013: Nil).

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Company has not made any provision for bad and doubtful debts at the balance sheet date. None of the Company's receivables are past due. The average credit period taken for trade receivables is approximately 14 days.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

12. Trade and other receivables (continued)

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

13. Cash at bank

Cash balances are analysed as follows:

	31/12/2014	31/12/2013
	UK£	UK£
Cash at bank	<u>210,375</u>	<u>100</u>
	<u>210,375</u>	<u>100</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

14. Share capital

	2014	2014	2013	2013
	Number of shares	UK£	Number of shares	UK£
Authorised, issued and fully paid				
Balance at beginning of period	100	100	-	-
Issue of shares	-	-	100	100
Balance at end of period	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

100 shares of UK£1 were issued at par on 3 January 2013.

15. Borrowings

	31/12/2014	31/12/2013
	UK£	UK£
Current borrowings		
Bank loans	4,949,180	-
Supplier loan	<u>2,048,159</u>	-
Total	<u>6,997,339</u>	-

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

15. Borrowings (continued)

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UKE77,000,000. The loan bears interest of LIBOR plus 2.5% - 6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UKE4,949,180. The Directors consider that the carrying value of debt equates to its fair value.

Tranche A1: UKE3,594,539

Tranche A2: UKE223,427

Tranche A3: UKE701,878

VAT facility: UKE429,336

The bank loan was repayable in full by 31 December 2014 and this has been extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over Clawdd DDU Farm Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Clawdd DDU Farm Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Clawdd DDU Farm Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan. The loan bears interest of 4%.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

16. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 9). The applicable corporation tax rate in the case of tax losses is 20%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current tax and deferred tax for the year

The movement on the deferred taxation account is as follows:

	Tax losses UK£	Capital allowances in excess of depreciation UK£	Total UK£
Balance at 3 January 2013 and 31 December 2013	-	-	-
Charged/(credited) to:			
Statement of profit or loss and other comprehensive income (Note 9)	<u>(109,808)</u>	<u>123,285</u>	<u>13,477</u>
Balance at 31 December 2014	<u>(109,808)</u>	<u>123,285</u>	<u>13,477</u>

17. Provisions for other liabilities and charges

	Provision for restoration of Land UK£
Balance at beginning of period	-
Balance at 31 December 2013	-
Initial recognition	84,167
Charged to profit or loss for the year	<u>1,950</u>
Balance at 31 December 2014	<u>86,117</u>

The initial provision and subsequent estimation increases are capitalised within property, plant and equipment and are being depreciated over the useful lives of the related assets. The unwinding of the discount is included in finance costs (Note 8). The provision is estimated using the assumption that the reinstatement will take place between 2039 and 2040, and has been estimated using existing technology at current prices based on independent third party advice, updated on a triennial basis.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

18. Trade and other payables

	31/12/2014	31/12/2013
	UK£	UK£
Trade payables	78,830	306,000
Payable to shareholder (Note 19)	7,150,689	-
Accruals	246,231	-
Payables to related companies (Note 19)	28,862	-
	<u>7,504,612</u>	<u>306,000</u>

The average credit period taken for trade payables is 30 days.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

19. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

19.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	Year ended	From incorporation date to
	31/12/2014	31/12/2013
	UK£	UK£
Directors' fees	1,000	-
	<u>1,000</u>	<u>-</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

19.2 Receivables from related parties (Note 12)

	31/12/2014	31/12/2013
	UK£	UK£
Name		
Monsolar IQ Ltd	4,136	-
IOW Solar Ltd	2,400	-
Foxburrow Farm Solar Farm Ltd	7,759	-
	<u>14,295</u>	<u>-</u>

The above balances arose where the Company paid for expenses of fellow Group companies. No additional sales and purchases have been made between the Companies and these related parties in the period.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

19. Related party transactions (continued)

19.3 Payables to related parties (Note 18)

Name	Nature of transactions	31/12/2014 UK£	31/12/2013 UK£
C.Savva and Associates Ltd	Professional and Accounting services	706	-
Grid Essence SA	Finance	3,810	-
Trequite Farm Ltd	Finance	24,346	-
		<u>25,052</u>	<u>-</u>

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £5,363 from C.Savva and Associates Ltd during the year. During the course of the year the company was billed from Grid Essence SA the amount of £80,000 for services provided and has partially settled the amount leaving an outstanding amount of £3,810.

19.4 Payable to shareholder (Note 18)

	31/12/2014 UK£	31/12/2013 UK£
Grid Essence UK Ltd	7,150,689	-
	<u>7,150,689</u>	<u>-</u>

An amount of £6,378,945 payable to the shareholder represents the sale of the module panels to the Company by its shareholder. The remaining amount of £771,744 represents various expenses various paid by the shareholder on behalf of the Company.

The payable amount to shareholder is interest free, and has no specified repayment date.

19.5 Purchase of intangibles

On 16 January 2014 the Company acquired intangible assets as set out in note 11 of £241,502 from the Company's previous owner Elgin Energy Holdings Ltd.

20. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

21. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2014 UK£	31/12/2013 UK£
Within one year	59,473	-
Between one and five years	296,388	-
After five years	1,481,941	-
	<u>1,837,802</u>	<u>-</u>

During the course of the year the Company recognised an expense of £54,073 for operating lease payments. The operating leases held by the Company are for the land where the Solar Farm is based.

CLAWDD DDU FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 7 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

22. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxemburg S.A. to 16 January 2015 to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £703,102 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

BYPASS NURSERIES LSPV LIMITED

**NON STATUTORY REPORT AND FINANCIAL
STATEMENTS**

Year ended 31 December 2014 and the period from
5 April 2013 to 31 December 2013

BYPASS NURSERIES LSPV LIMITED

NON STATUTORY REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 5 April 2013 to 31 December 2013

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BYPASS NURSERIES LSPV LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Andreas Iona (appointed on 21 August 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Josef Barr (appointed on 5 February 2014 and resigned on 7 May 2014) Gudlesh Richard Sangramsinha Hallikeri (appointed on 5 April 2013 and resigned on 5 February 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 5 February 2014)
Registered office:	55-56 Lincoln's Inn Fields, Queen's House, 6th Floor London WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8476135

BYPASS NURSERIES LSPV LIMITED

DIRECTORS' REPORT

The Board of Directors presents its non statutory report and audited financial statements of the Company for the year ended 31 December 2014 and the 12 month period ended 31 December 2013. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Evesham in Worcestershire with an installed peak module power of approximately 3.74 MWp.

Review of current position, future developments and significant risks

The Company completed the construction of a solar park as at 31 March 2014 and from 1 April 2014 started generating revenues from energy sales.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £205,700 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £205,700 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the period are set out on page 7.

Dividends

No dividends have been paid or proposed in the year or preceding period.

BYPASS NURSERIES LSPV LIMITED

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company since incorporation. The Company was incorporated in England and Wales on 5 April 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this report are presented on page 1. The appointments and resignations of the directors, from the date of incorporation to the date of this report are presented in page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

BYPASS NURSERIES LSPV LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the non statutory report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Bypass Nurseries LSPV Limited

We have audited the non-statutory financial statements of Bypass Nurseries LSPV Limited for the period from 5 April 2013 to 31 December 2013 and the year ended 31 December 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely to the company's directors in accordance with our engagement letter dated 20 March 2015 and solely for the purpose of providing the Directors with an audit opinion on the financial statements of the Companies that will be used as the basis for the financial information for the Companies bond issue and draw down of funds. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an independent 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

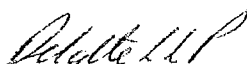
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and as at 31 December 2014 and of its loss for the period from 5 April 2013 to 31 December 2013 and the year ended 31 December 2014;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

Independent auditor's report to the Members of Bypass Nurseries LSPV Limited

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £205,700 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants
Leeds, United Kingdom
24 March 2015

BYPASS NURSERIES LSPV LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2014 and the period from 5 April 2013 to 31 December 2013

		Year ended 31/12/2014	From incorporation date to 31/12/2013
	Note	UKE	UKE
Revenue	5	315,512	-
Cost of sales		<u>(167,182)</u>	-
Gross profit		148,330	-
Selling and distribution expenses		(10,578)	-
Administration expenses		<u>(110,683)</u>	-
Operating profit	6	27,069	-
Net finance costs	7	<u>(67,393)</u>	-
Loss before tax		(40,324)	-
Tax	8	<u>3,014</u>	-
Loss after tax for the year/period		(37,310)	-
Other comprehensive expense		-	-
Total comprehensive expense for the year/period		<u>(37,310)</u>	-

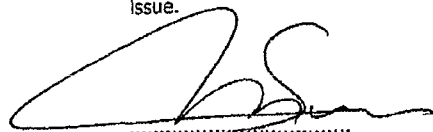
The notes on pages 11 to 27 form an integral part of these financial statements.

BYPASS NURSERIES LSPV LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014 and 31 December 2013

	Note	31/12/2014 UK£	31/12/2013 UK£
ASSETS			
Non-current assets			
Property, plant and equipment	9	3,918,768	376,321
Intangible assets	10	41,846	-
Deferred tax assets	15	3,014	-
		<u>3,963,628</u>	<u>376,321</u>
Current assets			
Trade and other receivables	11	721,336	1,392
Cash at bank	12	167,030	101
		<u>888,366</u>	<u>1,493</u>
Total assets		<u>4,851,994</u>	<u>377,814</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	13	100	100
Accumulated losses		(37,310)	-
Total equity		<u>(37,210)</u>	<u>100</u>
Non-current liabilities			
Provisions for other liabilities and charges	16	23,801	-
		<u>23,801</u>	<u>-</u>
Current liabilities			
Trade and other payables	17	2,570,074	377,714
Borrowings	14	2,295,329	-
Total liabilities		<u>4,865,403</u>	<u>377,714</u>
Total equity and liabilities		<u>4,851,994</u>	<u>377,814</u>

On 23 March 2015 the Board of Directors of Bypass Nurseries LSPV Limited authorised these financial statements for issue.



 Charles Savva
 Director

Company's registered number:
8476135

The notes on pages 11 to 27 form an integral part of these financial statements.

BYPASS NURSERIES LSPV LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

	Note	Share capital UK£	Accumulated losses UK£	Total UK£
At 5 April 2013		-	-	-
Transactions with owners				
Issue of share capital on Incorporation	13	100	-	100
Balance at 31 December 2013		100	-	100
Comprehensive income				
Loss after tax for the year		-	(37,310)	(37,310)
Balance at 31 December 2014		100	(37,310)	(37,210)

The notes on pages 11 to 27 form an integral part of these financial statements.

BYPASS NURSERIES LSPV LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

	Note	Year ended 31/12/2014 UK£	From incorporation date to 31/12/2013 UK£
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(40,324)	-
Adjustments for:			
Depreciation of property, plant and equipment	9	135,450	-
Amortisation of intangible assets	10	1,294	-
Interest Income	7	(350)	-
Interest expense	7	66,641	-
Cash flows from operations before working capital changes		162,711	-
Increase in trade and other receivables		(719,944)	(1,392)
Increase in trade and other payables		2,192,360	377,714
Cash flows from operations		1,635,127	376,322
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of intangible assets	10	(43,140)	-
Payment for purchase of property, plant and equipment	9	(3,654,616)	(376,321)
Interest received		350	-
Net cash flows used in investing activities		(3,697,406)	(376,321)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	100
Proceeds from borrowings		2,288,589	-
Interest paid		(59,380)	-
Net cash flows from financing activities		2,229,208	100
Net increase in cash and cash equivalents		166,929	101
Cash and cash equivalents:			
At beginning of the year/period		101	-
At end of the year/period	12	167,030	101

The notes on pages 11 to 27 form an integral part of these financial statements.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Bypass Nurseries LSPV Limited (the "Company") was incorporated in England and Wales on 5 April 2013 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 55-56 Lincoln's Inn Fields, Queen's House, 6th Floor, London, WC2A 3LJ, United Kingdom.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Evesham in Worcestershire with an installed peak module power of approximately 3.74MWp.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxemburg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenue comprises the invoiced amount for the sale of electricity net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

• Electricity distribution

Revenue from electricity distribution is recognised when significant risks and rewards of ownership of the electricity have been transferred to the customer, which is usually when the Company has delivered electricity to the customer, the customer has accepted the electricity and collectability of the related receivable is reasonably assured.

• ROCs and LECs

Revenues from sales of ROCs and LECs are recorded at invoiced value net of VAT. Revenue is recognized when the risks and rewards of ownership of the ROC and LEC have been transferred to the account of a third party.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the Income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Property, plant and equipment (continued)

these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Restoration of Land	4
Development	4
Plant and machinery	4
Module panels	4
Grid connection	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in interest expense.

Intangible assets

Separately acquired intangible assets are shown at historical cost and are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The intangibles are amortised over their expected useful life of 25 years. Amortisation is included within cost of sales in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Financial Instruments (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's interest rate profile is set out in note 14 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £22,953.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an Insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.5 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

4. Critical accounting estimates and judgments (continued)

• Impairment of intangible asset

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Revenue

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UKE	UKE
Electricity distribution	<u>315,512</u>	-
	<u>315,512</u>	-

The Company has only one cash generating unit. All revenue arises from the Company's principal activity of Electricity Distribution within the UK. Revenues arise from the Company's only customer which accounts for 100% of revenue during the period.

6. Operating profit

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UKE	UKE
The operating profit for the period is after charging:		
Director fees	1,000	-
Operating lease cost	27,727	-
Depreciation (Note 9)	135,450	-
Amortisation	<u>1,294</u>	-

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 18.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

7. Net finance costs

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Interest income	350	-
Finance income	350	-
Net foreign exchange transaction losses	(27)	-
Interest expense	(65,782)	-
Less amounts included in qualifying assets	5,881	-
Debt arrangement fees	(7,815)	-
Finance costs	(67,743)	-
Net finance costs	(67,393)	-

8. Tax

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
The income tax expense comprises:		
Current tax	-	-
Deferred tax - credit (Note 15)	(3,014)	-
Total tax	(3,014)	-

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Loss before tax	(40,324)	-
Tax at the UK corporation tax rate of 21.5%	(8,670)	-
Tax effect of expenses not deductible for tax purposes	5,429	-
Effect of change of rate on deferred tax	227	-
Tax charge	(3,014)	-

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

9. Property, plant and equipment

	Restoration of Land UK£	Development UK£	Plant and machinery UK£	Module panels UK£	Grid connection UK£	Total UK£
Cost						
At 5 April 2013	-	-	-	-	-	-
Additions	-	369,360	-	-	6,961	376,321
Balance at 31 December 2013	-	369,360	-	-	6,961	376,321
Additions	23,281	-	1,834,543	1,820,077	(4)	3,677,897
Balance at 31 December 2014	23,281	369,360	1,834,543	1,820,077	6,957	4,054,218
Depreciation						
At 5 April 2013	-	-	-	-	-	-
Charge for the year	854	12,312	61,151	60,669	464	135,450
Balance at 31 December 2014	854	12,312	61,151	60,669	464	135,450
Net book amount						
Balance at 31 December 2014	22,427	357,048	1,773,392	1,759,408	6,493	3,918,768
Balance at 31 December 2013	-	369,360	-	-	6,961	376,321

The Company has received all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power of approximately 3.74 MWp. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement. As at 31 March 2014 the Company has completed the construction and from 1 April 2014 started generating revenues from energy sales.

During the construction phase the Company has capitalised borrowing costs amounting to UK£5,881 on qualifying assets.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

10. Intangible assets

	Wayleave cost UK£	Rights UK£	Total UK£
Cost			
At 5 April 2013	-	-	-
Additions	<u>40,000</u>	<u>3,140</u>	<u>43,140</u>
Balance at 31 December 2014	<u>40,000</u>	<u>3,140</u>	<u>43,140</u>
Amortisation			
At 5 April 2013	-	-	-
Amortisation for the period	<u>1,200</u>	<u>94</u>	<u>1,294</u>
Balance at 31 December 2014	<u>1,200</u>	<u>94</u>	<u>1,294</u>
Net book amount			
Balance at 31 December 2014	<u>38,800</u>	<u>3,046</u>	<u>41,846</u>

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre tax. The carrying value of the Company's assets is supportable. A 2% reduction in sales or 1% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets. If a 1% fall in revenue were to arise from that forecast no impairment would be required.

If a 5% fall in revenue were to arise from that forecast an impairment of £158,006 would be required. The current forecasts provide headroom of less than £98,262.

11. Trade and other receivables

	31/12/2014 UK£	31/12/2013 UK£
Trade receivables	59,160	-
Receivables from related company (Note 18)	2,927	-
Prepayments	240	-
Accrued income	5,413	-
VAT refundable	<u>653,596</u>	<u>1,392</u>
	<u>721,336</u>	<u>1,392</u>

Trade receivables of £59,160 are due from Total Power and Gas.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

11. Trade and other receivables (continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Company has not made any provision for bad and doubtful debts at the balance sheet date. None of the Company's receivables are past due. The average credit period taken for trade receivables is approximately 14 days.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

12. Cash at bank

Cash balances are analysed as follows:

	31/12/2014	31/12/2013
	UK£	UK£
Cash at bank	<u>167,030</u>	<u>101</u>
	<u>167,030</u>	<u>101</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

13. Share capital

	2014 Number of shares	2014 UK£	2013 Number of shares	2013 UK£
Authorised, issued and fully paid				
Balance at beginning of the period	100	100	-	-
Issue of shares	-	-	100	100
Balance at end of period	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

100 shares of £1 were issued on 5 April 2013

14. Borrowings

	31/12/2014	31/12/2013
	UK£	UK£
Current borrowings		
Bank loans	1,696,811	-
Supplier loan	<u>598,518</u>	<u>-</u>
	<u>2,295,329</u>	<u>-</u>

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

14. Borrowings (continued)

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UK£77,000,000. The loan bears interest of LIBOR plus 2.5%-6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UK£1,696,811. The outstanding amount as at the reporting date consists of the following:

Tranche A1: UK£1,058,881

Tranche A2: UK£65,817

Tranche A3: UK£186,604

Tranche VAT: UK£385,509

The bank loan was repayable in full by 31 December 2014 and this has been extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over Bypass Nurseries LSPV Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Bypass Nurseries LSPV Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Bypass Nurseries LSPV Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan. The loan bears interest of 4%.

15. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 8). The applicable corporation tax rate in the case of tax losses is 20%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

15. Deferred tax (continued)

The movement on the deferred taxation account is as follows:

Deferred tax asset

	Tax losses UK£	Capital allowances in excess of depreciation UK£	Total UK£
At 5 April 2013	-	-	-
Balance at 31 December 2013	-	-	-
Charged/(credited) to:			
Statement of profit or loss and other comprehensive income (Note 8)	80,185	(83,199)	(3,014)
Balance at 31 December 2014	80,185	(83,199)	(3,014)

16. Provisions for other liabilities and charges

	Provision for restoration of land UK£
At 5 April 2013	-
Balance at 31 December 2013	-
Initial Recognition	23,281
Charged to profit or loss	520
Balance at 31 December 2014	23,801

17. Trade and other payables

	31/12/2014 UK£	31/12/2013 UK£
Payable to shareholder (Note 18)	2,522,952	-
Accruals	34,810	-
Other creditors	-	377,714
Payables to related companies (Note 18)	12,312	-
	2,570,074	377,714

The average credit period on purchases is 30 days.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

18. Related party transactions (continued)

18.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Directors' fees	<u>1,000</u>	-
	<u>1,000</u>	-

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

18.2 Receivable from related party (Note 11)

Name	31/12/2014	31/12/2013
	UK£	UK£
Glensolar IQ Ltd	<u>2,927</u>	-
	<u>2,927</u>	-

The above balance arose where the Company paid for expenses of Glensolar IQ Ltd.

18.3 Payables to related parties (Note 17)

Name	Nature of transactions	31/12/2014	31/12/2013
		UK£	UK£
C.Savva and Associates Ltd	Professional and Accounting services	698	-
Grid Essence S.A	Finance	3,810	-
Trequite Farm Ltd	Finance	<u>7,804</u>	-
		<u>12,312</u>	-

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £5,594 from C.Savva and Associates Ltd during the year.

During the course of the year the company was billed and has paid Grid Essence SA £80,000 and has paid Grid Essence SA £76,190 for services provided to the company by its ultimate parent company.

18.4 Payable to shareholder (Note 17)

	31/12/2014	31/12/2013
	UK£	UK£
Payable to Grid Essence UK Limited	<u>2,522,952</u>	-
	<u>2,522,952</u>	-

The amount payable to Grid Essence UK Limited represents the cost for the module panels purchased which were paid by the shareholder on behalf of the Company.

The shareholder's current account is interest free, and has no specified repayment date.

BYPASS NURSERIES LSPV LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the 12 month period ended 31 December 2013

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

20. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2014	31/12/2013
	UK£	UK£
Within one year	26,402	-
Between one and five years	105,606	-
After five years	541,232	-
	<u>673,240</u>	<u>-</u>

During the course of the year the Company recognised an expense of £26,402 for operating lease payments. The operating leases held by the Company are for the land where the Solar Farm is based.

21. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £205,700 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

IOW SOLAR LIMITED

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

14 month period from 25 November 2013 to 31
December 2014

IOW SOLAR LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS 14 month period from 25 November 2013 to 31 December 2014

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IOW SOLAR LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Josef Barr (appointed on 12 March 2014 and resigned on 7 May 2014) J H Steynor (appointed on 25 November 2013 and resigned on 12 March 2014) Andreas Iona (appointed on 21 August 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 12 March 2014)
Registered office:	55-56 Lincoln's Inn Fields, Queen's House, 6th Floor London WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8789592

IOW SOLAR LIMITED

DIRECTORS' REPORT

The Board of Directors presents its Annual Report and audited financial statements of the Company for the year ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors' report.

Incorporation

The Company IOW Solar Limited was incorporated in UK on 25 November 2013 as a private limited liability company under the Companies Act 2006.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Isle of Wight with an installed peak module power of approximately 6.97MWp.

Review of current position, future developments and significant risks

The Company completed construction of a solar park as at October 2014 and from 12 February 2015 started generating revenue from energy sales.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £432,688 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £432,688 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the year are set out on page 7.

Dividends

No dividends have been paid or proposed in the period.

IOW SOLAR LIMITED

REPORT OF THE BOARD OF DIRECTORS

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company during the period under review. The Company was incorporated in England and Wales on 25 November 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this Annual Report are presented on page 1. The appointments and resignations of directors, from incorporation to the date of this report, are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

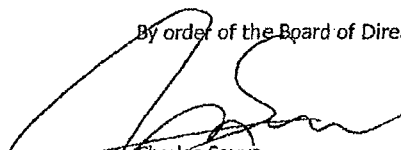
Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been further extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

IOW SOLAR LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's review report to the Members of IOW Solar Limited

We have audited the financial statements of IOW Solar Limited for the period ended 31 December 2014 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £432,688 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

**Independent auditor's review report to the Members of IOW
Solar Limited (continued)**

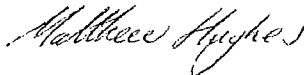
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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 Directors' report in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report.



**Matthew Hughes Bsc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom**

24 March 2015

IOW SOLAR LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

14 month period from 25 November 2013 to 31 December 2014

	Note	14 month period ended 31/12/2014 UK£
Revenue		-
Cost of sales	5	<u>(2,479)</u>
Gross loss		(2,479)
Administration expenses		<u>(89,393)</u>
Operating loss	6	(91,872)
Net finance costs	7	<u>(12,309)</u>
Loss before tax		(104,181)
Tax	8	<u>12,654</u>
Loss after tax for the period		(91,527)
Other comprehensive income		<u>-</u>
Total comprehensive expense for the period		<u><u>(91,527)</u></u>

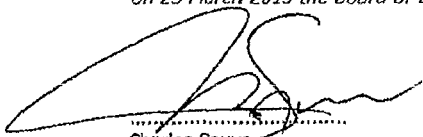
The notes on pages 11 to 25 form an integral part of these financial statements.

IOW SOLAR LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014

	Note	31/12/2014 UKE
ASSETS		
Non-current assets		
Property, plant and equipment	9	5,941,867
Intangible assets	10	473,000
Deferred tax assets	15	<u>12,654</u>
		<u>6,427,521</u>
Current assets		
Receivables	11	1,191,706
Cash at bank	12	<u>142,170</u>
		<u>1,333,876</u>
Total assets		<u><u>7,761,397</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	13	100
Share premium	13	399,900
Accumulated losses		<u>(91,527)</u>
Total equity		<u>308,473</u>
Non-current liabilities		
Provisions for other liabilities and charges	16	<u>44,370</u>
		<u>44,370</u>
Current liabilities		
Trade and other payables	17	4,100,357
Borrowings	14	<u>3,308,197</u>
Total liabilities		<u>7,452,924</u>
Total equity and liabilities		<u><u>7,761,397</u></u>

On 23 March 2015 the Board of Directors of IOW Solar Limited authorised these financial statements for issue.


.....
Charles Savva
Director

Company's registered number:
8789592

The notes on pages 11 to 25 form an integral part of these financial statements.

IOW SOLAR LIMITED

STATEMENT OF CHANGES IN EQUITY

14 month period from 25 November 2013 to 31 December 2014

	Note	Share capital UK£	Share premium UK£	Accumulated losses UK£	Total UK£
Balance at 25 November 2013		-	-	-	-
Comprehensive expense					
Issue of share capital on incorporation		100	399,900	-	-
Net loss for the year		-	-	(91,527)	(91,527)
Total comprehensive expense for the year		-	-	(91,527)	(91,527)
Balance at 31 December 2014		<u>100</u>	<u>399,900</u>	<u>(91,527)</u>	<u>308,473</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

IOW SOLAR LIMITED

STATEMENT OF CASH FLOWS

14 month period from 25 November 2013 to 31 December 2014

		14 month period ended 31/12/2014 UKE
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		(104,181)
Adjustments for:		
Depreciation of property, plant and equipment	9	1,450
Interest income	7	(785)
Interest expense	7	<u>97,531</u>
Cash flows from operations before working capital changes		(5,985)
Increase in receivables		(1,191,706)
Increase in trade and other payables		4,100,357
Cash flows from operations		<u>2,902,666</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of intangible assets	10	(473,000)
Payment for purchase of property, plant and equipment	9	(5,240,337)
Interest received		<u>785</u>
Net cash flows used in investing activities		<u>(5,712,552)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital at premium		400,000
Proceeds from borrowings		2,648,718
Interest paid		<u>(96,662)</u>
Net cash flows from financing activities		<u>2,952,056</u>
Net increase in cash and cash equivalents		142,170
Cash and cash equivalents:		
At beginning of the period		<u>-</u>
At end of the period	12	<u>142,170</u>

The notes on pages 11 to 25 form an integral part of these financial statements.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

1. Incorporation and principal activities

Country of Incorporation

The Company IOW Solar Limited (the "Company") was incorporated in UK on 25 November 2013 as a private limited liability company under the Companies Act 2006. Its registered office is at 55-56 Lincoln's Inn Fields, Queen's House, 6th Floor, London, WC2A 3LJ, United Kingdom.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Isle of Wight with an installed peak module power of approximately 6.97MWp.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 25 November 2014. This adoption did not have a material effect on the accounting policies of the Company.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

2. Accounting policies (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenues of the Company are recognised on an accrual basis.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (UK£), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

Property, plant and equipment

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Property under construction	0
Restoration of land	0
Module panels	4
Grid connection cost	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in interest expense.

Intangible assets

Separately acquired intangible assets are shown at historical cost and are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The intangibles are amortised over their expected useful life of 25 years. Amortisation is included within cost of sales in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

The Company's interest rate profile is set out in note 14 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £33,081.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity. The difference between the fair value of the consideration received by the Company and the nominal value of the share capital being issued is taken to the share premium account.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.6 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

5. Cost of sales

	14 month period ended 31/12/2014 UK£
Metering Expense	1,029
Depreciation	<u>1,450</u>
	<u>2,479</u>

6. Operating loss

	14 month period ended 31/12/2014 UK£
The operating loss for the period is after charging:	
Director's fees	1,000
Foreign exchange loss	41
Operating lease costs	23,908
Depreciation (Note 9)	<u>1,450</u>

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 17.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. The Company has not incurred any non audit fees. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

7. Net finance costs

	14 month period ended 31/12/2014 UK£
Interest income	<u>785</u>
Finance income	<u>785</u>
Net foreign exchange transaction losses	(41)
Interest expense	(97,531)
Less amounts included in qualifying assets	96,662
Debt arrangement fees	<u>(12,184)</u>
Finance costs	<u>(13,094)</u>
Net finance costs	<u>(12,309)</u>

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

8. Tax

	14 month period ended 31/12/2014 UK£
Current tax	-
Deferred tax - credit (Note 15)	<u>(12,654)</u>
Total tax	<u>(12,654)</u>

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	14 month period ended 31/12/2014 UK£
Loss before tax	<u>(104,181)</u>
Tax at the UK corporation tax rate of 21.5%	(22,399)
Tax effect of expenses not deductible for tax purposes	8,796
Effect on change in rate difference on deferred tax	<u>949</u>
Tax credit	<u>(12,654)</u>

9. Property, plant and equipment

	Property under construction UK£	Restoration of land UK£	Module panels UK£	Grid connection cost UK£	Total UK£
Cost					
Additions	2,268,842	43,501	3,367,045	16,000	5,695,388
Balance at 31 December 2014	<u>2,268,842</u>	<u>43,501</u>	<u>3,367,045</u>	<u>263,929</u>	<u>5,943,317</u>
Depreciation					
Balance at 25 November 2013	-	-	-	-	-
Charge for the year	-	1,450	-	-	1,450
Balance at 31 December 2014	<u>-</u>	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>1,450</u>
Net book amount					
Balance at 31 December 2014	<u>2,268,842</u>	<u>42,051</u>	<u>3,367,045</u>	<u>263,929</u>	<u>5,941,867</u>

The Company is in the process of receiving all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power of approximately 6.98MWp. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement. The construction of the solar park is currently under construction.

During the period ended 31 December 2014, the Company has capitalised borrowing costs amounting to UK£96,662 on qualifying assets. The assets were brought into use on 12 February 2015 when electricity generation commenced.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

10. Intangible assets

	Wayleave cost UK£	Rights UK£	Total UK£
Cost			
Additions	52,500	-	52,500
Balance at 31 December 2014	73,000	400,000	473,000
Net book amount			
Balance at 31 December 2014	73,000	400,000	473,000

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre-tax. The carrying value of the Company's assets is supportable. A 21% reduction in sales or 5% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets.

If a 5% fall in revenue were to arise from that forecast no impairment would be required. The current forecasts provide headroom of £2.2 million.

11. Receivables

	31/12/2014 UK£
Prepayments	10,530
VAT refundable	1,181,176
	<u>1,191,706</u>

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

12. Cash at bank

Cash balances are analysed as follows:

	31/12/2014 UK£
Cash at bank	142,170
	<u>142,170</u>

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

13. Share capital and share premium

<i>Authorised, issued and fully paid</i>	<i>Number of shares</i>	<i>Share capital UK£</i>	<i>Share premium UK£</i>	<i>Total UK£</i>
Balance at 31 December 2014	<u>100</u>	<u>100</u>	<u>399,900</u>	<u>400,000</u>

On 25 November 2013 the Company issued 100 shares of UK£1 for UK£4,000 per share.

14. Borrowings

	<i>31/12/2014 UK£</i>
Current borrowings	
Bank loans	<u>2,648,718</u>
Supplier Loan	<u>659,479</u>
	<u>3,308,197</u>

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UK£77,000,000. The loan bears interest of LIBOR plus 2.5%-6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UK£2,648,718. The Directors consider that the carrying value of debt equates to its fair value.

Tranche A1: UK£1,965,687

Tranche A2: UK£122,182

VAT facility: UK£560,849

The bank loan was repayable in full by 31 December 2014 and this has been extended to 16 January 2015 and further extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over IOW Solar Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by IOW Solar Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between IOW Solar Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan. The loan bears interest of 4%.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

15. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 8).

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The movement on the deferred taxation account is as follows:

Deferred tax assets

	Tax losses UK£
Balance at 25 November 2013	<u> </u>
Charged/(credited) to:	
Statement of profit or loss and other comprehensive income (Note 8)	<u>12,654</u>
Balance at 31 December 2014	<u>12,654</u>

16. Provisions for other liabilities and charges

	Provision on restoration of land UK£
Balance at 25 November 2013	
Initial recognition	43,501
Credited to profit or loss	<u>869</u>
Balance at 31 December 2014	<u>44,370</u>

The initial provision and subsequent estimation increases are capitalised within property, plant and equipment and are being depreciated over the useful lives of the related assets. The unwinding of the discount is included in finance costs (note 7). The provision is estimated using the assumption that the reinstatement will take place between 2039 and 2040, and has been estimated using existing technology at current prices based on independent third party advice, updated on a triennial basis.

17. Trade and other payables

	31/12/2014 UK£
Payable to shareholder (Note 18)	3,957,199
Other creditors	40,942
Payables to related companies (Note 18)	<u>102,216</u>
	<u>4,100,357</u>

The average credit period taken for trade payables is 30 days.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

17. Trade and other payables (continued)

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

18.1 Directors' fees

The remuneration of Directors and other members of key management was as follows:

	14 month period ended 31/12/2014 UK£
Directors' remuneration	<u>1,000</u>
	<u>1,000</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

18.2 Payables to related parties (Note 17)

Name	31/12/2014 UK£
Trewidland Farm Limited	18,690
Tregulte Farm Ltd	70,381
Monsolar IQ Ltd	1,837
Clawddi DDU Farm Ltd	2,400
Foxburrow Farm Solar Farm Ltd	8,210
C.Savva and Associates Ltd	<u>858</u>
	<u>102,376</u>

The above balance arose where the related parties paid for expenses on behalf of IOW Solar Ltd.

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £6,137 from C.Savva and Associates Ltd during the year (2013 nil).

18.3 Payable to shareholder (Note 17)

	31/12/2014 UK£
Grid Essence UK Ltd	<u>3,957,199</u>
	<u>3,957,199</u>

An amount of £3,989,987 payable to the shareholder represents the sale of the module panels to the Company by its shareholder. During the year shareholder has paid various expenses amounting to £49,643 on behalf of the Company and at the same time the Company paid an expenses invoice on behalf of its shareholder amounting to £81,431.

The shareholder's current account is interest free, and has no specified repayment date.

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

IOW SOLAR LIMITED

NOTES TO THE FINANCIAL STATEMENTS

14 month period from 25 November 2013 to 31 December 2014

20. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2014
	UK£
Within one year	29,570
Between one and five years	118,280
After five years	<u>532,260</u>
	<u><u>680,110</u></u>

During the course of the year the Company recognised an expense of £23,908 for operating lease payments. The operating leases held by the Company are for the land where the Solar Farm is based.

21. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £432,688 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

**TREQUITE FARM LIMITED (FORMERLY
KNOWN AS ELGIN ENERGY 9 LIMITED)**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

15 month period from 4 October 2013 to 31
December 2014

**TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY
9 LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS
15 month period from 4 October 2013 to 31 December 2014

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TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Andreas Iona (appointed on 21 August 2014) Josef Barr (appointed on 16 January 2014 and resigned on 7 May 2014) Steve Bourbonnals (appointed on 16 January 2014 and resigned on 7 May 2014) Miguel Cuesta Boothman (appointed on 16 January 2014 and resigned on 7 May 2014) Ronan Kilduff (appointed on 4 October 2013 and resigned on 16 January 2014) Tony Kilduff (appointed on 4 October 2013 and resigned on 16 January 2014) Joseph Walsh (appointed on 4 October 2013 and resigned on 16 January 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 16 January 2014)
Registered office:	55-56 Lincoln's Inn Fields, Queen's House, 6th Floor London WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8719097

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

DIRECTORS' REPORT

The Board of Directors presents its Annual Report and audited financial statements of the Company for the 15 month period ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Trequite in Cornwall with an installed peak module power of approximately 10.99MWp.

Change of Company name

On 30 July 2014, the Company changed its name from Elgin Energy 9 Limited to Trequite Farm Limited.

Review of current position, future developments and significant risks

The Company completed the construction of a solar park as at 31 March 2014 and from 1 April 2014 started generating revenues from energy sales.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £604,365 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £604,365 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the 15 month period are set out on page 7.

Dividends

No dividends have been paid or proposed in the period.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company during the period under review. The Company was incorporated in England and Wales on 4 October 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this Annual Report are presented on page 1. The appointments and resignations of the directors, from the date of incorporation to the date of this report are presented in page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

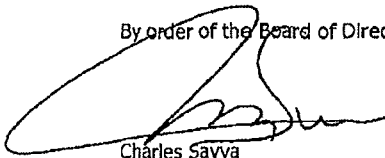
Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Trequite Farm Limited (formerly known as Elgin Energy 9 Limited)

We have audited the financial statements of Trequite Farm Limited (formerly known as Elgin Energy 9 Limited) for the period ended 31 December 2014 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £604,365 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Independent auditor's report to the Members of Trequite Farm Limited (formerly known as Elgin Energy 9 Limited) (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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 Directors' report in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report.



**Matthew Hughes Bsc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom**

24 March 2015

**TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY
9 LIMITED)**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
15 month period from 4 October 2013 to 31 December 2014

	Note	15 month period ended 31/12/2014 UK£
Continuing		
Revenue	5	992,141
Cost of sales		<u>(551,060)</u>
Gross profit		441,081
Selling and distribution expenses		(31,079)
Administration expenses		<u>(158,787)</u>
Operating profit	6	251,215
Net finance costs	7	<u>(210,585)</u>
Profit before tax		40,630
Tax	8	<u>(23,486)</u>
Net profit for the 15 month period		17,144
Other comprehensive income		<u>-</u>
Total comprehensive income for the 15 month period		<u><u>17,144</u></u>

The notes on pages 11 to 28 form an integral part of these financial statements.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

STATEMENT OF FINANCIAL POSITION
31 December 2014

	Note	31/12/2014 UK£
ASSETS		
Non-current assets		
Property, plant and equipment	9	10,751,659
Intangible assets	10	<u>1,790,780</u>
		12,542,439
Current assets		
Trade and other receivables	11	1,758,354
Cash at bank	12	<u>175,045</u>
		1,933,399
Total assets		<u>14,475,838</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	13	100
Accumulated profits		<u>17,144</u>
Total equity		<u>17,244</u>
Non-current liabilities		
Deferred tax liabilities	15	23,486
Provisions for other liabilities and charges	16	<u>70,023</u>
		93,509
Current liabilities		
Trade and other payables	17	7,925,567
Borrowings	14	<u>6,439,518</u>
Total liabilities		<u>14,458,594</u>
Total equity and liabilities		<u>14,475,838</u>

On 23 March 2015 the Board of Directors of Trequite Farm Limited (formerly known as Elgin Energy 9 Limited) authorised these financial statements for issue.


.....
Charles Savva
Director

Company's Registered Number:
8719097

The notes on pages 11 to 28 form an integral part of these financial statements.

**TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY
9 LIMITED)**

STATEMENT OF CHANGES IN EQUITY

15 month period from 4 October 2013 to 31 December 2014

	Note	Share capital UK£	Accumulated profits UK£	Total UK£
Comprehensive income				
Net profit for the 15 month period		-	17,144	17,144
Transactions with owners				
Issue of share capital	13	100	-	100
Balance at 31 December 2014		100	17,144	17,244

The notes on pages 11 to 28 form an integral part of these financial statements.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

STATEMENT OF CASH FLOWS

15 month period from 4 October 2013 to 31 December 2014

	Note	15 month period ended 31/12/2014 UK£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		40,630
Adjustments for:		
Depreciation of property, plant and equipment	9	333,230
Amortisation of intangible assets	10	57,891
Interest income	7	(1,003)
Interest expense	7	<u>215,627</u>
Cash flows from operations before working capital changes		646,375
Increase in trade and other receivables		(1,758,354)
Increase in trade and other payables		7,925,567
Cash flows from operations		<u>6,813,588</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of intangible assets	10	(1,848,670)
Payment for purchase of property, plant and equipment	9	(9,173,136)
Interest received		<u>1,002</u>
Net cash flows used in investing activities		<u>(11,020,804)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		100
Proceeds from borrowings		4,597,788
Interest paid		<u>(215,627)</u>
Net cash flows from financing activities		<u>4,382,261</u>
Net increase in cash and cash equivalents		175,045
Cash and cash equivalents:		
At beginning of the period		-
At end of the period	12	<u><u>175,045</u></u>

The notes on pages 11 to 28 form an integral part of these financial statements.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

1. Incorporation and principal activities

Country of Incorporation

The Company Trequite Farm Limited (formerly known as Elgin Energy 9 Limited) (the "Company") was incorporated in England & Wales on 4 October 2013 as a private limited company under the Companies Act 2006. Its registered office is at 55-56 Lincoln's Inn Fields, Queen's House, 6th Floor, London, WC2A 3LJ, United Kingdom.

Change of Company name

On 30 July 2014, the Company changed its name from Elgin Energy 9 Limited to Trequite Farm Limited.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Trequite in Cornwall with an installed peak module power of approximately 10.99MWp.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 4 October 2014.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenue comprises the invoiced amount for the sale of electricity net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Electricity distribution**

Revenue from electricity distribution is recognised when significant risks and rewards of ownership of the electricity have been transferred to the customer, which is usually when the Company has delivered electricity to the customer, the customer has accepted the electricity and collectability of the related receivable is reasonably assured.

- **ROCs and LECs**

Revenues from sales of ROCs and LECs are recorded at invoiced value net of VAT. Revenue is recognized when the risks and rewards of ownership of the ROC and LEC have been transferred to the account of a third party.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Module panels	4
Restoration of Land	4
Plant and machinery	4
Site development	4
Grid connection	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in interest expense.

Intangible assets

Separately acquired intangible assets are shown at historical cost and are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The intangibles are amortised over their expected useful life of 25 years. Amortisation is included within cost of sales in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Financial Instruments (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's interest rate profile is set out in note 14 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £64,935.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

TREQUIRE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.5 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

• Impairment of intangible asset

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

5. Revenue

	15 month period ended 31/12/2014 UK£
Electricity distribution	<u>992,141</u>
	<u>992,141</u>

The Company has only one cash generating unit. All revenue arises from the Company's principal activity of Electricity Distribution within the UK. Revenues arise from the Company's only customer which accounts for 100% of revenue during the period.

6. Operating profit

	15 month period ended 31/12/2014 UK£
The operating profit for the period is after charging:	
Director fees	1,000
Foreign exchange loss	103
Operating lease costs	61,204
Depreciation (Note 9)	333,230
Amortisation	<u>57,890</u>

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 18.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

TREQUIRE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

7. Net finance costs

	15 month period ended 31/12/2014 UK£
Interest income	<u>1,003</u>
Finance income	<u>1,003</u>
Interest expense	(217,249)
Less amounts included in qualifying assets	28,252
Debt arrangement fees	<u>(22,591)</u>
Finance costs	<u>(211,588)</u>
Net finance costs	<u>(210,585)</u>

8. Tax

The income tax expense comprises:

	15 month period ended 31/12/2014 UK£
Current tax	-
Deferred tax - charge (Note 15)	<u>23,486</u>
Total tax	<u>23,486</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	15 month period ended 31/12/2014 UK£
Profit before tax on continuing operations	<u>40,630</u>
Tax at the UK corporation tax rate of 21.5%	8,735
Tax effect of expenses not deductible for tax purposes	16,512
Effect of change in rate on deferred tax	<u>(1,761)</u>
Tax charge	<u>23,486</u>

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

9. Property, plant and equipment

	Restoration of Land UK£	Plant and machinery UK£	Module panels UK£	Grid connection UK£	Site development UK£	Total UK£
Cost						
Balance at 4 October 2013	-	-	-	-	-	-
Additions	68,401	5,674,850	5,199,514	99,024	43,100	11,084,889
Balance at 31 December 2014	68,401	5,674,850	5,199,514	99,024	43,100	11,084,889
Depreciation						
Balance at 4 October 2013	-	-	-	-	-	-
Charge for the 15 month period	2,736	170,245	155,985	2,971	1,293	333,230
Balance at 31 December 2014	2,736	170,245	155,985	2,971	1,293	333,230
Net book amount						
Balance at 4 October 2013	-	-	-	-	-	-
Balance at 31 December 2014	65,665	5,504,605	5,043,529	96,053	41,807	10,751,659

The Company has received all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power of approximately 10.99 MWp. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement. As at 31 March 2014 the Company has completed the construction and from 1 April 2014 started generating revenues from energy sales.

During the construction phase the Company has capitalised borrowing costs amounting to UK£28,252 on qualifying assets. From 1 April 2014 the borrowing costs are expensed to the profit or loss account as the project was completed. The assets were brought to use on 1 April 2014 when electricity generation commenced.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

10. Intangible assets

	Wayleave cost UK£	Community contribution UK£	Rights UK£	Total UK£
Cost				
Balance at 4 October 2013	-	-	-	-
Additions	51,200	27,470	1,770,000	1,848,670
Balance at 31 December 2014	51,200	27,470	1,770,000	1,848,670
Amortisation				
Balance at 4 October 2013	-	-	-	-
Amortisation for the period	1,536	824	55,530	57,890
Balance at 31 December 2014	1,536	824	55,530	57,890
Net book amount				
Balance at 31 December 2014	49,664	26,646	1,714,470	1,790,780
Balance at 4 October 2013	-	-	-	-

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre-tax. The carrying value of the Company's assets is supportable. A 1% reduction in sales or 1% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets.

If a 5% fall in revenue were to arise from that forecast an impairment of £650,331 would be required. The current forecasts provide headroom of £136,077.

11. Trade and other receivables

	31/12/2014 UK£
Trade receivables	369,277
Receivables from related companies (Note 18)	257,150
Accrued income	14,365
VAT refundable	1,127,562
	<u>1,768,354</u>

Trade receivables of £369,277 are due from Total Power and Gas (2013: Nil).

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS
15 month period from 4 October 2013 to 31 December 2014

11. Trade and other receivables (continued)

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Company has not made any provision for bad and doubtful debts at the balance sheet date. None of the Company's receivables are past due. The average credit period taken for trade receivables is approximately 14 days.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

12. Cash at bank

Cash balances are analysed as follows:

	31/12/2014
	UK£
Cash at bank	<u>175,045</u>
	<u><u>175,045</u></u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

13. Share capital

	2014	2014
	Number of	UK£
	shares	
Authorised, issued and fully paid		
Balance at beginning of period	100	-
Issue of shares	-	100
Balance at end of period	<u>100</u>	<u>100</u>

100 Shares of UK£ 1 were issued at par on 4 October 2013.

14. Borrowings

	31/12/2014
	UK£
Current borrowings	
Bank loans	4,597,788
Supplier loan	<u>1,841,730</u>
	<u><u>6,439,518</u></u>

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

14. Borrowings (continued)

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UK£77,000,000. The loan bears interest of LIBOR plus 2.5%-6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UK£4,597,788. The Directors consider that the carrying value of debt equates to its fair value.

The outstanding amount as at the reporting date consists of the following:

Tranche A1: UK£3,228,718

Tranche A2: UK£200,688

Tranche A3: UK£778,213

VAT facility: UK£390,169

The bank loan was repayable in full by 31 December 2014 and this has been extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over Trequite Farm Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Trequite Farm Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Trequite Farm Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan. The loan bears interest of 4%.

15. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 8). The applicable corporation tax rate in the case of tax losses is 20%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

15. Deferred tax (continued)

The movement on the deferred taxation account is as follows:

	Tax losses UK£	Capital allowances in excess of depreciation UK£	Total UK£
Balance at 4 October 2013 and 31 December 2013			
(Credit)/Charged to:			
Statement of profit or loss and other comprehensive income (Note 8)	(124,275)	147,761	23,486
Balance at 31 December 2014	(124,275)	147,761	23,486

16. Provisions for other liabilities and charges

	Provision for restoration of land UK£
Initial Recognition	68,401
Charged to profit or loss in the period	1,622
Balance at 31 December 2014	70,023

The initial provision and subsequent estimation increases are capitalised within property, plant and equipment and are being depreciated over the useful lives of the related assets. The unwinding of the discount is included in finance costs (note 7). The provision is estimated using the assumption that the reinstatement will take place between 2039 and 2040, and has been estimated using existing technology at current prices based on independent third party advice, updated on a triennial basis.

TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 9 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

17. Trade and other payables

	31/12/2014
	UK£
Payable to shareholder (Note 18)	7,524,593
Accruals	120,037
Other creditors	275,592
Payables to related parties (Note 18)	<u>5,345</u>
	<u>7,925,567</u>

The average credit period taken for trade payables is 30 days.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

18.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	15 month period ended 31/12/2014
	UK£
Directors' fees	<u>1,000</u>
	<u>1,000</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

18.2 Receivables from related parties (Note 11)

	31/12/2014
	UK£
<u>Name</u>	
Foxburrow Farm Solar Farm Ltd	50,985
IOW Solar Ltd	70,380
Clawdd DDU Farm Ltd	24,346
Monsolar IQ Ltd	10,572
Bypass Nurseries LSPV Ltd	7,804
Trewidland Farm Limited	<u>93,063</u>
	<u>257,150</u>

The above balances arose where the Company paid for expenses of fellow Group companies. No additional sales and purchases have been made between the Companies and these related parties in the period.

18.3 Payables to related parties (Note 17)

	31/12/2014
<u>Name</u>	<u>UK£</u>
C.Savva and Associates Ltd	754
Grid Essence S.A.	<u>4,591</u>
	<u><u>5,345</u></u>

The above balances are interest free, and have no specified repayment date.

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £5,300 from C.Savva and Associates Ltd during the period. During the course of the year the Company was billed from Grid Essence SA the amount of £80,000 for services provided and has partially settled the amount leaving an outstanding balance of £4,591.

18.4 Payable to shareholder (Note 17)

	31/12/2014
	<u>UK£</u>
Grid Essence UK Ltd	<u>7,524,593</u>
	<u><u>7,524,593</u></u>

An amount of £6,228,423 payable to the shareholder represents the sale of the module panels to the Company by its shareholder. The remaining amount of £1,296,170 represents various expenses paid by the shareholder on behalf of the Company.

The shareholder's current account is interest free, and has no specified repayment date.

18.5 Purchase of Intangibles

On 16 January 2014 the Company acquired intangible assets as set out in note 10 of £1,929,675 from the Company's previous owner Elgin Energy Holdings Ltd.

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

20. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2014
	<u>UK£</u>
Within one year	85,884
Between one and five years	343,536
After five years	<u>1,631,796</u>
	<u><u>2,061,216</u></u>

During the course of the year the Company recognised an expense of £61,204 for operating lease payments. The operating leases held by the Company are for the land where the Solar Farm is based.

**TREQUITE FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY
9 LIMITED)**

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

21. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £504,365 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

**TREWIDLAND FARM LIMITED
(FORMERLY KNOWN AS ELGIN
ENERGY 8 LIMITED)**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

15 month period from 4 October 2013 to 31
December 2014

**TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN
ENERGY 8 LIMITED)**

ANNUAL REPORT AND FINANCIAL STATEMENTS
15 month period from 4 October 2013 to 31 December 2014

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**TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN
ENERGY 8 LIMITED)**

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Steve Bourbonnais (appointed on 16 January 2014 and resigned on 7 May 2014) Josef Barr (appointed on 16 January 2014 and resigned on 7 May 2014) Miguel Cuesta Boothman (appointed on 16 January 2014 and resigned on 7 May 2014) Ronan Kilduff (appointed on 4 October 2013 and resigned on 16 January 2014) Tony Kilduff (appointed on 4 October 2013 and resigned on 16 January 2014) Joseph Walsh (appointed on 4 October 2013 and resigned on 16 January 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 16 January 2014)
Registered office:	55-56 Lincoln's Inn Fields, Queen's House, 6th Floor London WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8718901

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

DIRECTORS' REPORT

The Board of Directors presents its Annual Report and audited financial statements of the Company for the period ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activities

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Cornwall with an installed peak module power of approximately 5.04MWp.

Review of current position, future developments and significant risks

The Company completed the construction of a solar park as at 31 March 2014 and from 1 April 2014 started generating revenues from energy sales.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £262,342 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £262,342 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results and Dividends

The Company's results for the period are set out on page 7.

Dividends

No dividends have been paid or proposed in the period.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company during the period under review. The Company was incorporated in England and Wales on 4 October 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this Annual Report are presented on page 1. The appointments and resignations of the directors, from the date of incorporation to the date of this report are presented in page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxemburg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Trewidland Farm Limited (formerly known as Elgin Energy 8 Limited)

We have audited the financial statements of Trewidland Farm Limited (formerly known as Elgin Energy 8 Limited) for the year ended 31 December 2014 which comprise the statement of profit or loss and other comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £262,342 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Independent auditor's report to the Members of Trewidland Farm Limited (formerly known as Elgin Energy 8 Limited) (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 financial statements 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 Directors' report in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report.



**Matthew Hughes Bsc (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom**

24 March 2015

**TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN
ENERGY 8 LIMITED)**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
15 month period from 4 October 2013 to 31 December 2014

	Note	15 month period ended 31/12/2014 UKE
Continuing		
Revenue	5	536,587
Cost of sales		<u>(247,311)</u>
Gross profit		289,276
Selling and distribution expenses		(14,269)
Administration expenses		<u>(170,204)</u>
Operating profit	6	104,803
Net finance costs	7	<u>(91,988)</u>
Profit before tax		12,815
Tax	8	<u>(10,382)</u>
Net profit for the period		2,433
Other comprehensive income		<u>-</u>
Total comprehensive income for the period		<u>2,433</u>


The notes on pages 11 to 26 form an integral part of these financial statements.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

STATEMENT OF FINANCIAL POSITION
31 December 2014

	Note	31/12/2014 UKE
ASSETS		
Non-current assets		
Property, plant and equipment	9	4,905,888
Intangible assets	10	<u>772,658</u>
		<u>5,678,546</u>
Current assets		
Trade and other receivables	11	710,133
Cash at bank	12	<u>181,624</u>
		<u>891,757</u>
Total assets		<u><u>6,570,303</u></u>
EQUITY AND LIABILITIES		
Equity		
Share capital	13	100
Accumulated profits		<u>2,433</u>
Total equity		<u>2,533</u>
Non-current liabilities		
Deferred tax liabilities	15	10,382
Provisions for other liabilities and charges	16	<u>32,759</u>
		<u>43,141</u>
Current liabilities		
Trade and other payables	17	3,775,922
Borrowings	14	<u>2,748,707</u>
Total liabilities		<u>6,567,770</u>
Total equity and liabilities		<u><u>6,570,303</u></u>

On 23 March 2015 the Board of Directors of Trewidland Farm Limited (formerly known as Elgin Energy 8 Limited) authorised these financial statements for issue.


.....
Charles Savva
Director

Company's registered number:
8718901

The notes on pages 11 to 26 form an integral part of these financial statements.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

STATEMENT OF CHANGES IN EQUITY
15 month period from 4 October 2013 to 31 December 2014

	Note	Share capital UK£	Accumulated profits UK£	Total UK£
Comprehensive income				
Net profit for the period		-	2,433	2,433
Total comprehensive income for the period		-	2,433	2,433
Transactions with owners				
Issue of share capital	13	100	-	100
Balance at 31 December 2014		100	2,433	2,533

The notes on pages 11 to 26 form an integral part of these financial statements.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

STATEMENT OF CASH FLOWS

15 month period from 4 October 2013 to 31 December 2014

	Note	15 month period ended 31/12/2014 UK£
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax		12,815
Adjustments for:		
Depreciation of property, plant and equipment	9	169,389
Amortisation of intangible assets	10	24,557
Interest income	7	(579)
Interest expense	7	<u>96,190</u>
Cash flows from operations before working capital changes		302,372
Increase in trade and other receivables		(710,133)
Increase in trade and other payables		<u>3,775,922</u>
Cash flows from operations		<u>3,368,161</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of intangible assets	10	(797,215)
Payment for purchase of property, plant and equipment	9	(4,159,396)
Interest received		<u>579</u>
Net cash flows used in investing activities		<u>(4,956,032)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		100
Proceeds from borrowings		1,864,826
Interest paid		<u>(95,431)</u>
Net cash flows from financing activities		<u>1,769,495</u>
Net increase in cash and cash equivalents		181,624
Cash and cash equivalents:		
At beginning of the period		-
At end of the period	12	<u>181,624</u>

The notes on pages 11 to 26 form an integral part of these financial statements.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

1. Incorporation and principal activities

Country of incorporation

The Company Trewidland Farm Limited (formerly known as Elgin Energy 8 Limited) (the "Company") was incorporated in England & Wales on 4 October 2013 as a private limited company under the Companies Act 2006. Its registered office is at 55-56 Lincoln's Inn Fields, Queen's House, 6th Floor, London, WC2A 3LJ, United Kingdom.

Change of Company name

On 30 July 2014, the Company changed its name from Elgin Energy 8 Limited to Trewidland Farm Limited.

Principal activities

The principal activity of the Company is the development, construction, operation and maintenance of a solar park in Cornwall with an installed peak module power of approximately 5.04MWp.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 4 October 2014. This adoption did not have a material effect on the accounting policies of the Company.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenue comprises the invoiced amount for the sale of electricity net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Electricity distribution**

Revenue from electricity distribution is recognised when significant risks and rewards of ownership of the electricity have been transferred to the customer, which is usually when the Company has delivered electricity to the customer, the customer has accepted the electricity and collectability of the related receivable is reasonably assured.

- **ROCs and LECs**

Revenues from sales of ROCs and LECs are recorded at invoiced value net of VAT. Revenue is recognized when the risks and rewards of ownership of the ROC and LEC have been transferred to the account of a third party.

Finance Income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Property, plant and equipment (continued)

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Module panels	4
Restoration of Land	4
Plant and machinery	4
Grid connection cost	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in interest expense.

Intangible assets

Separately acquired intangible assets are shown at historical cost and are amortised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The intangibles are amortised over their expected useful life of 25 years. Amortisation is included within cost of sales in the statement of profit or loss and other comprehensive income.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade and other receivables

Trade and other receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

2. Accounting policies (continued)

Derecognition of financial assets and liabilities (continued)

The Company's interest rate profile is set out in note 14 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £27,487.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

3. Financial risk management (continued)

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.5 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

5. Revenue

	15 month period ended 31/12/2014 UK£
Electricity distribution	<u>536,587</u>
	<u>536,587</u>

The Company has only one cash generating unit. All revenue arises from the Company's principal activity of Electricity Distribution within the UK. Revenues arise from the Company's only customer which accounts for 100% of revenue during the period.

6. Operating profit

The operating profit for the year is after charging

	15 month period ended 31/12/2014 UK£
Director fees	1,000
Foreign exchange loss	21
Operating lease costs	45,147
Depreciation (Note 9)	169,389
Amortisation	<u>24,557</u>

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 18.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

7. Net finance costs

	15 month period ended 31/12/2014 UK£
Interest income	<u>579</u>
Finance income	<u>579</u>
Net foreign exchange transaction losses	(22)
Interest expense	(96,190)
Less amounts included in qualifying assets	13,019
Debt arrangement fee	<u>(9,374)</u>
Finance costs	<u>(92,567)</u>
Net finance costs	<u>(91,988)</u>

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

8. Tax

	15 month period ended 31/12/2014 UK£
Current tax	-
Deferred tax - charge (Note 15)	<u>10,382</u>
Total tax	<u>10,382</u>

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	15 month period ended 31/12/2014 UK£
Profit before tax	<u>12,815</u>
Tax at the UK corporation tax rate of 21.5%	2,755
Tax effect of expenses not deductible for tax purposes	8,405
Effect of change in rate on deferred tax	<u>(778)</u>
Tax charge	<u>10,382</u>

9. Property, plant and equipment

	Restoration of Land	Plant and machinery	Module panels	Grid connection cost	Total
	UK£	UK£	UK£	UK£	UK£
Cost					
Balance at 4 October 2013	-	-	-	-	-
Additions	<u>32,000</u>	<u>2,493,616</u>	<u>2,457,959</u>	<u>91,702</u>	<u>5,075,277</u>
Balance at 31 December 2014	<u>32,000</u>	<u>2,493,616</u>	<u>2,457,959</u>	<u>91,702</u>	<u>5,075,277</u>
Depreciation					
Balance at 4 October 2013	-	-	-	-	-
Charge for the period	<u>1,280</u>	<u>83,120</u>	<u>81,932</u>	<u>3,057</u>	<u>169,389</u>
Balance at 31 December 2014	<u>1,280</u>	<u>83,120</u>	<u>81,932</u>	<u>3,057</u>	<u>169,389</u>
Net book amount					
Balance at 31 December 2014	<u><u>30,720</u></u>	<u><u>2,410,496</u></u>	<u><u>2,376,027</u></u>	<u><u>88,645</u></u>	<u><u>4,905,888</u></u>
Balance at 31 December 2013	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

9. Property, plant and equipment (continued)

The Company has received all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power of approximately 5.04MWp. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement. As at 31 March 2014 the Company had completed the construction and from 1 April 2014 started generating revenues from energy sales.

During the construction phase the Company has capitalised borrowing costs amounting to UK£13,019 on qualifying assets. From 1 April 2014 the borrowing costs are expensed to the profit or loss account as the project was completed. The assets were brought into use on 1 April 2014 when electricity generation commenced.

10. Intangible assets

	Wayleave cost UK£	Community contribution UK£	Rights UK£	Total UK£
Cost				
Balance at 4 October 2013	-	-	-	-
Additions	50,000	35,315	711,900	797,215
Balance at 31 December 2014	50,000	35,315	711,900	797,215
Amortisation				
Balance at 4 October 2013	-	-	-	-
Amortisation for the period	1,500	1,059	21,998	24,557
Balance at 31 December 2014	1,500	1,059	21,998	24,557
Net book amount				
Balance at 31 December 2014	48,500	34,256	689,902	772,658
Balance at 31 December 2013	-	-	-	-

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre tax. The carrying value of the Company's assets is supportable. A 1% reduction in sales or 1% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets. If a 5% fall in revenue were to arise from that forecast an impairment of £297,336 would be required. The current forecasts provide headroom of £69,081.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

11. Trade and other receivables

	31/12/2014
	UK£
Trade receivables	105,455
Receivables from related companies (Note 18)	61,163
Prepayments	4,850
Accrued income	8,639
VAT refundable	530,026
	<u>710,133</u>

Trade receivables of £105,455 are due from only one customer Total Power and Gas (2013: Nil).

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Company has not made any provision for bad and doubtful debts at the balance sheet date. None of the Company's receivables are past due. The average credit period taken for trade receivables is approximately 14 days.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

12. Cash at bank

Cash balances are analysed as follows:

	31/12/2014
	UK£
Cash at bank	181,624
	<u>181,624</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

13. Share capital

	2014	2014
	Number of	UK£
	shares	
Authorised, issued and fully paid		
Balance at beginning of period	100	-
Issue of shares	-	100
Balance at end of period	<u>100</u>	<u>100</u>

100 shares of £1 were issued at par on 4 October 2013.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

14. Borrowings

	31/12/2014 UKE
Current borrowings	
Bank loans	1,914,826
Supplier loan	<u>833,881</u>
	<u>2,748,707</u>

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UKE77,000,000. The loan bears interest of LIBOR plus 2.5%-6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UKE1,914,826. The Directors consider that the carrying value of debt equates to its fair value.

Tranche A1: UKE1,413,440

Tranche A2: UKE87,856

Tranche A3: UKE372,675

VAT facility: UKE40,855

The bank loan was repayable in full by 31 December 2014 and this has been further extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over Trewidland Farm Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Trewidland Farm Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Trewidland Farm Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan.

15. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 8). The applicable corporation tax rate in the case of tax losses is 20%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

15. Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The movement on the deferred taxation account is as follows:

Deferred tax liability

	Tax losses UK£	Capital allowances in excess of depreciation UK£	Total UK£
Balance at 4 October 2013	-	-	-
Charged/(credited) to:			
Statement of profit or loss and other comprehensive income (Note 8)	(54,622)	65,004	10,382
Balance at 31 December 2014	(54,622)	65,004	10,382

16. Provisions for other liabilities and charges

	Provision for restoration of Land UK£
Balance at beginning of period	-
Initial Recognition	32,000
Charged to profit or loss in the period	759
Balance at 31 December 2014	32,759

The initial provision and subsequent estimation increases are capitalised within property, plant and equipment and are being depreciated over the useful lives of the related assets. The unwinding of the discount is included in finance costs (note 7). The provision is estimated using the assumption that the reinstatement will take place between 2039 and 2040, and has been estimated using existing technology at current prices based on independent third party advice, updated on a triennial basis.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

17. Trade and other payables

	31/12/2014
	UK£
Payable to shareholder (Note 18)	3,537,052
Accruals	130,877
Other creditors	7,816
Payables to related companies (Note 18)	100,177
	<u>3,775,922</u>

The average credit period taken for trade payables is 30 days.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

18. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

18.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	15 month period ended 31/12/2014
	UK£
Directors' fees	1,000
	<u>1,000</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

18.2 Receivables from related parties (Note 11)

	31/12/2014
	UK£
<u>Name</u>	
IOW Solar Limited	18,691
Foxburrow Farm Solar Farm Limited	6,472
Grid Essence Group (UK) Limited	36,000
	<u>61,163</u>

The above balances arose where the Company paid for expenses of fellow Group companies. No additional sales and purchases have been made between the Companies and these related parties in the period.

18.3 Payables to related parties (Note 17)

	31/12/2014
	UK£
<u>Name</u>	
C.Savva and Associates	825
Trequite Farm Limited	93,063
Grid Essence S.A.	6,289
	<u>100,177</u>

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £5,371 from C.Savva and Associates Ltd during the period. During the course of the year the company was billed from Grid Essence SA the amount of £132,154 for services provided and has partially settled the amount leaving an outstanding amount of £6,289.

TREWIDLAND FARM LIMITED (FORMERLY KNOWN AS ELGIN ENERGY 8 LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

15 month period from 4 October 2013 to 31 December 2014

18. Related party transactions (continued)

18.4 Payable to shareholder (Note 17)

	31/12/2014
	UK£
Grid Essence UK Ltd	<u>3,537,052</u>
	<u>3,537,052</u>

An amount of £2,944,355 payable to the shareholder represents the sale of the module panels to the Company by its shareholder. The remaining amount of £592,697 represents various expenses various paid by the shareholder on behalf of the Company.

The shareholders' current accounts are interest free, and have no specified repayment date.

18.5 Purchase of intangibles

On 16 January 2014 the Company acquired intangible assets as set out in note 10 of £818,575 from the Company's previous owner Elgin Energy Holdings Ltd.

19. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

20. Commitments

Operating lease commitments

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	31/12/2014
	UK£
Within one year	47,916
Between one and five years	191,664
After five years	<u>766,656</u>
	<u>1,006,236</u>

During the course of the year the Company recognised an expense of £45,147 for operating lease payments. The operating leases held by the Company are for the land where the Solar Farm is based.

21. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £262,342 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

MONSOLAR IQ LIMITED

**NON STATUTORY REPORT AND FINANCIAL
STATEMENTS**

Year ended 31 December 2014 and the period from
12 April 2013 to 31 December 2013

MONSOLAR IQ LIMITED

NON STATUTORY REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

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MONSOLAR IQ LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	<i>Charles Sawva (appointed on 7 May 2014)</i> <i>Andreas Iona (appointed on 21 August 2014)</i> <i>Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014)</i> <i>Josef Barr (appointed on 28 January 2014 and resigned on 7 May 2014)</i> <i>Steve Bourbonnais (appointed on 28 January 2014 and resigned on 7 May 2014)</i> <i>Mathew Kevin Andrew Feakins (appointed on 12 April 2013 and resigned on 28 January 2014)</i> <i>Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014)</i> <i>Trimisig Limited (appointed on 8 November 2013 and resigned on 28 January 2014)</i>
Company Secretary:	<i>Grosvenor Secretaries Limited (appointed on 28 January 2014)</i>
Registered office:	Queen's House, 55-56 Lincoln's Inn Fields London, WC2A 3LJ United Kingdom
Banker:	Deutsche Bank AG London
Registration number:	8485585

MONSOLAR IQ LIMITED

DIRECTORS' REPORT

The Board of Directors presents its Non statutory Report and financial statements of the Company for the year ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park known as project Woden Park in Cardiff.

Review of current position, future developments and significant risks

The Company completed the construction of a solar park as at 31 March 2014 and from 1 April 2014 started generating revenue from energy sales. As part of an internal reorganisation and as per deed of novation of direct agreement dated 8 April 2014, Monsolar IQ Limited has accepted, from the related party Glensolar IQ Limited, most of its business assets and liabilities.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Ralos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due. The Company's agreement with Ralos New Energy UK Limited to reduce by £259,584 the amount payable for construction of the solar farm is subject to the successful completion of the refinancing. The Directors have prepared these financial statements on the basis that Ralos New Energy UK Limited will agree to this reduced payment and therefore have reduced fixed assets and liabilities by £259,584 as at 31 December 2014.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the year are set out on page 7.

Dividends

No dividends have been paid or proposed in the year or preceding period.

MONSOLAR IQ LIMITED

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company during the year under review. The Company was incorporated in England and Wales on 12 April 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this Report are presented on page 1. The appointments and resignations of directors, from incorporation to the date of this report, are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

24 March 2015

MONSOLAR IQ LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Monsolar IQ Limited

We have audited the non-statutory financial statements of Monsolar IQ Limited for the period from 12 April 2013 to 31 December 2013 and the year ended 31 December 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 19. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely to the company's directors in accordance with our engagement letter dated 20 March 2015 and solely for the purpose of providing the Directors with an audit opinion on the financial statements of the Companies that will be used as the basis for the financial information for the Companies bond issue and draw down of funds. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an independent 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and as at 31 December 2014 and of its loss for the period from 12 April 2013 to 31 December 2013 and the year ended 31 December 2014;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

Independent auditor's report to the Members of Monsolar IQ Limited

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company's loan facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited ("Ralos") expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. The Group has negotiated a £205,700 reduction in the build cost (in fixed assets) for the solar farm and the associated supplier loan with Ralos which is subject to the successful refinancing of the Group. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the reduction in the supplier loan has been reflected in the financial statements and the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

25 March 2015

MONSOLAR IQ LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

	Note	Year ended 31/12/2014 UK£	From incorporation date to 31/12/2013 UK£
Continuing			
Revenue	5	292,266	-
Cost of sales		<u>(191,025)</u>	<u>(15,450)</u>
Gross profit/(loss)		101,241	(15,450)
Selling and distribution expenses		<u>(14,119)</u>	-
Administration expenses		<u>(138,715)</u>	-
Operating loss	6	(51,593)	(15,450)
Finance income	7	243	-
Finance costs	7	<u>(56,809)</u>	-
Loss before tax		(108,159)	(15,450)
Tax	8	<u>18,318</u>	-
Loss after tax for the year/period		(89,841)	(15,450)
Other comprehensive expense		-	-
Total comprehensive expense for the year/period		<u>(89,841)</u>	<u>(15,450)</u>

The notes on pages 11 to 27 form an integral part of these financial statements.

MONSOLAR IQ LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014 and 31 December 2013

	Note	31/12/2014 UK£	31/12/2013 UK£
ASSETS			
Non-current assets			
Property, plant and equipment	9	4,962,864	192,002
Deferred tax assets	14	18,318	-
		<u>4,981,182</u>	<u>192,002</u>
Current assets			
Trade and other receivables	10	339,195	38,500
Cash at bank	11	647,891	-
		<u>987,086</u>	<u>38,500</u>
Total assets		<u>5,968,268</u>	<u>230,502</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	12	100	100
Accumulated losses		(105,291)	(15,450)
Total equity		<u>(105,191)</u>	<u>(15,350)</u>
Non-current liabilities			
Provisions for other liabilities and charges	15	32,150	-
		<u>32,150</u>	<u>-</u>
Current liabilities			
Trade and other payables	16	4,267,073	245,852
Borrowings	13	1,774,236	-
Total liabilities		<u>6,073,459</u>	<u>245,852</u>
Total equity and liabilities		<u>5,968,268</u>	<u>230,502</u>

On 24 March 2015 the Board of Directors of Monsolar IQ Limited authorised these financial statements for issue.



.....
Charles Savva
Director

Company's registered number
8485585

The notes on pages 11 to 27 form an integral part of these financial statements.

MONSOLAR IQ LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

	Note	Share capital UK£	Accumulated losses UK£	Total UK£
Balance at 12 April 2013		-	-	-
Comprehensive income				
Loss after tax for the period		-	(15,450)	(15,450)
Total comprehensive expense for the period		-	(15,450)	(15,450)
Transactions with owners				
Issue of share capital on incorporation	12	100	-	100
Balance at 31 December 2013		100	(15,450)	(15,350)
Comprehensive income				
Loss after tax for the year		-	(89,841)	(89,841)
Total comprehensive expense for the year		-	(89,841)	(89,841)
Balance at 31 December 2014		100	(105,291)	(105,191)

The notes on pages 11 to 27 form an integral part of these financial statements.

MONSOLAR IQ LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

	Note	Year ended 31/12/2014 UK£	From incorporation date to 31/12/2013 UK£
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(108,159)	(15,450)
Adjustments for:			
Depreciation of property, plant and equipment	9	167,164	-
Interest income	7	(243)	-
Interest expense	7	59,625	-
Cash flows from/(used in) operations before working capital changes		118,387	(15,450)
Increase in trade and other receivables		(395,129)	-
Increase in trade and other payables		4,115,655	-
Cash flows from/(used in) operations		3,838,913	(15,450)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of property, plant and equipment	9	(4,368,524)	-
Interest received		243	-
Net cash flows used in investing activities		(4,368,281)	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	100
Proceeds from borrowings		1,236,884	-
Interest paid		(59,625)	-
Net cash flows from financing activities		1,177,259	100
Net increase /(decrease) in cash and cash equivalents		647,891	(15,350)
Cash and cash equivalents:			
At beginning of the year/period		-	15,350
At end of the year/period	11	647,891	-

The notes on pages 11 to 27 form an integral part of these financial statements.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Monsolar IQ Limited (the "Company") was incorporated in England and Wales on 12 April 2013 as a private limited company under the Companies Act 2006. Its registered office is at Flat 3, 6 Glendower Street, Monmouth, Wales, NP25 3DG, United Kingdom.

Principal activity

The principal activity of the Company is the development, construction, operation and maintenance of a solar park known as project Woden Park in Cardiff.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. and the supplier loans from Rakos New Energy UK Limited. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRSs) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenue comprises the invoiced amount for the sale of goods and services net of Value Added Tax, rebates and discounts. Revenues earned by the Company are recognised on the following bases:

- **Electricity distribution**

Revenue from electricity distribution is recognised when significant risks and rewards of ownership of the electricity have been transferred to the customer, which is usually when the Company has delivered electricity to the customer, the customer has accepted the electricity and collectability of the related receivable is reasonably assured.

- **ROCs and LECs**

Revenues from sales of ROCs and LECs are recorded at invoiced value net of VAT. Revenue is recognized when the risks and rewards of ownership of the ROC and LEC have been transferred to the account of a third party.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Foreign currency translation

- (1) **Functional and presentation currency**
Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (UK£), which is the Company's functional and presentation currency.
- (2) **Transactions and balances**
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

	%
Module panels	4
Grid connection	4
Plant and machinery	4
Land Restoration	4

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to profit or loss of the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Provisions accounting policy

Provision is made for the estimated decommissioning costs at the end of the useful economic life of the Company's generating assets, when a legal or constructive obligation arises, on a discounted basis. The amount provided represents the present value of the expected costs. The discount rate used is a risk free pre-tax rate, reflecting the fact that the estimated future cash flows have built in risks specific to the liability. An amount equivalent to the discounted provision is capitalised within property, plant and equipment and is depreciated over the useful lives of the related assets. The unwinding of the discount is included in Interest expense.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Trade receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings (continued)

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's interest rate profile is set out in note 13 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower then this would have decreased/increased profit by £17,742.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

2. Accounting policies (continued)

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from last year.

3.6 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Property, plant and equipment**

Estimated useful lives and residual values are reviewed annually, taking into account prices prevailing at each balance sheet date. The carrying values of property, plant and equipment are also reviewed for impairment where there has been a trigger event (that is, an event which may have resulted in impairment) by assessing the present value of estimated future cash flows and net realisable value compared with net book value. The calculation of estimated future cash flows and residual values is based on management's reasonable estimates of future prices, output and costs, and is therefore subjective.

- **Impairment of intangible asset**

Intangible assets are initially recorded at acquisition cost and are amortized on a straight line basis over their useful economic life. Intangible assets that are acquired through a business combination are initially recorded at fair value at the date of acquisition. Intangible assets with indefinite useful life are reviewed for impairment at least once per year. The impairment test is performed using the discounted cash flows expected to be generated through the use of the intangible assets, using a discount rate that reflects the current market estimations and the risks associated with the asset. When it is impractical to estimate the recoverable amount of an asset, the Company estimates the recoverable amount of the cash generating unit in which the asset belongs to.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

5. Revenue

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Electricity distribution	<u>292,266</u>	-
	<u>292,266</u>	-

The Company has only one cash generating unit. All revenue arises from the Company's principal activity of Electricity Distribution within the UK. Revenues arise from the Company's only customer which accounts for 100% of revenue during the period.

6. Operating loss

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
The operating loss for the year is after charging:		
Director fees	1,000	-
Depreciation (Note 9)	167,164	-
Operating lease costs	<u>22,915</u>	-

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 17.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. The Company has not incurred any non audit fees. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

7. Net finance costs

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Interest income	<u>243</u>	-
Finance income	<u>243</u>	-
Net foreign exchange transaction losses	(16)	-
Interest expense	(60,403)	-
Less amounts included in qualifying assets	9,798	-
Debt arrangement fees	<u>(6,188)</u>	-
Finance costs	<u>(56,809)</u>	-
Net finance costs	<u>(56,566)</u>	-

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

8. Tax

8.1 Tax recognised in profit or loss

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Current tax	-	-
Deferred tax - credit (Note 14)	(18,318)	-
Credit for the year/period	(18,318)	-

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Loss before tax	(108,159)	(15,450)
Tax at the UK corporation tax rate of 21.5%	(23,254)	(3,322)
Tax effect of expenses not deductible for tax purposes	3,562	-
Tax losses not recognised	-	3,322
Effect of change in rate difference on deferred tax	1,374	-
Tax credit	(18,318)	-

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

9. Property, plant and equipment

	Land Restoration UKE	Module panels UKE	Grid connection UKE	Construction cost UKE	Total UKE
Cost					
Additions	-	-	192,002	-	192,002
Balance at 12 April 2013	-	-	192,002	-	192,002
Additions	31,372	2,419,321	130,285	2,357,048	4,938,026
Balance at 31 December 2014	31,372	2,419,321	322,287	2,357,048	5,130,028
Depreciation					
Charge for the year	1,255	80,644	10,777	74,488	167,164
Balance at 31 December 2014	1,255	80,644	10,777	74,488	167,164
Net book amount					
Balance at 31 December 2014	30,117	2,338,677	311,510	2,282,560	4,962,864
Balance at 31 December 2013	-	-	192,002	-	192,002

The Company has received all necessary permits, authorisations, licences and civil rights over the land to execute the construction of a solar park with an installed peak module power. The Company engaged the contractor for the engineering, procurement and construction of the solar park. The contractual price is financed by means of facility agreement.

During the construction phase the Company has capitalised borrowing costs amounting to UK£9,798 on qualifying assets. From 1 April 2014 the borrowing costs are expensed to the profit or loss account as the project was completed. The assets were brought into use on 1 April 2014 when electricity generation commenced. The assets were brought into use on 1 April 2014 when electricity generation commenced.

Impairment review process

The Company tests intangible assets and property plant and equipment of the Company's one cash generating unit annually for impairment. The impairment amount determined from the value in use calculation. The key assumptions are power generated and the discount rate. The directors estimate discount rates using pre tax rates that reflect the time value of money for the Company. In respect of other assumptions, external data and management's best estimates are applied.

The value in use calculation uses the Board approved budget and long term business plan for the estimated life of the solar farm of 25 years, using contractual pricing for power generation and estimated power output.

The discount rate applied is 9% and is pre tax. The carrying value of the Company's assets is supportable. A 10% reduction in sales or 2% increase in the discount rate would lead to verge of impairment.

Revenue is the key assumption in the forecasts used in the impairment reviews and therefore a 5% reduction in revenue has been deemed as a reasonably possible change for the purposes of the disclosure requirements of IAS 36 Impairment of Assets. If a 5% fall in revenue were to arise from that forecast no impairment would be required. The current forecasts provide headroom of £638,224.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

10. Trade and other receivables

	31/12/2014	31/12/2013
	UK£	UK£
Trade receivables	93,145	-
Receivable from related company (Note 17)	1,836	-
Shareholder's current accounts - debit balances (Note 17)	6,424	100
Accrued income	5,087	-
VAT refundable	232,703	38,400
	<u>339,195</u>	<u>38,500</u>

Trade receivables of £93,145 are due from Total Power and Gas (2013: Nil).

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost. The Company has not made any provision for bad and doubtful debts at the balance sheet date. None of the Company's receivables are past due. The average credit period taken for trade receivables is approximately 14 days.

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

11. Cash at bank

Cash balances are analysed as follows:

	31/12/2014	31/12/2013
	UK£	UK£
Cash at bank	<u>647,891</u>	-
	<u>647,891</u>	-

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

12. Share capital

	2014	2014	2013	2013
	Number of	UK£	Number of	UK£
	shares		shares	
Authorised				
Authorised, issued and fully paid				
Balance at beginning of period	100	100	-	-
Issue of shares	-	-	100	100
Balance at end of period	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

100 shares of UK£1 were issued at par on 12 April 2013.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

13. Borrowings

	31/12/2014 UK£	31/12/2013 UK£
Current borrowings		
Bank loans	1,236,884	-
Supplier loan	537,352	-
Total	1,774,236	-

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UK£77,000,000. The loan bears interest of LIBOR plus 2.5% - 6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UK£1,236,884. The Directors consider that the carrying value of debt equates to its fair value.

The outstanding amount as at the reporting date consists of the following:

Tranche A1: UK£859,930

Tranche A2: UK£53,451

Tranche A3: UK£134,570

VAT facility: UK£188,933

The bank loan was repayable in full by 31 December 2014 and this has been extended to 16 January 2015 and further extended to 30 April 2015.

The bank loans are secured as follows:

- A share charge over Monsolar IQ Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Monsolar IQ Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Monsolar IQ Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- Subordination and assignment deed between Grid Essence UK Limited, Ralos New Energy UK Limited and Deutsche Bank Luxembourg S.A. as lender dated 3 January 2014.
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

Ralos New Energy UK Limited has a second ranking charge after Deutsche Bank Luxembourg S.A. as security against its loan. The loan bears interest of 4%.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

14. Deferred tax

Deferred tax is calculated in full on all temporary differences using the applicable tax rates (Note 8). The applicable corporation tax rate in the case of tax losses is 20%.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The movement on the deferred taxation account is as follows:

	Tax losses UK£	Capital allowances in excess on depreciation UK£	Total UK£
Balance at 12 April 2013 and 31 December 2013	-	-	-
Charged/(credited) to:			
Statement of profit or loss and other comprehensive income (Note 8)	(101,120)	82,802	(18,318)
Balance at 31 December 2014	(101,120)	82,802	(18,318)

15. Provisions for other liabilities and charges

	Provision for restoration of land UK£
Balance at 12 April 2013 and 31 December 2013	-
Initial recognition	31,372
Charged to profit or loss	778
Balance at 31 December 2014	32,150

The initial provision and subsequent estimation increases are capitalised within property, plant and equipment and are being depreciated over the useful lives of the related assets. The unwinding of the discount is included in finance costs. The provision is estimated using the assumption that the reinstatement will take place between 2039 and 2040, and has been estimated using existing technology at current prices based on independent third party advice, updated on a triennial basis.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

16. Trade and other payables

	31/12/2014	31/12/2013
	UK£	UK£
Trade payables	178,613	-
Parent company current accounts (Note 17)	3,130,613	-
Accruals	157,519	-
Other creditors	32,810	245,852
Payables to related companies (Note 17)	<u>767,518</u>	<u>-</u>
	<u>4,267,073</u>	<u>245,852</u>

The average credit period taken for trade payables is 30 days.

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

17. Related party transactions

The Company is controlled by Blestium Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

17.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	Year ended	From
	31/12/2014	incorporation
	UK£	date to
		31/12/2013
	UK£	UK£
Directors' remuneration	<u>1,000</u>	-
	<u>1,000</u>	-

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

17.2 Receivables from related parties (Note 10)

	31/12/2014	31/12/2013
	UK£	UK£
<u>Name</u>		
IOW Solar Ltd	<u>1,836</u>	-
	<u>1,836</u>	-

The receivable amount from the above company is interest free, and has no specified repayment date.

The above balance arose where the Company paid for expenses of IOW Solar Ltd, a fellow Group Company. No additional sales and purchases have been made between the Company and this related party in the year.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

17. Related party transactions (continued)

17.3 Payables to related parties (Note 16)

Name	31/12/2014	31/12/2013
	UKE	UKE
Glensolar IQ Limited	745,270	-
Bypass Nurseries LSPV Limited	2,927	-
Trequite Farm Ltd	10,572	-
Grid Essene S.A.	3,819	-
Clawdd DDU Farm Limited	4,136	-
C.Savva and Associates Ltd	794	-
	<u>767,518</u>	<u>-</u>

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £5,331 from C.Savva and Associates Ltd during the year. (2013: nil)

During the course of the year the company was billed from Grid Essence SA the amount of £80,000 for services provided and has partially settled the amount leaving an outstanding amount of £3,819.

17.4 Shareholder's debit current accounts (Note 10)

	31/12/2014	31/12/2013
	UKE	UKE
Shareholder's current accounts	6,424	100
	<u>6,424</u>	<u>100</u>

Shareholder of the Company is Blestium Ltd which owns 100% of the Company's shares.

The shareholders' current accounts are interest free, and have no specified repayment date.

17.5 Payable to parent (Note 16)

	31/12/2014	31/12/2013
	UKE	UKE
Payable to parent	3,130,613	-
	<u>3,130,613</u>	<u>-</u>

An amount of £2,898,070 payable to the shareholder represents the sale of the module panels to the Company by its shareholder. The remaining net amount of £242,543 represents various expenses various paid by the shareholder on behalf of the Company or by the Company on behalf of the shareholder.

The payable amount to parent is interest free, and has no specified repayment date.

18. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

MONSOLAR IQ LIMITED

NOTES TO THE AUDITED FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 12 April 2013 to 31 December 2013

19. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000. The Group extended its facilities with Ralos New Energy to 31 March 2015 and has agreed to reduce the payable for the construction of the solar farm by £259,584 subject to successful refinancing of the business.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

GLENSOLAR IQ LIMITED

**NON STATUTORY REPORT AND FINANCIAL
STATEMENTS**

Year ended 31 December 2014 and the period from
3 January 2013 to 31 December 2013

GLENSOLAR IQ LIMITED

NON STATUTORY REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

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GLENSOLAR IQ LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Charles Savva (appointed on 7 May 2014)
Andreas Iona (appointed on 21 August 2014)
Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014)
Josef Barr (appointed on 28 January 2014 and resigned on 7 May 2014)
Steve Bourbonnais (appointed on 28 January 2014 and resigned on 7 May 2014)
Mathew Kevin Andrew Feakins (appointed on 28 January 2014 and resigned on 12 April 2014)
Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014)
Trimisg Limited (appointed on 8 November 2013 and resigned on 28 January 2014)

Company Secretary:

Grosvenor Secretaries Limited (appointed on 28 January 2014)

Registered office:

Queen's House,
55-56 Lincoln's Inn Fields
London, WC2A 3LJ
United Kingdom

Bankers:

Deutsche Bank AG London

Registration number:

8485592

GLENSOLAR IQ LIMITED

DIRECTORS' REPORT

The Board of Directors presents its non statutory report and audited financial statements of the Company for the year ended 31 December 2014. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Incorporation

The Company Glensolar IQ Limited was incorporated in England and Wales on 12 April 2013 as a private company under the Companies Act 2006.

Principal activity

The principal activity of the Company is a lease holding company for a solar park known as project Woden Park in Cardiff.

Review of current position, future developments and significant risks

The Company during 2014 has commenced the construction of a solar park within UK. As part of an internal reorganization and as per deed of novation of direct agreement dated 8th April 2014, Glensolar IQ Limited has transferred most of its business assets and liabilities to its related company, Monsolar IQ limited.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the year are set out on page 7.

Dividends

No dividends have been paid or proposed in the year or preceding period.

GLENSOLAR IQ LIMITED

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company during the period under review. The Company was incorporated in England and Wales on 3 January 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this report are presented on page 1. The appointments and resignations of directors, from incorporation to the date of this report, are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

GLENSOLAR IQ LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Glensolar IQ Limited

We have audited the non-statutory financial statements of Glensolar IQ Limited for the period from 3 January 2013 to 31 December 2013 and the year ended 31 December 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely to the company's directors in accordance with our engagement letter dated 20 March 2015 and solely for the purpose of providing the Directors with an audit opinion on the financial statements of the Companies that will be used as the basis for the financial information for the Companies bond issue and draw down of funds. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an independent 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

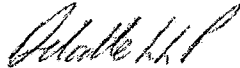
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and as at 31 December 2014 and of its loss for the period from 3 January 2013 to 31 December 2013 and the year ended 31 December 2014;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

Independent auditor's report to the Members of Glensolar IQ Limited (continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The Company's loan facilities with Deutsche Bank Luxemburg S.A. expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the financial statements have been prepared on the going concern basis however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

24 March 2015

GLENSOLAR IQ LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

	Note	31/12/2014 UK£	from incorporation date to 31/12/2013 UK£
Administration expenses		<u>(23,936)</u>	-
Operating loss	4	(23,936)	-
Net finance costs	5	<u>(30,060)</u>	-
Net loss before and after tax for the year/period		(53,996)	-
Other comprehensive income		-	-
Total comprehensive expense for the year/period		<u>(53,996)</u>	-

The notes on pages 11 to 20 form an integral part of these financial statements.

GLENSOLAR IQ LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014 and 31 December 2013

	Note	2014 UKE	31/12/2013 UKE
ASSETS			
Current assets			
Receivables	6	131,328	-
Receivable from related company	10	745,270	-
Cash at bank	7	<u>23,971</u>	100
Total assets		<u>900,569</u>	100
EQUITY AND LIABILITIES			
Equity			
Share capital	8	100	100
Accumulated losses		<u>(53,996)</u>	-
Total equity		<u>(53,896)</u>	100
Current liabilities			
Borrowings	9	<u>954,465</u>	-
Total liabilities		<u>954,465</u>	-
Total equity and liabilities		<u>900,569</u>	100

On 23 March 2015 the Board of Directors of Glensolar IQ Limited authorised these financial statements for issue.



Charles Savva
Director

Company's registered number
8485592

The notes on pages 11 to 20 form an integral part of these financial statements.

GLENSOLAR IQ LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31. December 2014 and the period from 3 January 2013 to 31. December 2013

	Note	Share capital UK£	Accumulated losses UK£	Total UK£
Transactions with owners				
<i>Issue of share capital on incorporation</i>	8	<u>100</u>	<u>-</u>	<u>100</u>
Balance at 31 December 2013/ 1 January 2014		<u>100</u>	<u>-</u>	<u>100</u>
Comprehensive income				
Net loss for the year		<u>-</u>	<u>(53,996)</u>	<u>(53,996)</u>
Total comprehensive expense for the year		<u>-</u>	<u>(53,996)</u>	<u>(53,996)</u>
Balance at 31 December 2014		<u>100</u>	<u>(53,996)</u>	<u>(53,896)</u>

The notes on pages 11 to 20 form an integral part of these financial statements.

GLENSOLAR IQ LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

	Note	31/12/2014 UK£	from incorporation date to 31/12/2013 UK£
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		(53,996)	-
Adjustments for:			
Interest income	5	(141)	-
Interest expense	5	30,176	-
Cash flows used in operations before working capital changes		(23,961)	-
Increase in receivables		(131,328)	-
Increase in receivables from related companies		(745,270)	-
Cash flows used in operations		(900,559)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		141	-
Net cash flows from investing activities		141	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		-	100
Proceeds from borrowings		954,465	-
Interest paid		(30,176)	-
Net cash flows from financing activities		924,289	100
Net increase in cash and cash equivalents		23,871	100
Cash and cash equivalents:			
At beginning of the year/period		100	-
At end of the year/period	7	23,971	100

The notes on pages 11 to 20 form an integral part of these financial statements.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

1. Incorporation and principal activities

Country of incorporation

The Company Glensolar IQ Limited (the "Company") was incorporated in England and Wales on 12 April 2013 as a private limited company under the Companies Act 2006. Its registered office is at Queen's House, 55-56 Lincoln's Inn Fields, London, WC2A 3LJ, United Kingdom.

Principal activity

The principal activity of the Company is a lease holding company for a solar park known as project Woden Park in Cardiff.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Revenue recognition

Revenues of the Company are recognised on an accrual basis.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (UK£), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. The company has an unrecognised deferred tax asset at the balance sheet date of £10,799 (2013 nil). It has not recognised this due to the uncertainty over future recoverability.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

2. Accounting policies (continued)

Financial Instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company's financial assets consist of trade and other receivables and cash at bank. The Directors consider that fair value of financial assets approximates their book value. The interest receivable on cash deposits is at variable rates of interest of up to 1.5%.

The Company's credit risk on liquid funds is limited because counterparties are banks with high credit ratings assigned by international credit rating agencies.

All cash balances are denominated in Sterling.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings, using the effective interest method, unless they are directly attributable to the acquisition, construction or production of a qualifying asset, in which case they are capitalised as part of the cost of that asset.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment and amortised over the period of the facility to which it relates.

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds, including interest on borrowings, amortisation of discounts or premium relating to borrowings, amortisation of ancillary costs incurred in connection with the arrangement of borrowings, finance lease charges and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, being an asset that necessarily takes a substantial period of time to get ready for its intended use or sale, are capitalised as part of the cost of that asset, when it is probable that they will result in future economic benefits to the Company and the costs can be measured reliably.

Borrowings are classified as current liabilities, unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

The Company's interest rate profile is set out in note 9 Borrowings. All financial liabilities are denominated in Sterling. The Directors consider that fair value of financial liabilities approximates their book value. All of the Company's financial liabilities are expected to be settled within 1 year. The Company is susceptible to changes in interest rates. If interest rates had been 1% higher/lower than this would have decreased/increased profit by £9,545.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events,

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

2. Accounting policies (continued)

Financial instruments (continued)

Borrowings (continued)

it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk, currency risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

3.5 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

3.6 Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

4. Operating loss

	31/12/2014	from incorporation date to 31/12/2013
	UK£	UK£
The operating loss for the period is after charging:		
Director fees	1,000	
Rent	2,670	

Directors fees of £1,000 are recharged from GMPV Consulting Services Ltd as set out in note 17.1. The other Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Grid Essence UK Limited Group and subsidiary are £170,000 plus disbursements and VAT. The Company has not incurred any non audit fees. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

5. Net finance costs

	31/12/2014	from incorporation date to 31/12/2013
	UK£	UK£
Interest income	141	
Finance income	141	-
Net foreign exchange transaction losses	(25)	
Interest expense	(30,176)	
Finance costs	(30,201)	-
Net finance costs	(30,060)	-

6. Receivables

	2014	31/12/2013
	UK£	UK£
Prepayments	499	
Refundable VAT	130,829	
	131,328	-

The exposure of the Company to credit risk and impairment losses in relation to trade and other receivables is reported in note 3 of the financial statements.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

7. Cash at bank

Cash balances are analysed as follows:

	2014 UK£	31/12/2013 UK£
Cash at bank and in hand	<u>23,971</u>	100
	<u>23,971</u>	<u>100</u>

8. Share capital

	2014 Number of shares	2014 UK£	2013 Number of shares	2013 UK£
Authorised, issued and fully paid				
Balance at beginning of period	100	100	-	-
Issue of shares	-	-	100	100
Balance at end of period	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9. Borrowings

	2014 UK£	31/12/2013 UK£
Current borrowings		
Bank loans	<u>954,465</u>	-
Total	<u>954,465</u>	-

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

9. Borrowings (continued)

Under the facility agreement dated 30 December 2013 with Deutsche Bank Luxembourg S.A. the Group obtained a loan of the amount of UKE77,000,000. The loan bears interest of LIBOR plus 2.5% - 6.0%. The Company was added as an additional borrower and as at reporting date it received funds of the total amount of UKE 954,465. The Directors consider that the carrying value of debt equates to its fair value. The outstanding amount as at the reporting date consists of the following:

Tranche A1: UKE 586,171

Tranche A2: UKE 36,435

Tranche A3: UKE 107,435

VAT facility: UKE 224,424

The bank loan was repayable in full by 31 December 2014 and further extended to 30 April 2015.

The bank loan is secured as follows:

- A share charge over Glensolar IQ Limited between Grid Essence UK Limited and Deutsche Bank Luxembourg S.A dated 30 January 2014;
- Debenture entered into by Glensolar IQ Limited and Deutsche Bank Luxembourg S.A. dated 30 January 2014;
- Assignment agreement concerning rights under German Project Documents between Glensolar IQ Limited as assignor and Deutsche Bank Luxembourg S.A. as lender dated 2 January 2014 (governed by German law); and
- The company as a borrower has given cross guarantees to the term loan and VAT facility provided to other group companies headed by Grid Essence UK Limited totalling £68,680,000.

10. Related party transactions

The Company is controlled by Blestium Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

10.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	31/12/2014	from Incorporation date to 31/12/2013
	UKE	UKE
Directors' remuneration	<u>1,000</u>	-
	<u>1,000</u>	-

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

GLENSOLAR IQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and the period from 3 January 2013 to 31 December 2013

10. Related party transactions (continued)

10.2 Receivables from related parties

Name	Nature of transactions	2014	31/12/2013
		UK£	UK£
Monsolar IQ Ltd	Finance	<u>745,270</u>	-
		<u>745,270</u>	-

As part of an internal reorganization and as per deed of novation of direct agreement dated 8th April 2014, Glensolar IQ Limited has transferred most of its business assets and liabilities to its related company, Monsolar IQ Limited resulting to a receivable amount from Monsolar IQ Ltd of £745,270.

10.3 Payables to related parties

Name	Nature of transactions	2014	31/12/2013
		UK£	UK£
C.Savva and Associates Ltd	Professional and Accounting services	<u>539</u>	-
		<u>539</u>	-

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £4,997 from C.Savva and Associates Ltd during the year.

11. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

12. Commitments

The Company had no capital or other commitments as at 31 December 2014.

13. Events after the reporting period

On 30 December 2014 the Company extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 to allow the Company and wider Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

BLESTIUM LIMITED

**NON STATUTORY REPORT AND FINANCIAL
STATEMENTS**

Year ended 31 December 2014 and period from 11
April 2013 to 31 December 2013

BLESTIUM LIMITED

NON STATUTORY REPORT AND FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

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BLESTIUM LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:	Charles Savva (appointed on 7 May 2014) Andreas Iona (appointed on 21 August 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Josef Barr (appointed on 28 January 2014 and resigned on 7 May 2014) Steve Bourbonnais (appointed on 28 January 2014 and resigned on 7 May 2014) Mathew Kevin Andrew Feakins (appointed on 12 April 2013 and resigned on 28 January 2014) Laurent Fortino (appointed on 7 May 2014 and resigned on 21 October 2014) Trimisig Limited (appointed on 8 November 2013 and resigned on 28 January 2014)
Company Secretary:	Grosvenor Secretaries Limited (appointed on 28 January 2014)
Registered office:	FLAT 3, 6 GLENDOWER STREET, MONMOUTH, WALES NP25 3DG United Kingdom
Registration number:	8484782

BLESTIUM LIMITED

DIRECTORS' REPORT

The Board of Directors presents its non statutory report and audited financial statements of the Company for the year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013. The Company has taken the small companies exemptions in preparing its Directors report and from preparing a Strategic Report.

Principal activity

The principal activity of the Company is the holding of investments.

Review of current position, future developments and significant risks

The Company's development to date, financial results and position as presented in the financial statements are as expected.

The principal risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Going concern basis

In determining whether the Company's financial statements can be prepared on the going concern basis, the Directors considered all factors likely to affect its future development, performance and its financial position, including uncertainties in the economic environment relating to cash flows, liquidity activities and its trading activities.

The key factors considered by the Directors were as follows:

- The banking facilities that the Company and the wider Group has to operate within;
- The credit risk associated with the Company's trade receivables;
- The risk of loss of the Company's customer and its impact on trading; and
- The potential actions that could be taken in the event that revenues are worse than expected.

The Company and the wider Group's banking facilities expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. If refinancing is unsuccessful then the Directors will need to determine actions to be taken to enable the Company and the wider Group against which the Company has provided cross guarantees to pay its debts as they fall due.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Results

The Company's results for the year/period are set out on page 7. The net loss for the year/period is carried forward.

Dividends

No dividends have been paid or proposed in the period.

BLESTIUM LIMITED

DIRECTORS' REPORT

Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as the Company's auditor.

Share capital

There were no changes in the share capital of the Company since incorporation. The company was incorporated in England and Wales on 11 April 2013.

Board of Directors

The members of the Company's Board of Directors as at 31 December 2014 and at the date of this report are presented on page 1. The appointments and resignations of directors, from incorporation to the date of this report, are presented on page 1.

In accordance with the Company's Articles of Association all directors presently members of the Board continue in office.

There were no significant changes in the remuneration of the Board of Directors.

Events after the reporting period

On 30 December 2014 the Group extended its facilities with Deutsche Bank Luxembourg S.A. and Ralos New Energy UK Limited to 16 January 2015 and they have then been further extended to 30 April 2015 to allow the Company and wider Group to complete its refinancing exercise. The facilities for Ralos New Energy UK Limited have been extended to 31 March 2015.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

There were no other material events after the reporting period, which have a bearing on the understanding of the financial statements.

By order of the Board of Directors,



Charles Savva
Director

23 March 2015

BLESTIUM LIMITED

Directors' responsibilities statement

The directors are responsible for preparing the non statutory report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare such financial statements for each financial year. Under that law the directors are required to prepare the group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements 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 financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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 financial statements 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the Members of Blestium Limited

We have audited the non-statutory financial statements of Blestium Limited for the period from 11 April 2013 to 31 December 2013 and the year ended 31 December 2014 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cashflows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and the provisions of the Companies Act 2006 that would have applied were these statutory financial statements.

This report is made solely to the company's directors in accordance with our engagement letter dated 20 March 2015 and solely for the purpose of providing the Directors with an audit opinion on the financial statements of the Companies that will be used as the basis for the financial information for the Companies bond issue and draw down of funds. Our audit work has been undertaken so that we might state to the company's directors those matters we are required to state to them in an Independent 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, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

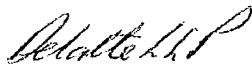
In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2013 and as at 31 December 2014 and of its loss/result for the period from 11 April 2013 to 31 December 2013 and the year ended 31 December 2014;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and
- have been properly prepared in accordance with the provisions of the Companies Act 2006 which would have applied if the financial statements were statutory financial statements.

Independent auditor's report to the Members of Blestium Limited (continued)

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The Group's loan facilities with Deutsche Bank Luxembourg S.A. expire on 30 April 2015. The Group is in the process of negotiating a new financing arrangement with investors to issue a bond to replace these loans. It is the view of the Directors that the refinancing of the Group will be successfully completed before the facilities expire and accordingly the financial statements have been prepared on the going concern basis, however there is a risk that negotiations are not completed satisfactorily. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.



Deloitte LLP
Chartered Accountants
Leeds, United Kingdom
24 March 2015

BLESTIUM LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

		Year ended 31/12/2014	From incorporation date to 31/12/2013
	Note	UK£	UK£
Administration expenses		<u>(7,072)</u>	-
Operating loss	5	(7,072)	-
Finance income	6	<u>134</u>	-
Loss before and after tax for the year/period		(6,938)	-
Other comprehensive expense		<u>-</u>	-
Total comprehensive expense for the year/period		<u>(6,938)</u>	-


The notes on pages 11 to 19 form an integral part of these financial statements.

BLESTIUM LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2014 and 31 December 2013

	Note	31/12/2014 UK£	31/12/2013 UK£
ASSETS			
Non-current assets			
Investments in subsidiaries	7	<u>200</u>	-
		<u>200</u>	-
Current assets			
Cash in hand	8	<u>100</u>	100
		<u>100</u>	100
Total assets		<u><u>300</u></u>	<u>100</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	9	100	100
Accumulated losses		<u>(6,938)</u>	-
Total equity		<u>(6,838)</u>	100
Current liabilities			
Trade and other payables	10	<u>7,138</u>	-
Total equity and liabilities		<u><u>300</u></u>	<u>100</u>

On 23 March 2015 the Board of Directors of Blestium Limited authorised these financial statements for issue.


.....
Charles Savva
Director

Company's registered number
8484782

The notes on pages 11 to 19 form an integral part of these financial statements.

BLESTIUM LIMITED

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

	Note	Share capital UK£	Accumulated losses UK£	Total UK£
Balance at 11 April 2013		<u>-</u>	<u>-</u>	<u>-</u>
Transactions with owners				
Issue of share capital on incorporation	9	<u>100</u>	<u>-</u>	<u>100</u>
Balance at 31 December 2013		100	-	100
Comprehensive income				
Loss after tax for the year		<u>-</u>	<u>(6,938)</u>	<u>(6,938)</u>
Balance at 31 December 2014		<u>100</u>	<u>(6,938)</u>	<u>(6,838)</u>

The notes on pages 11 to 19 form an integral part of these financial statements.

BLESTIUM LIMITED

STATEMENT OF CASH FLOWS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

	Year ended 31/12/2014	From incorporation date to 31/12/2013
Note	UK£	UK£
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax	(6,938)	-
Adjustments for:		
Foreign exchange gains	(134)	-
	<u>(7,072)</u>	-
Cash flows used in operations before working capital changes	(7,072)	-
Increase in trade and other payables	7,272	-
Cash flows from operations	200	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	7 (200)	-
Net cash flows used in investing activities	(200)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	-	100
Net cash flows from financing activities	-	100
Net increase in cash and cash equivalents	-	100
Cash and cash equivalents:		
At beginning of the year/period	100	-
At end of the year/period	8 100	100

The notes on pages 11 to 19 form an integral part of these financial statements.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

1. Incorporation and principal activities

Country of Incorporation

The Company Blestium Limited (the "Company") was incorporated in England and Wales on 11 April 2013 as a private limited company under the Companies Act 2006. Its registered office is at Flat 3, 6 Glendower Street, Monmouth, Wales, NP25 3DG, United Kingdom.

Principal activity

The principal activity of the Company is the holding of investments.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented in these financial statements unless otherwise stated.

Going concern basis

The Group's banking facilities expire on 30 April 2015. The Group (headed by Grid Essence UK Limited) is in the process of negotiating a new financing arrangement with investors to issue a bond. This will replace the existing finance from Deutsche Bank Luxembourg S.A. The refinancing of the Group is expected to be successfully completed before the facilities expire however there is a risk that negotiations are not completed satisfactorily and this gives rise to a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' Report on page 2.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current year the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2014. This adoption did not have a material effect on the accounting policies of the Company.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

2. Accounting policies (continued)

Adoption of new and revised IFRSs (continued)

At the date of authorisation of these financial statements, the following significant standards and interpretations, which have not been applied in these financial statements, were in issue but not yet effective (and in some cases have not yet been adopted by the EU):

- IFRS 9 "Financial Instruments" – effective for accounting periods beginning on or after 1 January 2015;
- IAS 27 (amended) "Separate Financial Statements";
- IAS 36 (amended) "Impairment of Assets" - effective for accounting periods beginning on or after 1 January 2014;
- IAS 39 (amended) "Financial Instruments: Recognition and Measurement" - effective for accounting periods beginning on or after 1 January 2014;
- IFRS 15 "Revenue from contracts with customers"; and
- IFRIC Interpretation 21 - effective for accounting periods beginning on or after 1 January 2014.

The Directors do not expect that the adoption of the standards and interpretations listed above will have a material impact on the financial statements of the Company in future periods, except that IFRS 9 will impact upon both the measurement and disclosures of Financial Instruments. The Company has not yet made an assessment of the impact of IFRS 15 on the Company's revenue recognition.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed.

Subsidiary companies

Subsidiaries are entities controlled by the Company. Control exists where the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

Revenue recognition

Revenues of the Company are recognized on an accrual basis.

Finance income

Finance income includes interest income which is recognised based on an accrual basis.

Foreign currency translation

(1) Functional and presentation currency

Items included in the Company's financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in United Kingdom Pounds (UK£), which is the Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

2. Accounting policies (continued)

Tax

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred Tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination. The company has an unrecognised deferred tax asset at the balance sheet date of £1,388 (2013 nil). It has not recognised this due to the uncertainty over future recoverability.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

2. Accounting policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

All cash balances are denominated in Sterling.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

Share capital

Ordinary shares are classified as equity.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

2. Accounting policies (continued)

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and currency risk arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses.

3.4 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Company's measurement currency. The Company is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the US Dollar and the Euro. The Company's management monitors the exchange rate fluctuations on a continuous basis and acts accordingly.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of investments in subsidiaries**

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future discounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

5. Operating loss

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
The operating profit for the period is after charging		
Directors' fees	1,000	-
Other professional fees	<u>907</u>	<u>-</u>

Directors fees of £1,000 are charged from GMPV Consulting Services Ltd as set out in note 11.1. The Directors do not receive emoluments for their services to the Company and it is not practical to do so. The Directors are remunerated by Grid Essence Holdings Ltd, the Company's ultimate holding company. The Company does not have any employees other than the Directors and accordingly there are no staff costs.

Fees payable to the Company's auditor and their associates for the audit of the Companies financial statements are £170,000 plus disbursements and VAT. Non audit fees payable to Deloitte LLP are disclosed in the financial statements of Grid Essence UK Limited.

6. Finance Income

	Year ended 31/12/2014	From incorporation date to 31/12/2013
	UK£	UK£
Exchange profit	<u>134</u>	<u>-</u>
	<u>134</u>	<u>-</u>

7. Investments in subsidiaries

	2014 UK£	2013 UK£
Balance at beginning of period	-	-
Additions	<u>200</u>	<u>-</u>
Balance at end of period	<u>200</u>	<u>-</u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>	<u>31/12/2014 UK£</u>
Monsolar IQ Limited	UK	Development, construction, operation and maintenance of a solar park.	100	<u>100</u>
Glensolar IQ Limited	UK	Development, construction, operation and maintenance of a solar park.	100	<u>100</u>
				<u>200</u>

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

8. Cash in hand

Cash balances are analysed as follows:

	31/12/2014	31/12/2013
	UK£	UK£
Cash in hand	<u>100</u>	<u>100</u>
	<u>100</u>	<u>100</u>

9. Share capital

	2014	2014	2013	2013
	Number of shares	UK£	Number of shares	UK£
Authorised				
Authorised, issued and fully paid				
Balance at beginning of period	100	100	-	-
Issue of shares	-	-	100	100
Balance at end of period	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

100 Shares of UK£ 1 were issued at par on 4 April 2013.

10. Trade and other payables

	31/12/2014	31/12/2013
	UK£	UK£
Payables to own subsidiaries (Note 11)	6,524	-
Payables to related companies (Note 11)	<u>614</u>	<u>-</u>
	<u>7,138</u>	<u>-</u>

11. Related party transactions

The Company is controlled by Grid Essence UK Ltd, incorporated in England and Wales which owns 100% of the Company's shares. The Company is ultimately controlled by Grid Essence Holdings Ltd, incorporated in Cyprus.

11.1 Directors' remuneration

The remuneration of Directors and other members of key management was as follows:

	Year ended	From incorporation date to
	31/12/2014	31/12/2013
	UK£	UK£
Directors' fees	<u>1,000</u>	<u>-</u>
	<u>1,000</u>	<u>-</u>

Directors' fees are paid to GMPV Consulting Ltd a company controlled by Andreas Iona.

BLESTIUM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2014 and period from 11 April 2013 to 31 December 2013

11. Related party transactions (continued)

11.2 Payables to related parties (Note 10)

Name	Nature of transactions	31/12/2014	31/12/2013
		UK£	UK£
Glensolar IQ Limited	Finance	100	-
Monsolar IQ Limited	Finance	6,424	-
C.Savva and Associates Ltd	Professional services	614	-
		<u>7,138</u>	<u>-</u>

Mr. Charles Savva is director of the Company and the Managing Director of C.Savva and Associates Ltd. The Company has made purchases totalling £4,705 from C.Savva and Associates Ltd during the year.

12. Contingent liabilities

The Company had no contingent liabilities as at 31 December 2014.

13. Events after the reporting period

On 30 December 2014 the Group extended its facilities with Deutsche Bank Luxembourg S.A. to 16 January 2015 to allow the Group to complete its refinancing exercise. This has been subsequently extended to 30 April 2015 at a cost to the Group of £780,000.

On 12 February 2015 the Company's ultimate parent, Grid Essence Holdings Limited, agreed to sell the UK Group headed by Grid Essence UK Limited to Capital Stage AG subject to the completion of further agreed actions.

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