

## Debenture Deed Dated 26 September 2013

**This Deed** is made on 26 September 2013

### By

**SunShare Community Nottingham PLC**, a company registered in England and Wales with registered number 08198799 and having its registered office at 27 Eldon Business Park, Nottingham, Nottinghamshire NG9 6DZ (the **Issuer**).

### Background

The Issuer has resolved, pursuant to a resolution of its board of directors dated 26 September 2013 and subject to the conditions and requirements of the Offering Document, to create and issue the Debentures in connection with its proposed involvement in the Project.

### Agreed Terms

#### 1 Definitions and Interpretation

1.1 In this Deed, unless the subject or context requires otherwise, the following expressions shall have the following meanings:

**Abundance** means Abundance NRG Limited a private limited company incorporated in England and Wales with company number 07049166 and its registered address at Threshold & Union House, 65-69 Shepherds Bush Green, London W12 8TX; and which is authorised and regulated by the Financial Conduct Authority ("**FCA**") with FCA registration number 525432.

**Abundance Service** means the website, services and the Bulletin Board operated by Abundance at [www.abundancegeneration.com](http://www.abundancegeneration.com).

**Abundance Terms & Conditions** means the terms and conditions governing the operation of the Abundance Service, from time to time, the latest copy of which can be found at [www.abundancegeneration.com](http://www.abundancegeneration.com).

**Additional Interest** has the meaning given in clause 5.

**Annual Principal Repayment** means £47,157.89 for the first ten years of the term of the Debentures and £47,157.90 for the remaining nine years of the term of the Debentures on the assumption that the aggregate Principal outstanding following the issue of Debentures but before any repayment of Principal ("**Issue Amount**") is £896,000. In the event that the Issue Amount is less than £896,000 the Annual Principal Amount shall be adjusted by the Issuer in accordance with clause 3.2.

**Back-up Service Provider** has the meaning given in the Abundance Terms and Conditions.

**Business Day** means a day other than a Saturday, Sunday or English bank holiday.

**Cash Account** has the meaning given in the Abundance Terms and Conditions.

**Cash Return Period** means a period in respect of which repayments of Principal and payments of Interest are calculated and payable in accordance with this Deed.

**Change of Control** means a change whereby either the beneficial ownership of more than 50% of the issued share capital of the Issuer ceases to be held by the shareholders of the Issuer as at the date of this Deed or the legal power to direct or cause the direction of the general management of the company ceases to be held by the person or persons holding such power as at the date of this Deed and **Controlled** shall be construed accordingly.

**Client Money Service Provider** has the meaning given in the Abundance Terms and Conditions.

**Conditions** means the conditions of the Debentures set out in Schedule 1 as from time to time amended and **Condition** shall be construed accordingly.

**Debenture** means each Debenture constituted by this Deed.

**Deed** means this Deed and the Schedules to this Deed as modified from time to time.

**Directors** means the board of directors of the Issuer from time to time.

**Energy Supply Agreement** means the agreement entered into by the Issuer with Nottingham City Council and its assignees or successors for the supply of energy dated 11 October 2012 as supplemented or amended from time to time.

**Final Cash Return Period** means the Cash Return Period which ends on the Maturity Date.

**Final Repayment Date** means the date falling 10 weeks after the Maturity Date and is the date by which all outstanding Principal must be repaid, subject to this Deed.

**First Cash Return Period** means the period beginning on 1 October 2013 and ending on 31 March 2014.

**Holder** means the person entered in the Register as the holder of each Debenture from time to time.

**Interest** means an amount of interest payable to a Holder in accordance with this Deed which is additional to any repayment of Principal.

**Issue Amount** means the aggregate Principal outstanding following the issue of Debentures under this Deed but before any repayment of Principal.

**Maturity Date** means 30 September 2032.

**Offering Document** means the document produced by the Issuer relating to the Debentures dated on or about the date of this Deed, as amended or updated from time to time.

**Partial Redemption Event** means a partial return of Principal following receipt by the Issuer of a termination payment under the terms of the Energy Supply Agreement.

**Principal** means as the context requires the principal amount of the Debentures for the time being outstanding or the principal amount of the Debentures held by any Holder.

**Project** means the portfolio of rooftop leases and solar photovoltaic systems on schools, nurseries and other social infrastructure in Nottingham owned, operated and managed by the Issuer as described in the Offering Document.

**Register** means the register of holders of Debentures.

**Reserved Matters** means the matters specified in Schedule 3.

**Restricted Person** means (i) any person not resident in the United Kingdom in accordance with paragraph 6.2 of the Conditions; (ii) any US Person; or (iii) any person who, by reason of any Tax or Regulatory Requirement, the Issuer (or Abundance acting on behalf of the Issuer) has determined is ineligible to acquire or hold the Debentures because of a Tax or Regulatory Requirement.

**Schedule** means a Schedule to this Deed.

**Stepnell Loan** means the loan agreement between the Issuer and Stepnell Limited as amended and restated on or about the date of this Deed.

**Subsequent Cash Return Periods** mean the periods of six months following the First Cash Return Period, each Subsequent Cash Return Period to end on the date in the relevant month which numerically corresponds with the date on which the First Cash Return Period ends.

**Tax or Regulatory Requirement** means an event or circumstance arising from any law, regulation or tax requirement in any country or territory leading the Issuer (or Abundance acting on its behalf) to determine in its discretion that it is inappropriate for a person affected by the legal, regulatory or tax requirement to be a Holder.

**US Person** has the meaning given in clause 6 of the Conditions.

1.2 In this Deed unless the contrary intention appears:

1.2.1 Clause, Schedule and paragraph headings shall not affect the interpretation of this agreement;

1.2.2 The singular includes the plural;

1.2.3 A reference to one gender shall include a reference to the other genders;

1.2.4 References to clauses and Schedules are to the clauses and Schedules of this Deed and references to paragraphs are to paragraphs of the relevant Schedule;

1.2.5 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time;

1.2.6 A reference to a statute or statutory provision shall include all subordinate legislation made legislation from time to time under that statute or statutory provision.

1.3 Where indicated in this Deed, terms will have the meanings given to them by the Abundance Terms and Conditions.

1.4 Other terms will have the specific meanings given to them in the Schedules.

## 2 Issue and Status

2.1 The aggregate Principal amount of the Debentures is limited to a maximum of £896,000.

2.2 Subject to this Deed, as and when issued, the Debentures shall rank *pari passu*, equally and rateably with the other unsecured and unsubordinated obligations of the Issuer.

2.3 The Debentures shall be unsecured.

2.4 The Debentures are issued to, and can only be held by, Members of Abundance (as defined in the Abundance Terms and Conditions) in accordance with the Abundance Terms and Conditions.

## 3 Repayment of Principal

3.1 The Annual Principal Repayment is to be made in semi-annual instalments as follows:

3.1.1 The Annual Principal Repayment is to be paid in semi-annual instalments in each period of twelve months with the first such instalment being paid within ten weeks of the end of the First Cash Return Period and the last such instalment being paid no later than the Final Repayment Date;

3.1.2 For Cash Return Periods which fall over the summer months of April to September then the instalment amount will be seventy per cent (70%) of the Annual Principal Repayment;

3.1.3 For Cash Return Periods which fall over the non-summer months of October to March then the instalment amount will be 30% of the Annual Principal Amount.

3.2 In the event that the Issue Amount is a lesser figure than £896,000, then the Annual Principal Repayment and the amounts of any instalments of Principal shall be adjusted but shall be in the same proportions to the Issue Amount as are set out in clauses 3.1.1-3.1.3 and the definition of Annual Principal Repayment. The dates on which such payments must be made (including the Final Repayment Date) shall be as set out in this clause 3 and the Conditions.

3.3 The making of any repayments of Principal or their deferral following the end of any Cash Return Period (other than the Final Repayment Date) depends on the amount of Revenues of the Project in that Cash Return Period. As soon as is reasonably practicable following the end of each Cash Return Period, the Issuer shall perform the calculation in Part 1 of the Conditions, to determine what (if any) repayment of Principal is to be made in respect of that Cash Return Period at that time. On the basis of such calculation (but no other basis) the Issuer may determine that no repayment of Principal should be made at that time or that repayment of a sum which is less than the instalment amount given in clause 3.1 should be made at that time, subject to the deferral provisions set out in this clause 3.

3.4 If the Issuer determines that a repayment of Principal is to be made in respect of any Cash Return Period, it shall make the appropriate payment in accordance with this Deed within ten weeks of the end of the relevant Cash Return Period. Payments of Principal will be apportioned by Abundance and/or the Client Money Services Provider and paid to Holders in proportion to their holdings.

3.5 If no repayment of Principal is to be made in respect of any Cash Return Period, or the amount is less than the instalment amount provided in clause 3.1, the amount of such repayment shall be deferred as set out in Part 1 of the Conditions. Any such deferred amounts shall, however, bear Additional Interest in accordance with clause 5. No amount of unpaid Principal may be deferred for a period of more than three years from the date on which it is due under this Deed.

3.6 To the extent not repaid before, all outstanding Principal shall be repaid on the Final Repayment Date.

#### 4 Interest

4.1 Payments of Interest are to be made semi-annually in the following amounts (and on the assumption that the Issue Amount is £896,000):

4.1.1 For Cash Return Periods which fall over the summer months of April to September then the total amount of Interest payable will be £25,416.76;

4.1.2 For Cash Return Periods which fall over the months of October to March then the total amount of interest payable will be £10,892.90.

4.2 In the event that Issue Amount is a lesser figure than £896,000, then the amount of any payment of Interest shall be adjusted but shall be in the same proportion to the aggregate Principal as is set out in clauses 4.1.1 - 4.1.2. The dates on which such payments must be made (including the Final Repayment Date) shall be as set out in this clause 4 and the Conditions.

4.3 The making of any payments of Interest or their deferral following the end of any Cash Return Period, depends on the amount of Revenues of the Project in the relevant Cash Return Period. As soon as is reasonably practicable following the end of each Cash Return Period, the Issuer will perform the calculation in Part 1 of the Conditions to determine what (if any) payment of Interest is to be made in respect of that Cash Return Period at that time. On the basis of such calculation (but no other basis) the Issuer may determine that no payment of Interest should be made at that time or that payment of a sum which is less than the amount of Interest given in clause 4.1 should be made at that time, subject to the deferral provisions set out in this clause 4.

4.4 If the Issuer determines that a payment of Interest is to be made in respect of any Cash Return Period, it shall make the appropriate payment in accordance with this Deed within ten weeks of the end of the relevant Cash Return Period. Payments of Interest will be apportioned by Abundance and/or the Client Money Services Provider and paid to Holders in proportion to their holdings.

4.5 If no payment of Interest is to be made in respect of any Cash Return Period, or the amount is less than the amount of Interest provided in clause 4.1, the amount of such Interest payment shall be deferred as set out in Part 1 of the Conditions. Any such deferred amounts shall, however, bear Additional Interest in accordance with clause 5. No amount of unpaid Interest may be deferred for a period of more than three years from the date on which it is due under this Deed.

#### 5 Additional Interest

5.1 If the payment of any amounts of Principal or Interest are deferred in accordance with clauses 4 or 5, the Issuer shall pay Additional Interest at a rate of 3% over the base rate of Barclays Bank PLC from the date when payment of such amount of Principal or Interest would have been made in accordance with clauses 3 or 4 (as the case is) until actual payment, after as well as before judgment.

5.2 Additional Interest shall accrue on a daily basis.

### 6 Payments

6.1 Any repayments of Principal or payments of Interest (and any payments of Additional Interest) shall be paid to the Cash Account of the Holder as defined in the Abundance Terms and Conditions and such payment shall be a good discharge of the payment obligations of the Issuer under this Deed.

6.2 If the Issuer is required by applicable law to make any withholding or deduction, it shall make such deduction or withholding and account to the relevant authority in respect of the amount withheld or deducted. The Issuer shall not be required to increase or gross-up any amount payable to the Holder under this Deed.

### 7 Redemption and Early Repayment

7.1 The Issuer may redeem all or any of the Debentures in accordance with Part 2 of the Conditions or as otherwise specified in this Deed.

7.2 Any Holder may require immediate payment of all outstanding Principal in the circumstances set out in paragraph 3 of Part 2 of the Conditions.

### 8 Form of Debentures and Register

8.1 Debentures will be held in electronic form, represented by book entries in the Register. Holders will be issued with an electronic confirmation of their holding via the Abundance Service.

8.2 The Issuer will only recognise each registered Holder as the absolute owner of his Debentures and is not bound to take notice of any trust to which any Debenture may be subject.

8.3 No notice of any trust, except as required by applicable law, will be entered on the Register in respect of any Debentures.

8.4 Subject to clause 8.5, the personal representatives of a deceased Holder shall be the only persons recognised by the Issuer as having any title to, or interest in, that Debenture on the death of such Holder, and will be so recognised subject to their becoming Members of Abundance in accordance with the Abundance Terms and Conditions.

8.5 Any person becoming entitled to a Debenture in consequence of the death or bankruptcy of any Holder or otherwise by operation of law, may, upon producing such evidence that he is so entitled as the Issuer may reasonably require, be registered himself as the Holder subject to his becoming a Member of Abundance in accordance with the Abundance Terms and Conditions.

8.6 The Issuer shall maintain arrangements so that any changes to the Register required under this clause 8 shall be made by Abundance in accordance with the Abundance Terms and Conditions.

### 9 Transfer

The Debentures may only be transferred in accordance with the Abundance Terms & Conditions or in accordance with clauses 8.4 and 8.5.

### 10 Notices

The Issuer will give each notice, and will send any other document, to a Holder using the Abundance Service. Each Holder agrees that the Issuer may rely on Abundance to deliver any such notice in accordance with the Abundance Terms & Conditions.

### 11 No Dealings

The Debentures are not capable of being dealt or listed on any stock exchange or other public market in the United Kingdom or elsewhere and no application has been, or is intended to be made, for the Debentures to be listed or otherwise traded on any such, stock exchange or other public market.

## 12 Rights and Obligations

12.1 This Deed does not confer rights on any persons other than the Holders and the Issuer.

12.2 Each Holder shall be entitled to sue for the performance and observance of the provisions of this Deed as far as his holding of Debentures is concerned.

12.3 Where under this Deed any matter is to be decided by a meeting of Holders, then the provisions of Schedule 2 will apply.

12.4 Any or all of the Reserved Matters set out in Schedule 3 must be approved by the Holders as set out in that Schedule.

12.5 For the avoidance of doubt, Abundance is not a party to this Deed and has no obligations under it. Subject to paragraph 8 of the Conditions, Abundance:

12.5.1 provides services in accordance with arrangements it has with the Issuer; and

12.5.2 operates the Abundance Service in accordance with the Abundance Terms and Conditions as agreed by Members (as defined in the Abundance Terms and Conditions).

## 13 Inspection

A copy of this Deed shall be kept at the registered office of the Issuer and any Holder and any person duly authorised in writing by a Holder may at all reasonable times during office hours inspect it.

## 14 Endorsement

A memorandum of execution of any deed supplemental to this Deed shall be endorsed by the Issuer on this Deed.

## 15 Governing Law and Jurisdiction

15.1 This Deed and the Debentures are to be governed by and construed in accordance with English law.

15.2 The courts of England and Wales are to have exclusive jurisdiction to settle any dispute, whether contractual or non-contractual, arising out of or in connection with this Deed or the Debentures.

**This document is executed as a deed and is delivered by the Issuer or its duly authorised representatives on the date written at the beginning of it.**

Executed as a deed by )

acting by a director )

.....  
Director

Witness Signature:

Witness Name:

Witness Occupation:

Witness Address:

## Schedule 1

### The Conditions

**Words and expressions defined in the Deed shall bear the same meanings when used in these Conditions.**

#### Part 1 – Calculation of Repayments of Principal and of Investment Returns

1 The Issuer shall calculate any amounts payable to the Holders under this Deed in the manner set out in the following sub-paragraphs:

1.1 The First Cash Return Period ends on 31 March 2014. Subsequent Cash Return Periods will be periods of six months following the First Cash Return Period, as set out in the Deed. The Final Cash Return Period ends on the Maturity Date.

Within 10 weeks of the last day of the each Cash Return Period, the Issuer will calculate its Revenues arising in that Cash Return Period.

1.2 The Issuer's Revenues for the purpose of the calculation in paragraph 1.1 shall be any sums receivable by the Issuer in respect of the generation or sale of any electricity produced by the Project, including any proceeds received under the Feed-in Tariff Scheme. The Feed-in Tariff Scheme means the feed-in tariff scheme operated pursuant to the terms of the Feed-in Tariffs (Specified Maximum Capacity and Functions) Order 2010.

1.3 The Issuer shall calculate its Costs in respect of each Cash Return Period. Its Costs shall be the operating costs and expenses of the Issuer (excluding depreciation) incurred in respect of any given Cash Return Period, including but not limited to:

- a) tax liabilities (including any tax liability arising as a result of the receipt by the Issuer of any Revenues);
- b) fees and expenses payable to Abundance or any other third party;
- c) the costs and expenses incurred by the Issuer in the establishment of the Debentures;
- d) any contribution into the Issuer's contingency reserve for meeting any exceptional costs over the life of the Project; plus
- e) a sum equal to any accounting provision established by the Directors during the relevant Cash Return Period.

1.4 If there are surplus Revenues over Costs in respect of a Cash Return Period after the allowance for any Costs then the Issuer shall in all events use any surplus Revenues over Costs to make payments to Holders under this Deed.

1.5 If there are Revenues in respect of a Cash Return Period (whether or not the amount of such Revenues exceed Costs for such Cash Return Period) then the Directors of the Issuer may determine in good faith how to allocate them as between payments to Holders under this Deed and Costs including whether to defer payments of Interest and Principal or to further defer Deferred Amounts in accordance with paragraph 1.6 of these Conditions.

1.6 If payments to Holders are not paid in respect of any Cash Return Period in accordance with paragraphs 1.4 and 1.5 of these Conditions, then they shall be deferred in accordance with this Deed ("Deferred Amounts"). Deferred Amounts shall bear Additional Interest in accordance with clause 5 of this Deed. No Deferred Amount shall be deferred for a period of more than three years after the semi-annual date for payment of such amount in accordance with clauses 3. and/or 4. of this Deed and in respect of any Deferred Amount, the third anniversary on the date on which such amount would have been payable in accordance with clauses 3. and/or 4. of this Deed shall be its due date.

Any payments under this Deed shall be allocated in the following order of priority:

- (a) first to Deferred Amounts of Principal;
- (b) then to Deferred Amounts of Interest;
- (c) then to Additional Interest on Deferred Amounts of Principal and Interest (with Additional Interest on unpaid Principal being paid before Additional Interest on unpaid Interest);
- (d) then if there are no Deferred Amounts, to any repayments of Principal or payments of Interest to be made under this Deed in respect of the immediately preceding Cash Return Period.

1.8 Deferred Amounts shall be allocated in reverse order in accordance with the time for which they have been outstanding with the oldest being paid first.

1.9 All outstanding sums under this Deed (including any amounts of Principal, Interest and Additional Interest and all Deferred Amounts) must be paid no later than the Final Repayment Date.

## **Part 2 – Other Conditions including Redemption or Early Repayment**

### **2 Redemption by the Issuer**

2.1 The Issuer shall be entitled at any time following (i) a Change of Control; and/or (ii) a Tax or Regulatory Requirement; and/or (iii) a Partial Redemption Event by issue of a notice (“Notice of Redemption”) to any Holder (or in the case of a Tax or Regulatory Requirement, to any Holder affected by such event) giving not less than 20 Business Days’ notice (which shall be given via the Abundance service) of its intention to repay the whole (whatever the amount) or part only of the Principal amount.

Additionally, where a Change of Control or a Partial Redemption Event applies, the Issuer will pay a further percentage amount of such Principal amount to be determined by an independent valuer appointed in accordance with paragraph 2.2 below (the “Independent Valuer”) on any Debenture registered in that Holder’s name. Subject to giving such notice and upon the expiry of such notice, the Issuer shall be entitled and bound to pay off that part of those amounts in respect of which such notice of redemption has been given.

2.2 The Independent Valuer shall be appointed by the Issuer, acting reasonably, and shall be a firm of Chartered Accountants who have not been engaged by the Issuer to provide professional services to it within a period of 5 years prior to the Issue of the Notice of Redemption. Following the appointment of the Independent Valuer the Issuer shall inform the relevant Holders of the identity of the Independent Valuer as soon as reasonably practicable.

2.3 The Independent Valuer shall determine the percentage of premium payable in addition to the Principal amount having regard to all reasonable circumstances including the period of time remaining until the Final Repayment Date and the likely amount of Interest that would have been payable but for early redemption, discounted to present value in a commercially reasonable manner. Save in the case of manifest error the decision of the Independent Valuer shall be final and binding on the Issuer and the relevant Holders and any applicable premium shall be paid by the Issuer within 28 days of the date the Issuer is notified of the Independent Valuer’s determination.

2.4 The costs of the Independent Valuer shall be payable by the Issuer.



## 3 Repayment on Default

3.1 Any Holder shall be entitled by notice in writing to the Issuer to require repayment of the Principal payable in respect of each Debenture of which he is the Holder (or any part thereof) upon the happening of any of the following events:

- any failure by the Issuer to pay in full any amount payable to such Holder in respect of the Debentures within 28 Business Days after the due date for its payment (and the due date for any Deferred Amount shall be its third anniversary in accordance with paragraph 1.6 of these Conditions); or
- the Issuer failing duly to perform or comply with any obligation (other than an obligation to pay any amount payable in respect of the Debentures) expressed to be assumed by it in this Deed and such failure continues for 7 Business Days after written notice has been given by any Holder requiring remedy of such failure; or
- an effective resolution being passed or an order being made for the winding up or dissolution of the Issuer (other than (a) a solvent winding up for the purposes of amalgamation or reconstruction; or (b) a members' voluntary winding up on terms previously approved by a Special Resolution); or
- an encumbrancer (being a person enforcing an encumbrance as defined in Schedule 3) taking possession of, or a trustee, receiver, administrator or similar officer being appointed or an administration order being made in respect of, the Issuer or the whole or substantially the whole of the property or undertaking of the Issuer and such person not being paid out or discharged within 20 Business Days; or
- if the Issuer proposes, makes or is subject to an arrangement or composition with its creditors generally, an application to a court of competent jurisdiction for protection from its creditors generally or a scheme of arrangement under Part 26 of the Companies Act 2006 (other than in the latter case for the purpose of a solvent voluntary reconstruction or amalgamation); or
- if the Issuer is insolvent for the purposes of section 123(1) (e) or section 123(2) of the Insolvency Act 1986, whereupon the Principal amount of such Debentures shall forthwith become immediately payable; or
- the Issuer ceasing to carry on the Project or the business it carries on at the date of this Deed or a substantial part of such business; or
- it is or becomes or will become unlawful for the Issuer to perform or comply with any of its obligations under this Deed, or any such obligation is not or ceases to be legal, valid and binding.

3.2 The Issuer shall as soon as practicable notify the Holders of the happening of any of the events specified in this Condition.

## 4 Purchase

The Issuer may at any time by agreement with the relevant Holder purchase any Debentures at any price by tender, private treaty or otherwise.

## 5 Cancellation

Any Debentures repaid, redeemed or purchased by the Issuer shall forthwith be cancelled and shall not be available for re-issue.

## 6 Registration and Transfer

The Debentures will be registered and transferable only in accordance with the Abundance Terms & Conditions.

6.2 The Debentures may be acquired and/or held only by Members of Abundance (as defined in the Abundance Terms & Conditions) who are UK resident within the meaning set out in the Abundance Terms & Conditions, which includes:

- 6.2.1 individuals aged 18 years or over who have their permanent residence in the United Kingdom (but excluding any Restricted Person); or

6.2.2 those who are not individuals who have a permanent place of business in the United Kingdom and are duly incorporated, authorised, established or formed in accordance with the relevant United Kingdom laws and regulations.

6.3 The Debentures may not be acquired by any Restricted Person. For the avoidance of doubt, individuals who are resident, or businesses that have their permanent place of business or are otherwise incorporated or established in, any of the Channel Islands or the Isle of Man, are not eligible to hold the Debentures.

6.4 Without limiting Conditions 6.1 to 6.3, the Debentures will not be registered under the United States Securities Act of 1933 or the securities laws of any country, jurisdiction, state or territory outside the United Kingdom.

6.5 The Issuer, or Abundance on its behalf, may require reasonable evidence that a proposed transfer is exempt from or not subject to a registration or similar requirement in the United States or any other jurisdiction outside the United Kingdom and is not to, or for the benefit of, a Restricted Person.

6.6 The Issuer may require redemption of any Debenture that reasonably appears to it to be held by, or for the benefit of, a Restricted Person.

6.7 For the avoidance of doubt, references to a “US Person” include those who are US Persons for the purposes of US tax law or US securities laws. The Issuer may reasonably determine whether a person acquiring or holding Debentures is a US Person or a Restricted Person in accordance with applicable law at the time it makes such determination (but summaries of the relevant requirements at the date of this Deed are provided in Conditions 6.8 to 6.9).

6.8 For the purposes of United States tax law, a summary of the definition of “US Person” is:

6.8.1 a citizen or resident of the United States;

6.8.2 a US domestic partnership;

6.8.3 a US domestic corporation;

6.8.4 any estate other than a foreign estate for the purposes of US tax law;

6.8.5 any trust if:

6.8.5.1 a court within the United States is able to exercise primary supervision over the administration of the trust, and

6.8.5.2 one or more United States persons have the authority to control all substantial decisions of the trust;

6.8.6 any other person that is not a foreign person for the purpose of US tax law.

6.9 For the purposes of US securities laws, a **US Person** is as defined in Regulation S (promulgated under the Securities Act of 1933) in Section 902(k)(1) namely:

6.9.1 any natural person resident in the United States;

6.9.2 any partnership or corporation organized or incorporated under the laws of the United States;

6.9.3 any estate of which any executor or administrator is a U.S. person;

6.9.4 any trust of which any trustee is a U.S. person;

6.9.5 any agency or branch of a foreign entity located in the United States;

6.9.6 any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;

6.9.7 any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and

6.9.8 any partnership or corporation if:

6.9.8.1 organized or incorporated under the laws of any foreign jurisdiction; and

6.9.8.2 formed by a U.S. person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

## 7 Modification of Rights

7.1 The provisions of this Deed (including the Conditions and the content of any Schedules) may from time to time be modified, abrogated or compromised in any respect by the Issuer with the sanction of a Special Resolution or in accordance with this Condition 7.

7.2 Subject to Condition 7.3, where the Offering Document permits the Issuer to extend, restrict or modify the period during which the Debentures are available for subscription (and only in such circumstances) the Issuer may (by deed expressed to be supplemental to this Deed) make such amendments as it reasonably considers necessary to reflect such extension, modification and restriction including (but not limited to) changing the dates for First Cash Return Periods or Subsequent Cash Return Periods (including the dates on which they begin and end) and/or or the date given as the Maturity Date.

7.3 The Issuer may only make such amendments as are referred to in Condition 7.2 where it is reasonably satisfied (i) that it is necessary to do so in order to reflect any such changes as are referred to in Condition 7.2; and (ii) that Holders are not materially prejudiced by such amendments which reflect the same economic basis on which the Debentures are offered in the Offering Document. Without limitation, the Issuer shall not, by virtue of Condition 7.2, be entitled to change the following as set out in this Deed and these Conditions: frequency of Cash Return Periods; definitions of and/or the method of calculation and/or amounts of repayments of Principal, Interest and Additional Interest; definitions and calculations of Revenues and Costs; any provisions relating to deferral or Deferred Amounts; the 10-week period for performing any calculations or making any payments or any Reserved Matters in Schedule 3 and any provision that would materially impact the economic basis on which Debentures are offered.

7.4 Additionally, the Issuer may amend any provisions of this Deed including the Conditions, the Provisions or any of the Schedules, by supplemental deed expressed to be supplemental to this Deed where, in the opinion of the Issuer's legal advisers, the amendment is considered to be of a formal, minor or technical nature or to be necessary to correct a manifest error.

## 8 Alternative Service Provider

8.1 If for any reason, Abundance ceases to provide the Abundance Service and it is not provided by the Back-up Service Provider or Abundance ceases to maintain the Register or there is any other material change to the nature of the Abundance Service or the involvement of Abundance which has a material effect on any matter relating to the Debentures, then for the avoidance of doubt the obligations of the Issuer will remain valid and binding subject to Condition 8.2.

8.2 In the circumstances set out in Condition 8.1, the Issuer shall make such arrangements as it reasonably considers appropriate and may amend this Deed by deed expressed to be supplemental to this Deed (but only so far as is reasonably necessary to incorporate the revised arrangements for the matters listed in paragraphs 8.2.1-8.2.4). The Issuer shall take reasonable steps as soon as practicable to inform the Holders of any changes to:

8.2.1 the arrangements for maintaining the Register;

8.2.2 the procedures for making payments (but not the amount of any payment or how such amount is calculated);

8.2.3 the procedures for transfer (including acceptance of any instrument in common standard form); and/or

8.2.4 how notices can be given to Holders.

## Schedule 2

### Meetings of Holders

1 The Issuer may (and will on the request in writing of a person or persons holding not less than 10% of the aggregate Principal) convene a meeting of the Holders. Any such meeting shall be held at the registered office of the Issuer or such other convenient place as the directors of the Issuer may decide.

2 At least 14 days' notice, or when the meeting is being convened for the purpose of passing a Special Resolution at least 21 days' notice, of every meeting shall be given to the Holders. The notice shall specify the place, date and time of meeting and the general nature of the business to be transacted, but except in the case of a Special Resolution it shall not be necessary to specify in the notice the terms of any resolution to be proposed. The accidental omission to give notice to or the non-receipt of notice by any of the Holders shall not invalidate the proceedings at any meeting.

3 At any meeting Holders present in person or by proxy holding or representing 50% of the aggregate Principal shall form a quorum for the transaction of business except for the purpose of passing a Special Resolution. The quorum for passing a Special Resolution shall be Holders present in person or by proxy holding or representing 75% of the aggregate Principal. No business (other than the election of a chairman) shall be transacted at any meeting unless the necessary quorum is present at the commencement of business. If within half an hour from the time appointed for the meeting a quorum is not present the meeting if convened upon the requisition of Holders shall be dissolved. In any other case it shall stand adjourned to such day and time not being less than 7 days thereafter and to such place as may be decided by the chairman and at such adjourned meeting the Holders present in person or by proxy and entitled to vote whatever their number and whatever the Principal Sum held by them shall be a quorum for the transaction of business including the passing of Special Resolutions. At least 3 days' notice of any adjourned meeting of Holders at which a Special Resolution is to be submitted shall be given in the same manner as for the original meeting and the notice shall state that the Holders present at the adjourned meeting whatever their number and whatever the aggregate Principal amount of the Debentures held by them will form a quorum.

4 The chairman of the Issuer shall preside at every meeting, but or if he is not present within 5 minutes after the time appointed for holding the meeting or is unwilling to act, the Holders shall choose one of their number to be chairman. Any director, the secretary, the auditors of the Issuer and the solicitors of the Issuer and any other person authorised to do so by the Issuer may attend any meeting.

5 The chairman may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.

6 At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by the chairman or by one or more Holders present in person or by proxy and holding or representing not less than 10% of the aggregate Principal. Unless a poll is so demanded a declaration by the chairman that a resolution has been carried or carried unanimously or by a particularly majority or lost shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

7 If a poll is duly demanded it shall be taken forthwith or at such time and in such manner as the chairman may direct, and the result of such a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

7 In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Holder.

8 The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

9 On a show of hands every Holder who is present in person shall have one vote and on a poll every Holder who is present in person or by proxy shall have one vote for every £1 or part thereof of the Principal of which he is the Holder.

10 In the case of joint registered holders of Debentures, the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

11 On a poll votes may be given either personally or by proxy and a Holder entitled to more than one vote need not use all his votes or cast all the votes he uses in the same manner.

12 The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney or in the case of a corporation under the hand of a duly authorised officer or attorney.

13 A person appointed to act as a proxy need not be a Holder.

14 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed shall be delivered to the chairman not less than 24 hours before the time appointed for the meeting (or adjourned meeting) and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after 3 months from the date named in it as the date of execution or signature.

15 An instrument appointing a proxy may be in the usual or common form or in such other form as the directors may from time to time prescribe or accept and need not be witnessed. The proxy shall be deemed to confer the right to demand or join in demanding a poll. A proxy shall unless it states otherwise be valid for the meeting to which it relates and for any adjournment of that meeting.

16 Any Issuer or corporation which is a registered holder of any of the Debentures may by resolution of its directors or other governing body authorise any person to act as its representative at any meeting of the Holders, and such representative shall be entitled to exercise the same powers on behalf of the Issuer or corporation which he represents as he would be entitled to exercise if he was himself the registered holder of such Stock. A Issuer or corporation attending by such a representative shall be deemed to be present in person.

17 A meeting of the Holders shall have the following powers exercisable by Special Resolution:

17.2 power to assent to any modifications of the Conditions to which the Debentures are subject and/or of the provisions contained in this Instrument proposed or agreed to by the Issuer;

17.3 power to sanction any agreement for postponing or advancing the time for the making of any payment under this Deed or for changing the basis on which any payments are to be calculated or for the capitalising of any amount that would otherwise be payable;

17.3 power to appoint any persons (whether Holders or not) as a committee to represent the interests of the Holders and to confer upon such committee any powers or discretions which the Holders could themselves exercise;

17.4 power to sanction the exchange of the Debentures for or the conversion of the Debentures into shares, stock, debentures or other obligations or securities of the Issuer or any other Issuer formed or to be formed;

17.5 power to give consent to any of the Reserved Matters in Schedule 3.

18 Every other matter to be determined at a meeting of Holders shall be decided by Ordinary Resolution.

19 A resolution passed at a meeting of the Holders duly convened and held in accordance with this Deed shall be binding upon all the Holders whether or not present at the meeting and each of the Holders shall be bound to give effect to it accordingly.

20 The expression 'Ordinary Resolution' means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions contained in this Instrument and carried by a simple majority of the votes cast upon a show of hands or on a poll.

21 The expression 'Special Resolution' means a resolution passed at a meeting of the Holders duly convened and held in accordance with the provisions herein contained and carried by a majority consisting of not less than three-quarters of the votes cast upon a show of hands or on a poll.

22 A resolution in writing signed by all the Holders together holding not less than 75% of the aggregate Principal Sum shall for all purposes be as valid and effective as an Ordinary Resolution or Special Resolution as the case may be passed at a meeting duly convened and held in accordance with the provisions contained in this Instrument. Any such resolution in writing may be contained in one document or in several documents in similar form each signed by one or more Holders and the effective date of any such resolution shall be the date of the last signature to it.

### Schedule 3

#### Reserved Matters

The Issuer shall not, without Holder prior approval by way of a Special Resolution:

- amend the basis on which Revenues and/or Costs are calculated;
- form, enter into, terminate or withdraw from any partnership, consortium, joint venture or any other incorporated or unincorporated association for the purposes of any business or form or acquire any subsidiary undertaking (as defined in section 1162 of the Companies Act 2006);

- enter into, or increase or extend any liability under, any guarantee or indemnity other than an indemnity under a contract for goods or services entered into in the normal course of carrying on the Project;
- make, increase or extend any loan or advance or grant any credit to any person other than trade credit in the ordinary and normal course of carrying on the Project;
- grant, create or allow to arise or continue any encumbrance over any of its assets other than those arising by operation of law in the ordinary and normal course of carrying on the Project;
- borrow any monies or incur any indebtedness or other liability other than trade credit in the ordinary and normal course of carrying on the Project, or otherwise not exceeding £50,000 in aggregate (which shall be additional to amounts from time to time drawn and outstanding under the Stepnell Loan and the "rainy day" fund referred to on page 19 of the Offering Document));
- establish any pension or life insurance scheme, or any bonus, profit sharing, share option or other incentive scheme for directors;
- make any payment, whether by way of emoluments for services or otherwise (but not including reimbursement of expenses reasonably and properly incurred) to, or on behalf of, any director of the Issuer;

- acquire or dispose of any freehold or leasehold property (other than as may be required for the Project), grant a lease or licence in respect of any property or take or omit to take any action that could prejudice the continuation of any such lease or licence; or
- undertake any business other than the Project or make or permit any material change in the nature or scope of the Issuer's business,
- enter into any contract or arrangement with any member of its Group other than on arm's length terms and in the ordinary course of business,

provided that the Issuer may undertake any of the matters set out in the third, fourth, fifth, sixth or eleventh bullet points set out in this Schedule 3 without the approval of a Special Resolution in circumstances of urgency where, in the Issuer's reasonable opinion, any delay in acting would or would be likely to have a material adverse impact on the Project or the likelihood of generating Revenues. Where it has done so, the Issuer shall notify the Holders of the action it has taken as soon as reasonably practicable after it has done so.

Further, the Issuer may allow to remain in existence the Stepnell Loan on the same terms as are applicable as at the date of this Deed, but shall not agree to any material variation of the Stepnell Loan. Subject to the terms of the Stepnell Loan, it provides for:

- an amount to be outstanding of a principal amount equivalent to the difference between the Issue Amount and £896,000 (such that if the Issue Amount is less than £896,000, the Borrower shall procure that the principal amount under the Stepnell Loan is no more than the difference between the Issue Amount and £896,000);
- any payments of Principal, Interest, Additional Interest and Deferred Amounts to be made in priority to payments of principal and interest under the Stepnell Loan except in the event of default when they should rank *pari passu* with payments of interest and principal under the Stepnell Loan; and
- the Stepnell Loan to be assignable in certain circumstances specified therein.

For the purposes of these Reserved Matters:

“assets” shall be construed as a reference to all or any part of the Issuer's business, undertaking, property, assets, revenues (including any right to receive revenues) and uncalled capital; and

“encumbrance” means any mortgage, charge, assignment, pledge, lien (save as arising in the normal course of carrying on the Project), hypothecation, right of set-off (except as arising under the general law for the protection of certain classes of creditors) or trust arrangement for the purpose of and having a similar effect to the granting of security, or other security interest of any kind.

“Group” means in relation to the Issuer from time to time the Issuer itself, any subsidiary undertaking or any parent undertaking of the Issuer, and any subsidiary undertaking of a parent undertaking of the Issuer. The terms subsidiary undertaking and parent undertaking shall be as defined in section 1162 Companies Act 2006.