

BRIGHTON ENERGY **CO-OPERATIVE**



Community-Owned Renewable Energy

Bond Offer 2023

Important Information

This document has been prepared by Brighton Energy Limited (BEL) and its Board of Directors, who are responsible for its contents.

By virtue of its status as a Community Benefit Society, BEL is exempt from many provisions around financial promotions as set out in the Financial Services and Markets Act 2000 (FSMA). Therefore, this document is not required to obtain FMSA approval or to be approved by an authorised person within the meaning of the FSMA.

As a Community Benefit Society, BEL is registered with, but not authorised by the Financial Conduct Authority (FCA) and therefore any money invested in BEL is not safeguarded by any deposit protection scheme such as Financial Services Compensation Scheme (FSCS) or dispute resolution scheme. Prospective investors will not have the benefit of the FSCS and other protections afforded by the FSMA or any of the rules and regulations made thereunder. Prospective investors will also not have any right to complain to the Financial Ombudsman Service.

The information contained in this document has been prepared under the supervision of the Board of Directors of BEL to the best of their knowledge. Potential investors should appreciate that any investment they make is an acknowledgement of their support for the acquisition and development of renewable energy, the environmental and social purposes of BEL and, accord-

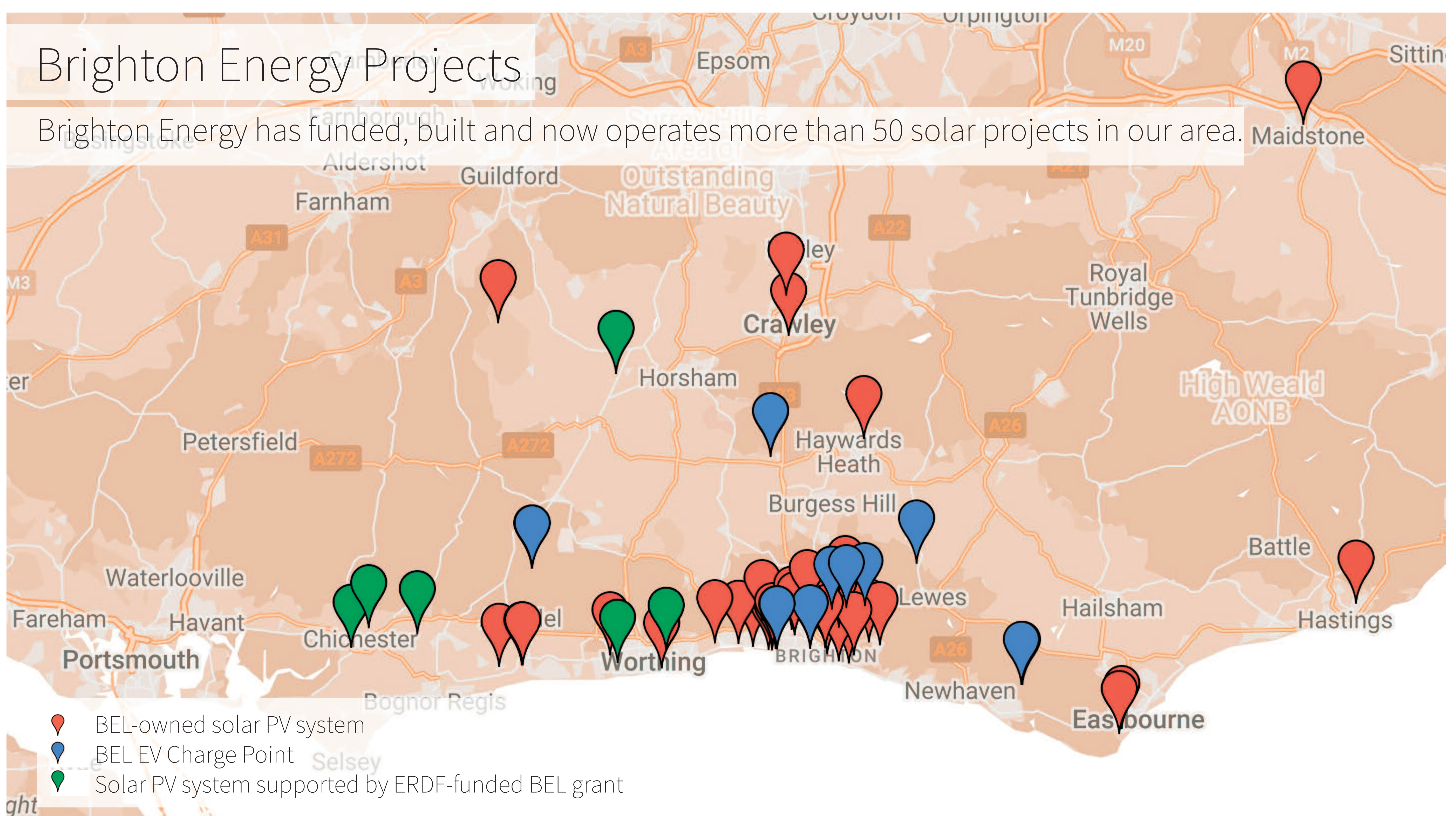
ingly, these bonds should primarily be regarded as an investment for social and environmental purposes rather than one which will produce a significant financial return.

Prospective investors should not construe the contents of this document as legal, tax or financial advice. All prospective investors should consult their own professional advisers as appropriate as to the legal, tax, financial or other matters relevant to the suitability of an investment in the Bonds for such investor.

You should not apply for the purchase of Bonds except on the basis of information set out in (a) this document and (b) the Terms and Conditions of the Offer. Before applying you are advised to read the whole of this document, including the risks and the Conditions regarding this Offer. Any complaints should be sent to info@brightonenergy.org.uk.

Past performance is no guide to future performance. Projections and forecasts are also not a reliable indicator of future performance.

THE PERFORMANCE OF AN INVESTMENT CAN FALL AS WELL AS RISE. PROSPECTIVE INVESTORS MAY RECEIVE BACK LESS THAN ORIGINALLY INVESTED.



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Chairman's Introduction



Will Cottrell
Chairman
Brighton Energy Coop

I was recently asked what inspires me about Brighton Energy. And really, the answer is simple: the people involved.

For example, when we surveyed our 650-strong membership a few years ago, we asked them why they had joined, the top response (65%) was 'taking local action on climate change'. Financial returns were down at number six.

And it was not simply that financial motivations were not a major factor in joining us; we also found that more than half earned under £25,000 a year, a fairly modest sum to go about investing in, well, anything. But that brought home the fact that for our people Brighton Energy is not simply about money (although that is important), but primarily it's about the impact we have when we act together, and the great things we can achieve.

So: the document you are reading is the latest iteration of a successful business model that has seen BEL raise more than £4 million for new solar projects in our 12 years of existence. On average we've grown at 20% each year for the last eight years. And each percentile growth represents more solar panels installed, more people getting involved, and more clean energy generated.

This document is an invitation to get involved in our new projects. The bonds we are selling will fund solar panels at our long-term partner Shoreham Port, and two new sites - Cardinal Newman school in Hove and Newhaven Port.

It's important to note that the bonds are unsecured – i.e. they are tied to the performance of the organisation as a whole, not the specific solar projects outlined a bit later. It's also BEL's only debt. For more on the financials, check out the finance section.

This time we are seeking to raise £699,000. In return, we offer bondholders 6.5% per annum, paid each year for five years at which point bondholders can sell the bonds back to us, or roll them over.

We hope this proves to be an attractive investment.

THE BOND OFFER

Interest Rate: 6.5% per annum

Minimum investment: £300

Maximum investment: £100,000

Fundraise target: £699,117

Issuer: Brighton Energy Limited, 47 Montpelier Road, Brighton, BN1 3BA

Incorporation: Incorporated in 2010 as Community Benefit Society 31107R

Bond offer closes: 1/10/23

Bond value: 1 pound per Bond

Who can Invest: Individuals over 18, and also from companies and organisations.

Interest payment: The Bonds have an interest rate of 6.5% per annum, payable yearly, accruing from the Interest Date. Interest payments will be made within 90 days of the yearly anniversary of this date.

Initial term: 5 years

Closing date : 1st October 2023

Issue date : 1st October 2023 (bond certificates will be issued in the month following the closing date)

Interest Date: 1st October 2023

Final Maturity: 25 years, at which point the Bonds will be can-

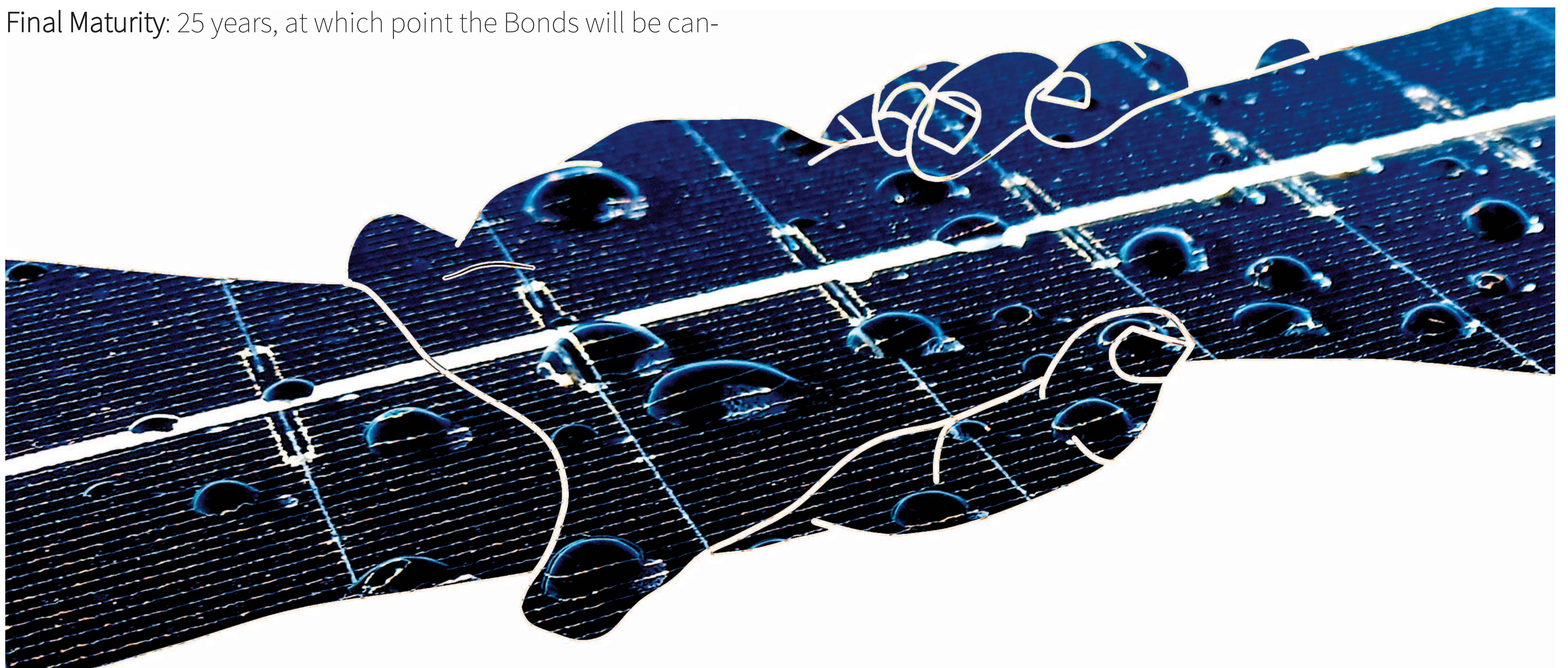
celled, and any outstanding interest will be paid and outstanding capital returned.

Security: Unsecured

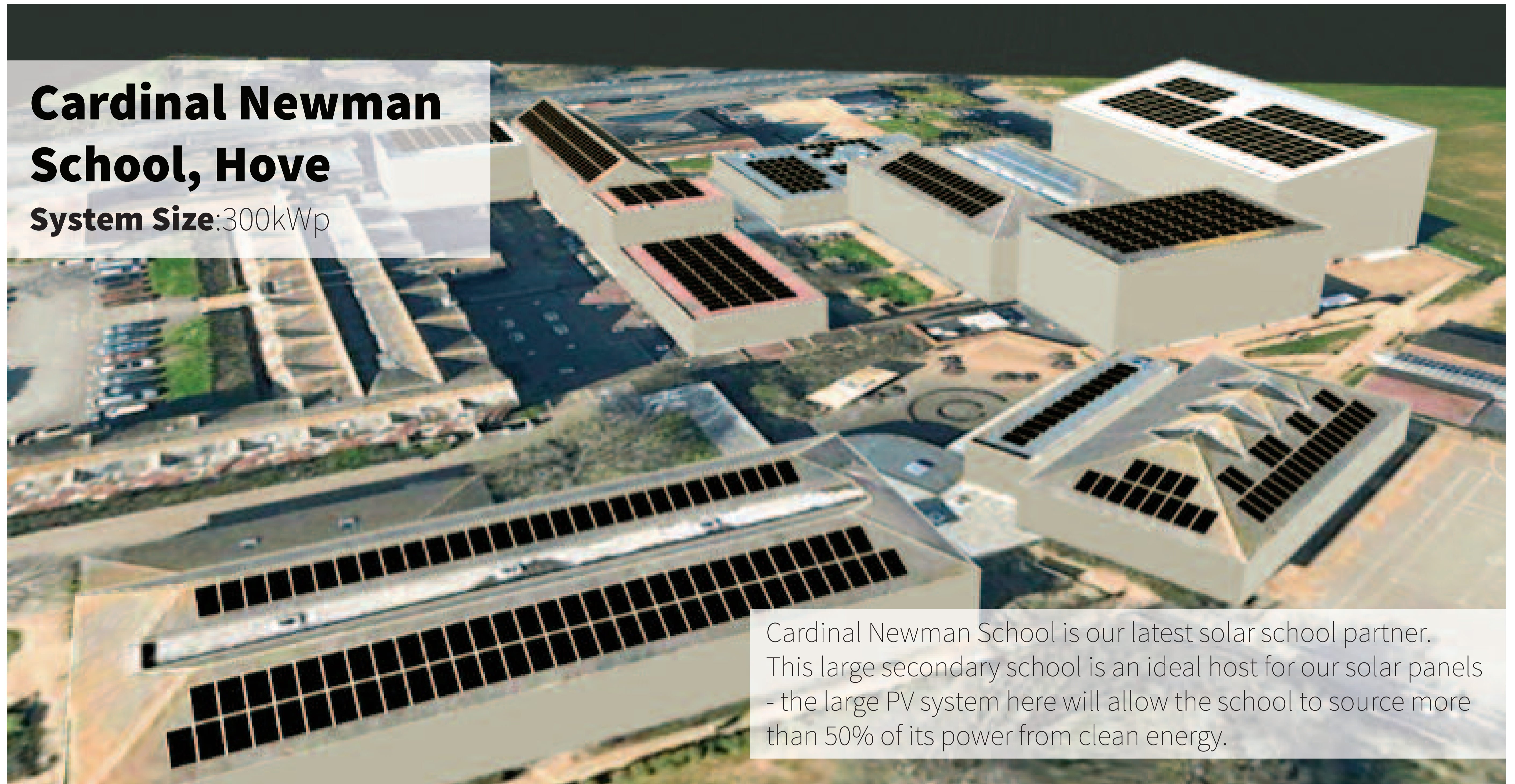
Cancellation: The Bonds may be cancelled by the BEL board in whole or in part (and all related capital returned) if sufficient solar PV sites are not completed in the first year. Refunds will be based on a last-in-first-out basis.

Bond transfer: The Bonds are not transferable

Voting rights: Bondholders have a right to request a meeting of bondholders and may vote on matters concerning their rights as Bondholders using the procedures set out in the Bond Instrument. Bondholding does not convey membership and as such bondholders are not entitled to vote at the AGM, although the Board may from time to time extend an invitation to bondholders to attend the AGM.



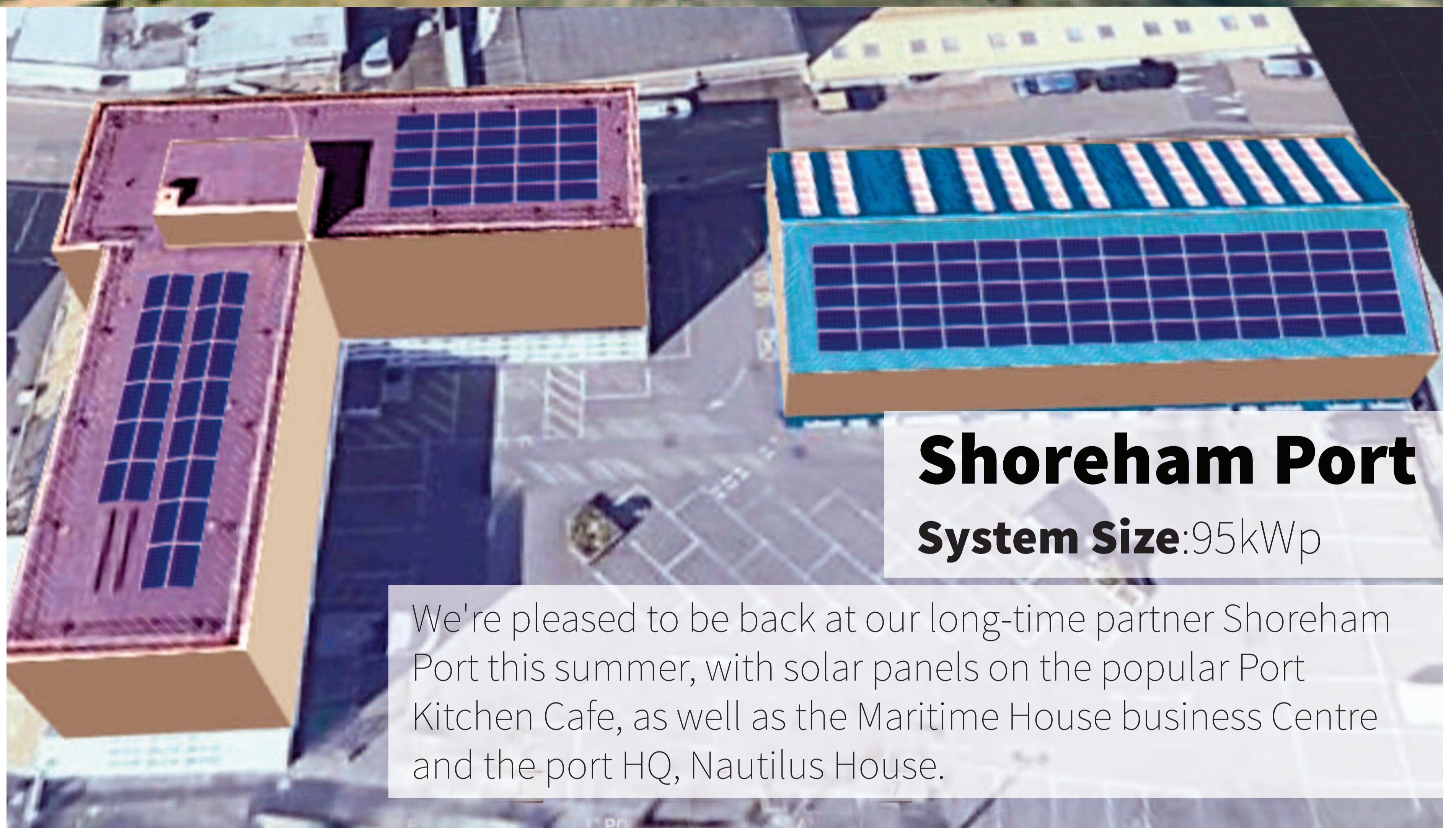
OUR NEW SOLAR PROJECTS



Cardinal Newman School, Hove
System Size: 300kWp

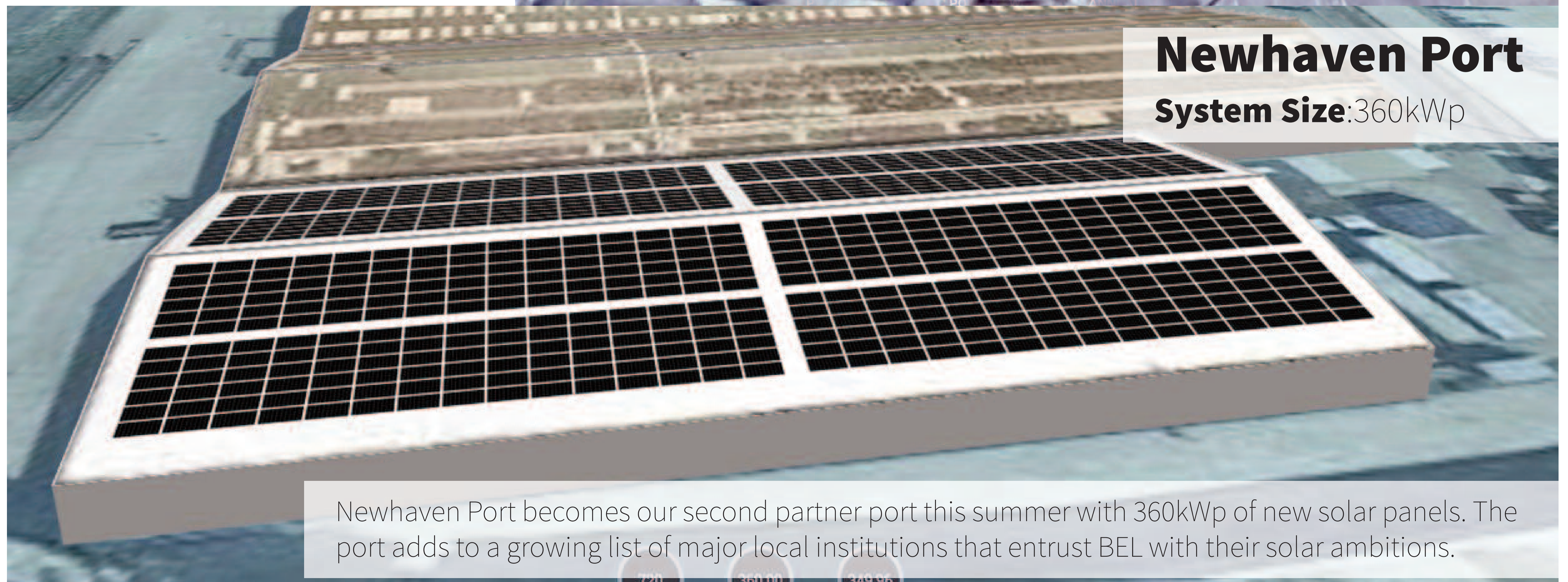
Cardinal Newman School is our latest solar school partner. This large secondary school is an ideal host for our solar panels - the large PV system here will allow the school to source more than 50% of its power from clean energy.

755kW of new solar in Hove, Shoreham & Newhaven



Shoreham Port
System Size: 95kWp

We're pleased to be back at our long-time partner Shoreham Port this summer, with solar panels on the popular Port Kitchen Cafe, as well as the Maritime House business Centre and the port HQ, Nautilus House.



Newhaven Port
System Size: 360kWp

Newhaven Port becomes our second partner port this summer with 360kWp of new solar panels. The port adds to a growing list of major local institutions that entrust BEL with their solar ambitions.

720 360.00 349.96

Who Invests in Brighton Energy?

In June 2021 we surveyed our 600+ members, and asked why they had joined Brighton Energy. The results were illuminating. We found the main factors that motivated people to join BE were:

- “to take local action to tackle climate change” - 99% thought this was either “very important” or “important”
- “to make my money align with my principles” - 92% similarly thought this was “very important” or “important”
- “to help provide funds for good causes” – 69% also thought this was “very important” or “important”
- “to contribute to something that benefits the local area” – 66% said this was “very important” or “important”

- “Getting an attractive return on my investment” was considered “important” or “very important” for 55% of our members

We also found 64% of BEL members live in Brighton or Sussex, while 25% said that they had no connection with the area. 62% said Brighton Energy was the first community energy group they have been involved in. Of those who had joined other community energy groups, these included: Bath and West CE, BHESCO, Low Carbon Hub (Oxford), OVESCO, Repower Balcombe, Stockport Hydro, Thrive, Energy4All and Triodos Crowdfunding.

62% of respondents were over 50. In terms of income, 52% had an annual personal income level of £25,000 or less, and 23% had an income of £50,000 or more.



OUR WORK IN THE COMMUNITY

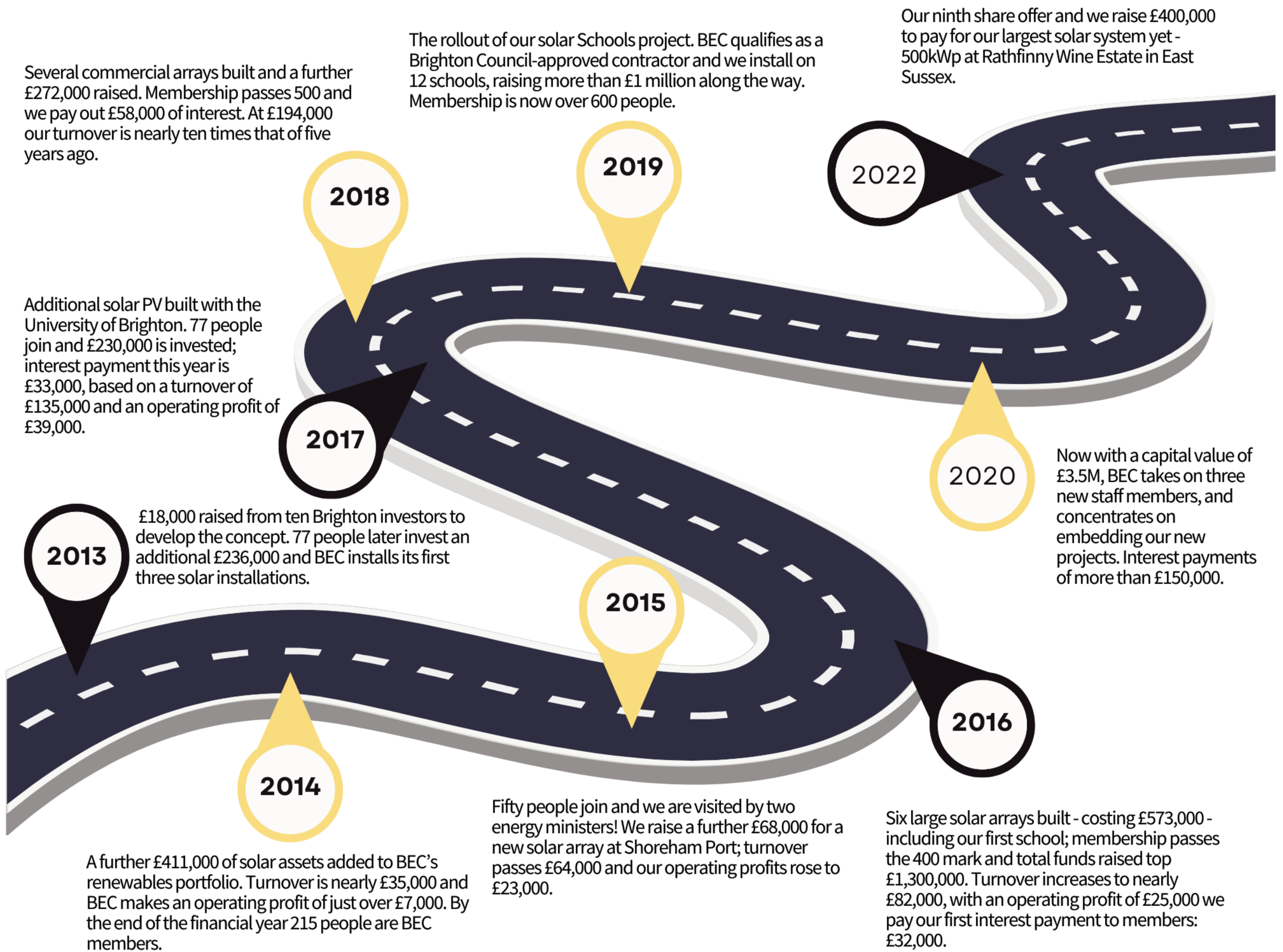
Through our school-based solar systems, BEL saves schools thousands of pounds on their electricity bills each year. And via our Community Fund we work together optimising energy usage & teaching kids about clean energy.

For the past four years we've been focussing on engaging local school children. Today we work with national charity Energy Sparks to deliver curriculum materials at appropriate levels to the kids, and provide a £300 grant to each of BEL's 13 Solar Schools, to help onboard teachers to these materials. To facilitate all this, BEL forged a new relationship between

Brighton & Hove City Council's Energy Team and Energy Sparks, so that all Brighton & Hove schools could participate, whether they have a free BEL solar system or not. We held a skills-share meeting with fellow community energy group, BHESCO, to ensure that their solar schools could get on board at the start.

BEL allocates 2% of our total turnover to our Community Fund.

Brighton Energy History



MEET THE TEAM

Secretary & founder

Damian Tow

As BEL's co-founder, Damian brings a sharp scrutiny to the operation. With his emphasis on financial, legal and regulatory aspects, he has 14 years' experience as a project manager at Cable & Wireless, BT and was also a director of a small software company. Having originally read Business Studies at Hull University, Damian completed a Masters in Leadership for Sustainable Development at Forum for the Future in 2009.



Chairman & founder

Will Cottrell

BEL's other founder, Will has been Chairman since 2010. He was Community Energy Fund-raiser of the year 2014, won the Environment award at 2015's PEA awards and has authored several pieces on developing community energy schemes. Will oversaw the development and fund-raising of BEC's £1 million schools project in 2019 and is part of Coops UK community energy mentoring programme.



Project Development

Matt Brown

Matt joined BEC in 2013 as head of new project development. Since then he's overseen the development of BEL's new solar systems. He helps BEL take a positive and pro-active approach to developing our renewable portfolio and is committed to the developing greater community ownership of renewable energy generation.



Project Development

David Owers

David joined the BEL in as Operations Manager. He has enjoyed careers as an energy engineer, entrepreneur and general manager in the medical devices industry before moving to Brighton in 2011, working as a Directorate Manager at the main NHS hospital trust.



ERDF Solar Grants

Svenja Czubayko

Svenja joined in BEL in 2021 and oversees our ERDF Solar Grant Scheme. She is a Elmhurst-accredited Energy Assessor and qualified in Permaculture Design in 2016. She has a special interest in smart building design and sustainable technologies, previously working as Programme Manager for the Sustainable Business Partnership and BHESCO.



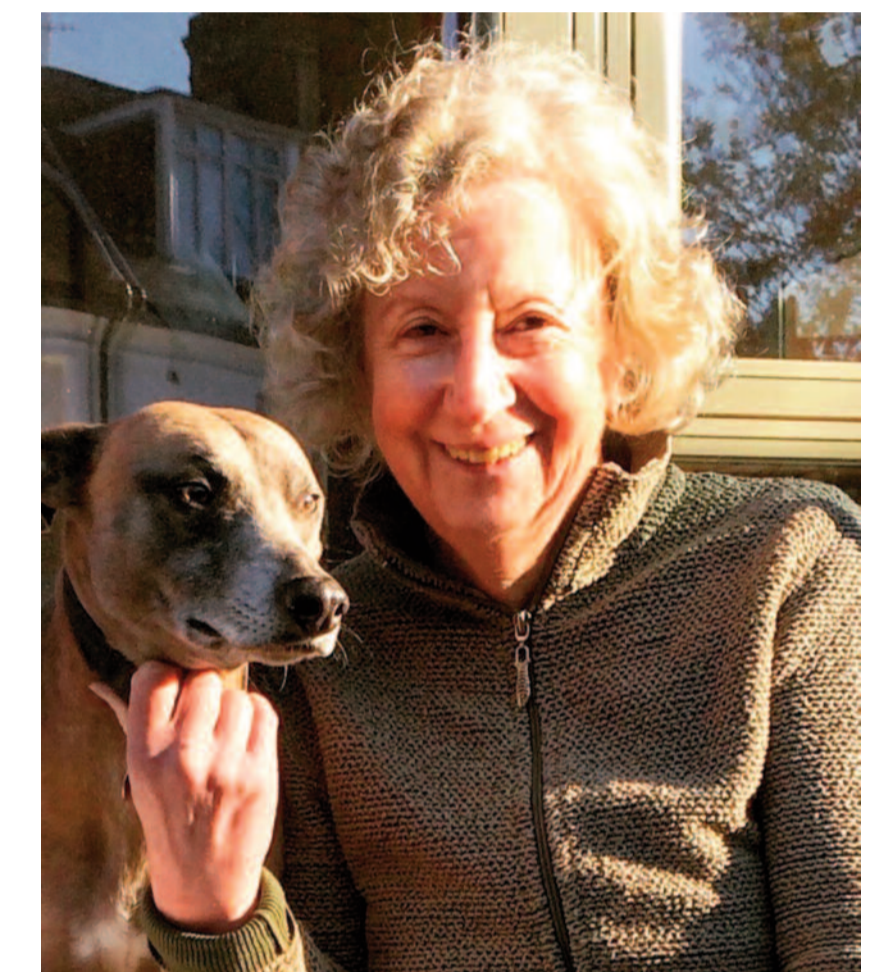
Director Peter Davies

Peter joined the BEL Board in April 2017 after retiring as Development Director of Shoreham Port. Previously, he was Head of Planning at Adur Council and before that he worked in various economic regeneration roles in the Midlands. He is a Member of the Royal Town Planning Institute and a Fellow of the Institute of Economic Development.



Director Sue Paskins

Sue is a qualified accountant and served as a Green Party Councillor in Brighton & Hove from 2003-7. She owned and ran a number of successful businesses and has worked in accountancy for various commercial organisations, culminating at First Leisure PLC where she was Group Management Accountant. More recently she – along with husband Mick – owned & ran a series of successful boutique hotels.



Director Gerard Sauer

Gerard joined BEL as a Non-Executive Director in December 2017, focussing on the technical issues of PV assets. Lately concentrating on post FIT strategy, He started in the Renewable Energy Industry in 1992, and has been involved in fuel cell cars and boats, static generators, large scale solar plants, and continental wind projects.



Director Stuart Condie

Stuart joined BEL's Board at the end of 2019 having previously been chairman at Shoreham Port 2015-17. His working life has mostly been in transport, but he's also chaired two pension funds, and been a Non-Executive Director of Heathrow Express. His areas of expertise include finance, commercial contracts, and compliance issues.



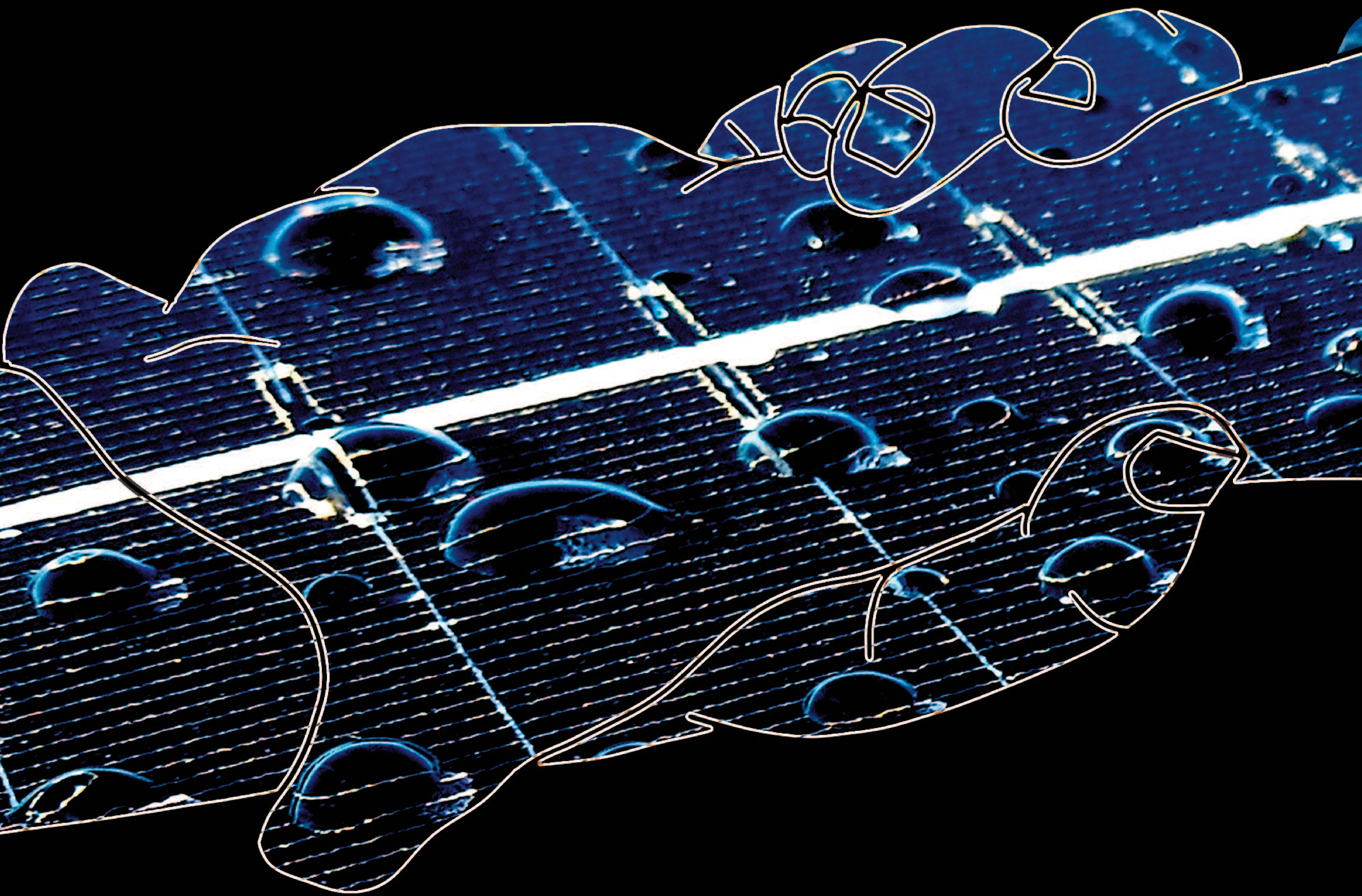
Communications & Community Fund

Atlanta Cook

Atlanta joined BEL in November 2020, to oversee our communications and Community Fund. As a longtime eco educator, campaigner, event organiser and fund-raiser, she brings a wealth of knowledge to our table. Atlanta is a Co-founding Trustee & Secretary of eco education charity Beacon Hub Brighton CIO, a Regional Rep for Surfers Against Sewage and runs her own marine environment consultancy.



FINANCIAL DETAILS



FINANCIAL PROJECTIONS FOR OUR NEW SITES

The figures given are provisional. There remain several key risks around our assumptions, so it's important to read the risk factors below.

	1	2	3	4	5	6 to 25	Total
<u>Income from electricity generation</u>	<u>114,592</u>	<u>120,843</u>	<u>121,219</u>	<u>128,469</u>	<u>136,184</u>	<u>5,405,694</u>	<u>6,027,002</u>
<u>Operating Costs</u>							
Metering and monitoring	3,500	3,763	4,045	4,348	4,674	217,593	237,923
Insurance	3,171	3,409	3,664	3,939	4,235	197,139	215,558
Ops & Maintenance	6,445	6,928	7,448	8,006	8,607	400,657	438,090
<u>Administration Costs</u>							
BEC administration	10,100	10,353	10,611	10,877	11,149	291,904	344,993
Inverter sinking fund	2,819	2,819	2,819	2,819	2,819	19,731	33,824
Depreciation	27,623	27,623	27,623	27,623	27,623	552,453	690,566
<u>Total Operating and Admin costs</u>	<u>53,657</u>	<u>54,893</u>	<u>56,209</u>	<u>57,611</u>	<u>59,105</u>	<u>1,679,478</u>	<u>1,960,954</u>
Net profit before Tax, Bond Repayment, Interest and Community Fund	60,935	65,950	65,010	70,857	77,079	3,726,216	4,066,048
<u>Cashflow</u>							
<u>Cash In</u>							
Bond Issue	699,117						
Income from electricity generated	114,592	120,843	121,219	128,469	136,184	5,405,694	6,027,002
Total cash income	813,709	120,843	121,219	128,469	136,184	5,405,694	6,726,119
<u>Cash Out</u>							
Capital equipment	699,117						
Operational and admin expenses	26,034	27,270	28,587	29,989	31,483	1,170,466	1,313,828
Bond Interest	45,443	45,443	45,443	45,443	45,443	485,887	713,100
Bond Repayment					139,823	559,294	699,117
<u>Total cash out</u>	<u>770,594</u>	<u>72,713</u>	<u>74,029</u>	<u>75,431</u>	<u>216,749</u>	<u>2,215,646</u>	<u>3,425,163</u>
Net cash flow (surplus)	43,115	48,130	47,190	53,038	-80,564	3,190,048	3,300,956

CONSIDERATIONS FOR OUR FINANCIAL PROJECTIONS

In our financial projections we assess & evaluate the following:

Criterion for a successful BEL site - the principal criterion for a successful project is that each project can pay the bondholder interest and generate a modest surplus after all operating costs

Revenue - We expect to generate electricity and sell electricity both onsite and via exporting it to an energy supplier.

Production efficiency - The efficiency of our new projects are based on the average efficiency of our existing systems. This was increased notably by the appointment of an operations manager in 2021.

Asset Management costs - the cost of site-specific administration is modelled on our experience of operating multiple solar PV systems. This includes yearly physical checks and maintenance

which look at all modules, inverters, mounting, monitoring, grid connections, sub-stations, security, and all other site-specific gear. Also includes active monitoring of the environmental conditions and system performance, plus any legal, accounting or other ongoing management issues.

BEL internal operating costs - ongoing activities in compliance with relevant regulatory regimes, governance, tax, shareholder/bondholder servicing, and invoicing.

Export vs. onsite consumption ratio - this ratio varies; BEL's financial modelling tool predicts the ratio for a specific site. Generally we aim for sites with a high onsite usage as this gives us long-term visibility on revenue (see Power Purchase Agreements below).

Property Leases - All BEL solar sites have a lease agreement with

the property owner. Each site's financial model is based on the length of this lease.

Power Purchase Agreement (PPA) - A power purchase agreement (PPA) is a financial agreement whereby BEL and the host site agree a price and term for the sale of electricity. PPAs play a significant role as the income from the PPA is critical to achieve necessary returns. If a particular site is sold, PPAs are transferable, meaning that a new owner 'inherits' a PPA agreement, and so BEL continues to receive income in this manner.

Pipeline - as well as the projects outlined above, our pipeline includes other prospective projects. In the situation that a project does not materialise we would look to replace it with one from the pipeline.

Inflation - while extremely hard to predict, we predict a five-year inflation rate (RPI) of 7.5%. Our revenue and cost projections are

based on this figure.

Growth rate - our target for the organisation is to build 1000kWp of solar each year for the next five years.

Capital cost - while we have individually costed the projects listed above, going forward, we assume an installation cost of £900 per kWp installed. Installation costs have fluctuated over the last five years - from £650 per kWp to around £950 today.

Repaying Share Capital - our projections factor in paying back 4% of shareholdings per year for the next five years.

Repaying Bond Capital - we anticipate repaying 20% of Bondholder capital at the five year mark, and refinancing 80%.

Funding New Projects - we anticipate funding new projects via share offerings with a 5% interest rate.

BEL's Latest Financial Position

	2022	2021
		£
Turnover	427,294	408,464
Cost of Sales	-19,920	-17,724
Gross Surplus	407,374	390,740
Operating Expenses	-342,637	-274,652
Other Operating Income	66,371	91,301
Operating Surplus	131,108	207,389
Loss on disposal of fixed assets	-29,990	
Interest receivable	59	148
Interest payable	-1,280	-594
Surplus before Tax	99,897	206,943
Tax on Surplus	7,878	-14,274
Surplus for the financial year	107,775	192,669

Business Overview

Our latest published accounts (April 2021 to March 2022) show that we increased turnover to £427,294 compared to the previous year. However, we also increased our costs, principally due to taking on a Operations Manager, and receiving less in Other Operating Income (largely grants and consultancy).

Due to depreciation our net assets declined during the year, but in Autumn 2022 we raised £400,000 and built a 528 kWp solar system at Rathfinny Wine Estate.

At the financial year end we had £3,174,191 of net assets, which, when liabilities are removed, equates to £3,017,386 of shareholder's funds, with the same amount of £1 BEL shares issued.

Interest to Members

Our yearly surplus of £107,775 composed the majority of our £156,805 retained surplus, and we used this to pay shareholder interest of £144,025 (after being signed off at our AGM in Septem-

ber 2022).

Repayment of Capital

During the year we repaid £129,747 of members capital - in line with the forecasts made in our share offer documents.

About Our Organisation

Brighton Energy Co-op is the trading name of Brighton Energy Limited, a Community Benefit Society (CBS) formed in 2010. As a CBS, Brighton Energy is democratically owned. Each member has one vote, regardless of the amount invested. Unlike a limited company, which is designed to benefit shareholders, a CBS is designed to benefit the wider community.

BEL is bound by its Rules, and the Directors serve in accordance with those Rules. BEL's day-to-day operations are overseen by the Board which also bears ultimate accountability to BEL members for ensuring financial probity and achievement of the organisation's objectives.

As a CBS, Brighton Energy Ltd complies with the requirements of the Cooperatives and Community Benefit Societies Act 2014 and is registered with and regulated by the Financial Conduct Authority. BEL shares are not traded.

See our full Accounts at www.brightonenergy.org.uk/documents

BEL's Recent Trading History

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<u>Kw solar under management</u>	<u>1565</u>	<u>2735</u>	<u>3230</u>	<u>3470</u>	<u>3470</u>	<u>4048</u>
<u>Profit and Loss</u>						
Turnover	194,115	258,347	325,977	408,464	427,294	507,036
Operating Expenses	-123,378	-148,171	-231,612	-274,652	-319,519	-331,449
Surplus before Interest	69,428	93,669	108,676	192,669	107,775	175,587
Interest on shareholdings	57,898	73,823	80,726	96,577	144,025	144,432
Interest on bonds						
<u>Surplus for the financial year</u>	<u>12,839</u>	<u>36,353</u>	<u>13,639</u>	<u>37,235</u>	<u>-36,250</u>	<u>31,155</u>

Over the last six years BEL's size has steadily increased, building an average of 550kWp of new solar each year. At the same time our turnover (increasing by an average of £61,972 per year) costs (£40,095), as well as interest to members have all grown, leading to an overall profit in five of the last six years.

Surplus for each financial year in this case is money that has been available after all costs, interest and capital payback. We have used this money to put into our community fund or hold as a retained surplus.

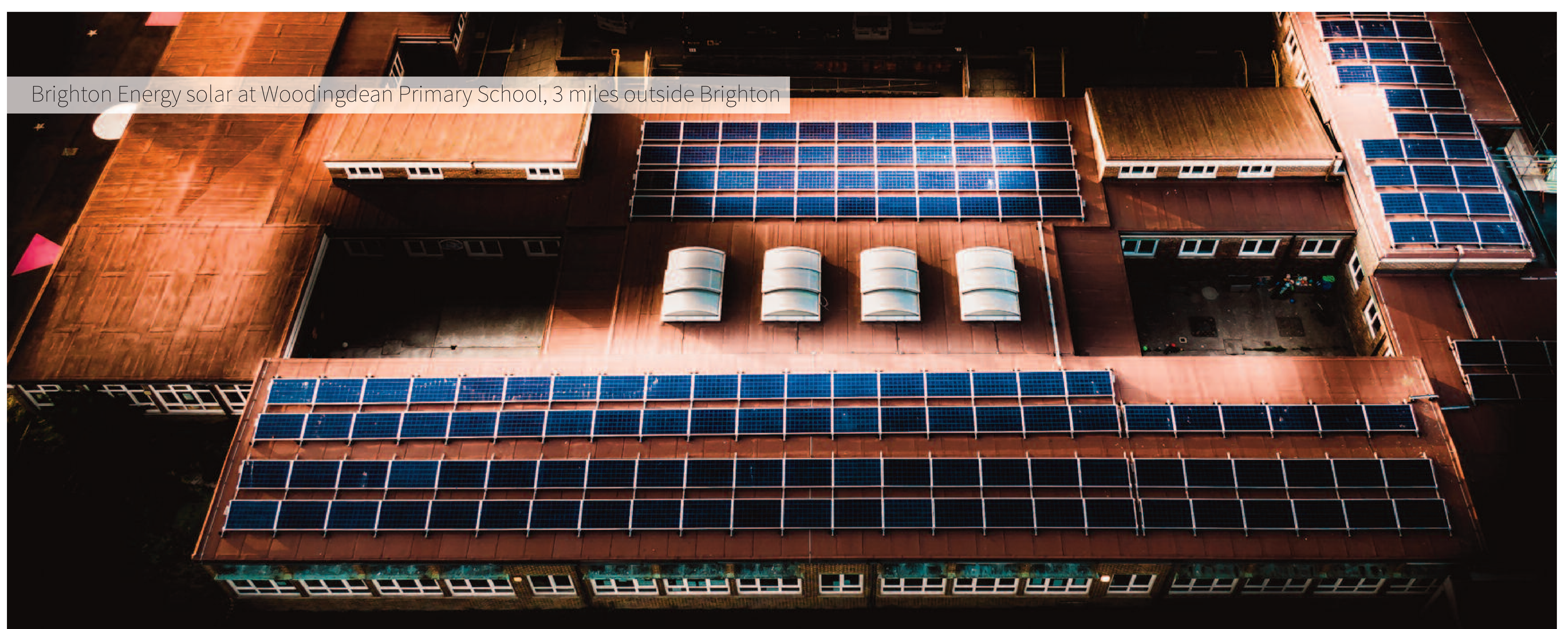
BEL in the Next Six Years

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
<u>Kw solar under management</u>	<u>5000</u>	<u>6000</u>	<u>7000</u>	<u>8000</u>	<u>9000</u>	<u>10000</u>
<u>Profit and Loss</u>						
Turnover	694,137	1,145,488	1,145,638	1,461,866	1,819,085	2,221,664
Operating Expenses	-398,790	-525,981	-671,466	-837,406	-1,026,193	-1,240,478
Surplus before Interest	295,347	619,508	474,172	624,461	792,892	981,186
Interest on shareholdings	150,869	147,098	188,514	228,891	268,284	306,717
Interest on bonds		45,435	45,435	45,435	45,435	45,435
<u>Surplus for the financial year</u>	<u>144,477</u>	<u>426,975</u>	<u>240,223</u>	<u>350,135</u>	<u>479,173</u>	<u>629,033</u>

Looking forward BEL is in a strong position because both our operating costs and our revenue increase with inflation.

Surplus for the financial year is the money after all costs and interest but before capital payback.

You can see a bump in revenue for the year 24-5. This is due to export contracts that come into effect where we took advantage of high export prices in 2022 and hedged contracts for 24-5. After this our projections anticipate export prices falling back to where they were in 20-21.



RISKS

Risk: BEL has insufficient money to repay the bond at the 5-year term

Bondholders will have the contractual right, having given the required notice, to full redemption of their bonds at the end of the 5-year initial term and, if they wish to extend beyond this initial term, at five yearly intervals thereafter. BEL's ability to repay the bonds at these points is dependent on it being able to secure finance from third parties.

Mitigation

The Directors are committed to managing the business with a view to ensuring that BEL has a range of options available to it to repay the bonds. However, there is no guarantee that there will be sufficient finance available to repay the bonds at this point.

Risk: Not securing sites

The viability of a project depends upon obtaining a lease agreement with the host sites. Without a lease agreement then it is not possible to proceed further. It is therefore a risk that the money spent on developing some projects – prior to their lease signing - may be spent without a result.

Mitigation

It is anticipated the offer to Bondholders will be a targeted 6.5% return, . Any future installation will not proceed unless it is able to deliver this target. Bondholders' funds will only be invested in new arrays and bond certificates issued once the Board of Directors is confident that the array will deliver the target returns.

Risk: Raising insufficient funds

It is possible that, once the bond offer launch is under way, not all the required capital can be raised.

Mitigation

The Board of Directors is confident that all subscription targets set are realistic and achievable. Installations will only proceed when sufficient capital is raised for each installation; if the funds for an installation are only partly raised then this money will be paid back.

Risk: Fluctuating electricity prices

In 2023 export prices were at a record high. But exported electricity prices are highly unpredictable and may fall.

Mitigation - We aim for sites where a high degree of electricity is used onsite, and so we are less exposed to the changing export market. Our financial models assume short-

term export prices will be high and then return to long-term averages.

Risk: A Site is Sold

Businesses are sometimes sold, and so BEL comes into contact with a new owner.

Mitigation

Our lease agreements specify that – in the event of the host business changing hands – any new occupier will be required to either buy the system or continue with the lease agreement . To further spread this risk, BEL aims to ensure it partners with the widest range of different types of businesses and organisations, especially those that are likely to be long-term focused.

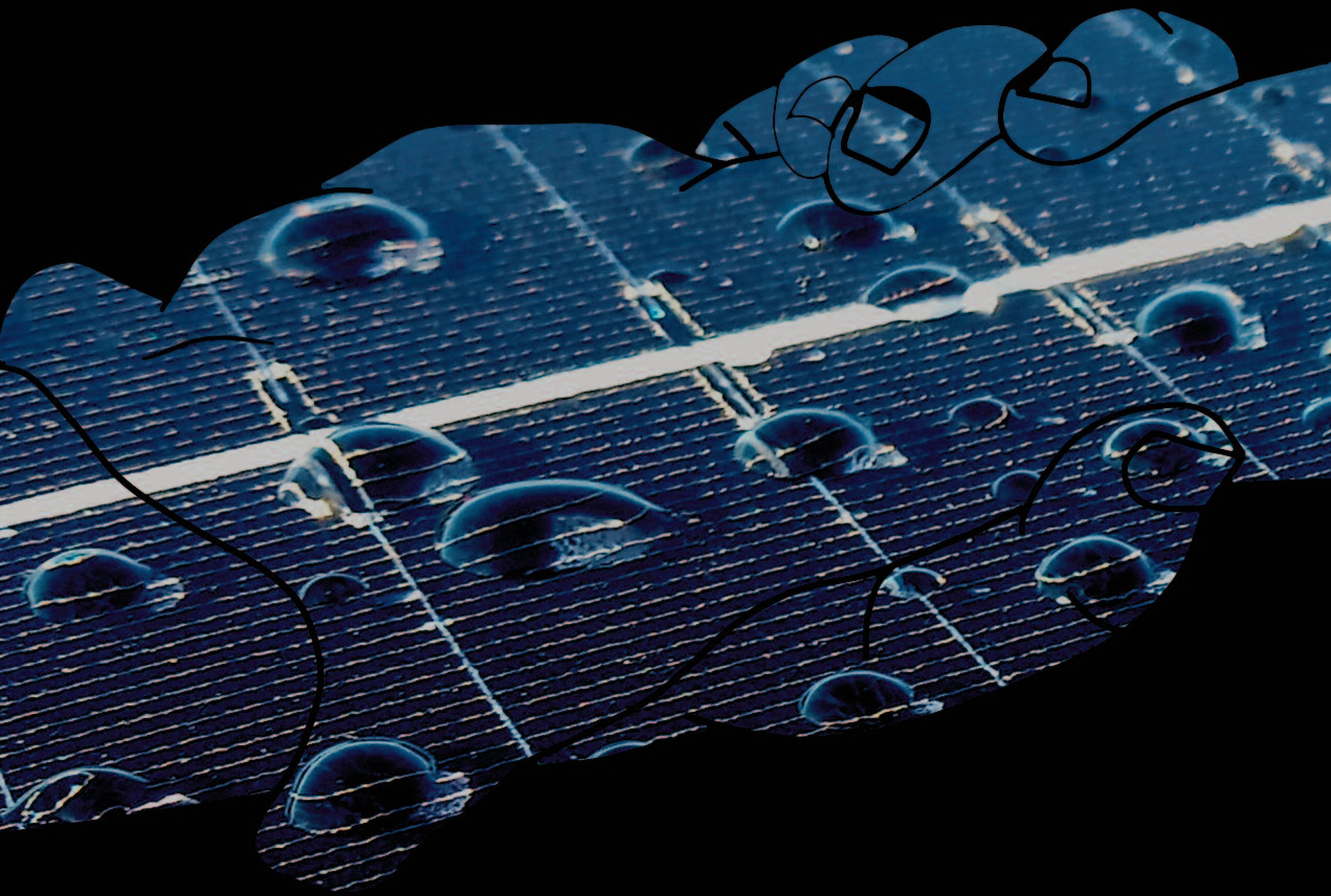
Risk: Inflation Rates Change

Risks associated with the assumptions for RPI and cost increase rates are variable and unpredictable. Energy cost inflation may prove to be more volatile; it is expected to rise ahead of inflation on average but will probably do so in an irregular fashion. Revenue may surge ahead of projections in the short term but fall back to trend later, or vice versa; alternative energy sources might in the long run reduce energy cost in real terms and so reverse recent inflationary trends and erode profit. The Board of Directors will always review actual revenue and developing trends before making payments of interest to bondholders or allocating grants.

Risks specific to BEL

Warranties and insurance will be in place in the event of mechanical breakdown of the equipment. Complete failure and loss of revenue through mechanical breakdown is reduced through the use of multiple inverters and the system is managed, through regular monitoring maintenance and repair, to minimise interruptions to supply. Accidental and malicious damage to our equipment will also be covered under our insurance.

THE OFFER DOCUMENT



THE OFFER DOCUMENT

Bonds will be issued under the terms of the Bond Instrument included in Appendix 3. Applicants should read the Bond Instrument carefully to make sure they understand the terms and conditions of the Bonds. The initial offer period is open until the Closing Date. At the discretion of the Board of Directors, the Offer may be extended. If the Offer is oversubscribed, the Directors reserve the right to scale up or down and/or refuse some Applications.

MATURITY -- The Maturity of the bonds is 25-years, starting on the issue date and divided into 5-year terms.

If bondholders wish to redeem their bonds at the 5-year term dates they must give BEL at least 3 months' notice of their intention. BEL will then be obliged to pay each bondholder their capital and the interest accrued on their bond within 30 days of the five-year anniversary of the issue date.

If bondholders wish to extend the term of their bond beyond the initial term, subject to BEL's decision to redeem the bond early (see below), they do not need to do anything. BEL will retain the capital and the bond will continue and Interest continue to be paid annually. the Interest Rate for future terms will be determined by the directors subject to the Conditions.

Bondholders will subsequently have the option every five years to redeem their bonds in full, on each five year anniversary of the issue date, by giving at least 3 months' notice to BEL. If they do so, BEL will pay those bondholders their capital within 30 days of the relevant anniversary.

BEL will send reminders to each bondholder 3 months before each notice is due.

EARLY REDEMPTION BY BEL- BEL has the option to redeem the bonds early, in whole or in part. In this circumstance, BEL can only redeem the bonds on the same terms as bondholders' themselves can opt to redeem the bonds – that is, by giving to bondholders at least 3 months' notice. If the bonds are redeemed all bondholders would be repaid their capital and interest accrued.

As part of its regular communications with bondholders, BEL will keep bondholders informed of any plans with regards to refinancing.

SECURITY - The Bonds are an unsecured obligation of BEL and all Bondholders rank equally amongst each other. Interest and capital repayments will be made on an equal pro rata basis dependent on the amount of funds invested, without giving priority to one Bondholder over another. Bonds take higher precedent than shares so in the event of the BEL not meeting its projections, payment of bond interest and capital would take priority over payment of share interest and repayment of share capital.

The Board of Directors reserves the right to take on additional debt obligations (secured or unsecured) in accordance with BEL's Rules if they believe this would be in the best interests of BEL's community purpose.

TRANSFERABILITY - The Bonds are not transferable to other investors, and will not be listed on a stock exchange.

INTEREST - BEL intends to pay Bondholders 6.5% gross interest rate per annum calculated on the outstanding capital amount of their Bonds. The Bonds will accrue interest from the Interest Date.

If assets perform below expectations, interest payments may be reduced. In this case, a full explanation will be given by the Board of Directors at the AGM and communicated to Bondholders.

CAPITAL REPAYMENT - Capital repayment will be made at the discretion of the Board of Directors.

When assessing whether or not BEL can pay interest and repay capital, the Board of Directors will assess the funds available after having first satisfied:

- (a) all other relevant operational expenditure and the costs of meeting any liabilities of BEL; and
- (b) setting aside such operational or other reserves which the Board of Directors reasonably believe are necessary for the prudent management of BEL's business.

For the full terms regarding interest payments, please see the Bond Instrument at Appendix 3

TIMETABLE - The deadline for Applications for Bonds is 1st October 2023, unless extended by the Board of Directors.

CERTIFICATES - Each Bondholder will be entitled to receive a Bond Certificate as evidence of investment in the Bonds.

TAXATION - Bondholders will be responsible for declaring any income from the Bonds on their tax returns. Interest paid on the Bonds is not subject to withholding tax under section 887 Income Tax 2007 and all interest will be paid to Bondholders without deduction of tax. You should consult a financial advisor regarding the effects of the tax on your investment.

APPENDIX 1

General Information

BEL is registered with the Financial Conduct Authority as a Community Benefit Society number 31107R. A community benefit society is a legal entity which conducts business for the benefit of the community. It has shares that can be purchased by the public who, by purchasing shares, become members of the society.

A community benefit society is a limited liability corporation. This means that, if the community benefit society cannot repay its debts, the liability of the members is limited to the value of their shareholding.

The board of directors of a community benefit society are appointed by its members at the annual general meeting, subject to the society's rules. The directors are responsible for the management of the society. Only members have the right to vote at members' meetings and appoint directors. Bondholders may attend the AGM but cannot vote on motions.

Management

Day-to-day operations will be managed by employees under the supervision of the Board of Directors. The Board of Directors bears ultimate responsibility to the members for the management and administration of BEL.

Disclosure Statement

No Director has, for at least the past five years, had any convictions (for any fraudulent offence or otherwise), or been involved in any bankruptcies, receiverships or liquidations, or received any public reprimand or sanction by a statutory or regulatory authority or designated professional body, or been disqualified from any function by any court.

Conflicts of Interests Statement

Directors of BEL or any other third-party contractor shall not participate, be counted in the quorum or vote on any consideration of the terms of any agreement between BEL and the relevant third party or on the quality of their performance or in relation to any actual or potential dispute.

Remuneration

BEL pays remuneration to staff for providing administrative support to BEL. Similarly BEL pays others for project development services. BEL costs these services at a market rate similar to that which has been paid by comparable organisations.

Employees and contractors will be paid for services provided to BEL.

Directors do not benefit from share option schemes and, except for the reimbursement of properly incurred expenses, there are no benefits for Directors.

Directors serve in accordance with the Rules.

Major shareholders

There are no major shareholders in BEL and in the context of a community benefit society such a concept is of limited significance. No individual, organisation or groups of individuals or organisations has control, given the One Member / One Vote governing principle of all community benefit societies.

APPENDIX 2

Tax Information

The precise tax treatment of Bonds will depend on individual circumstances and the law and practice in force at the relevant time and may therefore be subject to change in the future. If applicants are in any doubt about their tax position they should consider taking appropriate financial and other advice from a suitably qualified professional.

The comments below do not constitute advice and are of a general nature, based on current United Kingdom law and practice. They relate only to the United Kingdom tax treatment of interest payable on the Bonds. The comments do not deal with any other United Kingdom tax implications of acquiring, holding or disposing of Bonds, and relate only to the position of Bondholders who are the absolute beneficial owners of the Bonds.

Tax on Bond interest

The Directors intend that BEL will pay interest to Bondholders without deducting any amount by way of tax. Applicants should be aware that they may need to pay tax on that interest, and therefore may need to declare it to HMRC. For Applicants who are natural persons, this should be done by declaring the interest they have received from BEL on a self-assessment tax return.

Depending on their circumstances, Bondholders who are natural persons may be able to use their Personal Allowance (PA), or their Personal Savings Allowance (PSA) to mitigate the tax on the interest they receive from BEL.

APPENDIX 3

The Bond Instrument

THIS INSTRUMENT is created by Brighton Energy Limited Ltd.

Recital

BEL has by resolution of its Board of Directors on 6 February 2023 resolved to create up to a maximum nominal amount of £1 million of unsecured Bonds, to be constituted in the manner set out below.

Agreed terms:

1. DEFINITIONS AND INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this Instrument.

“**Applicants**” means those who have submitted Applications for Bonds.

“**Applications**” means: applications for Bonds received by BEL

“**Available Funds**” Any funds which in the reasonable opinion of the Directors acting in good faith are available to BEL at the relevant time to pay first interest and secondly capital on Bonds to Bondholders after having first satisfied: (a) all other relevant operational expenditure and the costs of meeting any liabilities of BEL, including any liabilities incurred as part of the BEL programme; and (b) setting aside such operational or other reserves which the Directors reasonably believe are necessary for the prudent management of its business.

“**Bondholder**” means each person for the time being entered in the Register as a holder of any Bonds, following an Application.

“**Bonds**” means the unsecured bonds constituted by this instrument and issued to Bondholders pursuant to an Application or, as the case may be, the amount of such bonds for the time being issued and outstanding.

“**Business Day**” means a day other than a Saturday, Sunday or public holiday in England when banks in London are open for business.

“**Certificate**” means a certificate issued by BEL under clause 5.

“**Closing Date**” means 1st October 2023 or such later date as the Board of Directors may decide.

“**Conditions**” means the conditions set out in Schedule 1.

“**Directors**” means the board of directors of BEL.

“**Event of Default**” means any of those events specified in clause 7.

“**Group**” means BEL and any subsidiary from time to time of BEL (and the expression member of the Group shall be construed accordingly).

“**Instrument**” The instrument constituting the Bonds as set out in Appendix 3. The provisions of this Instrument shall be interpreted accordingly.

“**Interest Rate**” means 6.5% (subject to the Conditions in this Instrument) for the initial 5-year term.

“**Interest Date**” means the date at which the bonds start to accrue income.

“**Issue Date**” means, the date the Bonds are issued.

“**Maturity Date**” means the 25th anniversary of the Issue Date.

“**Offer Document**” means the offer of Bonds issued by BEL contained in this document and made subject to the terms and conditions found in this document.

“**Document**” means the document accompanying this Bond Instrument.

“**Register**” means the register of Bondholders kept and maintained by BEL in accordance with clause 6 of the Bond Instrument.

“**Special Resolution**” means a Special Resolution at a Meeting or a Written Special Resolution

“**Special Resolution at a Meeting**” means a resolution passed at a meeting of the Bondholders duly convened and held in accordance with the provisions of this Instrument and carried by a majority consisting of not less than 51% of the persons voting at such meeting on a show of hands or, if a poll is demanded by a majority consisting of not less than 51% of the votes given on such poll.

“**Terms and Conditions**” means the terms and conditions found in the Offer Document

“**Written Special Resolution**” means written notice to BEL submitted with the approval of more than 51% of the total number of Bondholders.

1.2 Any reference in this instrument to:

1.2.1 An encumbrance shall be construed as a reference to a mortgage, charge, assignment, pledge, lien (save as arising in the ordinary course of business), hypothecation, right of set-off (save 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;

1.2.2 A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

1.2.3 Repayment includes redemption and vice versa and the words repay, redeem, repayable, redeemed and repaid shall be construed accordingly.

1.3 References to any statute or statutory provision shall be construed as a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

1.4 In construing this instrument general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things and general words followed by the word “including” shall not be given a restrictive

meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.5 All the provisions of this instrument are severable and distinct from one another and the illegality, invalidity or unenforceability of any provision of this instrument under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

1.6 The Schedules (including, for avoidance of doubt, the Conditions) form part of this instrument and shall have effect and shall be binding on the Bondholders as if set out in full in the body of this instrument. Any reference to this instrument includes the Schedules.

2. AMOUNT, DESCRIPTION AND STATUS OF BONDS

2.1 The total capital amount of the Bonds is limited to £1,000,000 and the Bonds shall be issued in integral multiples of £1 by BEL.

2.2 The Bonds when issued shall rank pari passu equally and rateably without discrimination or preference among themselves and as an unsecured obligation of BEL.

3. REPAYMENT AND INTEREST

When the Bonds become repayable in accordance with the provisions of this Instrument, BEL shall pay to the Bondholders the capital amount owing to each Bondholder together with any accrued interest on such Bonds due under this Instrument, in each case less any taxes that may be imposed by law.

4. ISSUE OF BONDS

4.1 Applicants who submit Applications to BEL in accordance with the Terms and Conditions before the Closing Date and whose Applications are accepted will be issued Bonds and will begin to accrue interest on their Bonds effective from the Interest Date.

5. CERTIFICATES

5.1 Each Certificate for Bonds shall be issued to a Bondholder and shall be executed by BEL and have the Conditions endorsed on or attached to it. Each Bondholder shall be entitled to receive without charge one Certificate for the Bonds registered in their name.

5.2 When a Bondholder redeems part only of their Bonds, the certificate will not be re-issued except on request and for a fee. The definitive record of the number of bonds held by each bondholders is kept in a register held by BEL.

6. REGISTER

6.1 BEL shall, at all times, keep a Register at its registered office

(or at such other place as BEL may from time to time have appointed for the purpose).

6.2 The Register shall contain the following details:

6.2.1 the names and addresses of the Bondholders and the date on which the name of the Bondholder is entered on the register;

6.2.2 the capital amount of the Bonds held by each Bondholder;

6.2.3 the date of issue of each Bond;

6.3 Any change of name or address by any Bondholder that is notified to BEL at its registered office address above shall be entered in the Register.

6.4 Any Bondholder may, by written notice to BEL, request to be informed of the information regarding that Bondholder held in the Register and require BEL promptly to rectify an error in the Register in relation to that Bondholder.

7. DEFAULT

The following are Events of Default:

7.1.1 Non-payment: BEL fails to repay any amount due on the Bonds within 30 Business Days after the due date for payment thereof;

7.1.2 Breach of undertaking: BEL fails duly to perform or comply with any obligation (other than an obligation to repay capital outstanding on the Bonds) expressed to be assumed by it in this Instrument and such failure continues for 30 Business Days after written notice has been given by any Bondholder requiring remedy thereof;

7.1.3 Insolvency: BEL is (or is, or could be, deemed by law or a court to be) insolvent or unable to pay its debts (as defined in section 123 of the Insolvency Act 1986), stops, suspends or threatens to stop or suspend payment of all or any material part of its indebtedness or commences negotiations with any one or more of its creditors with a view to the general readjustment or re-scheduling of all or any material part of its indebtedness or makes a general assignment for the benefit of, or composition with, any of its creditors (or any class of its creditors) or a moratorium is agreed or declared in respect of, or affecting, all or a material part of its indebtedness;

7.1.4 Enforcement proceedings: A distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of BEL and is not discharged or stayed within 30 Business Days;

7.1.5 Winding-up: BEL takes any corporate action or other steps are taken or legal or other proceedings are started for its winding-up, dissolution or re-organisation (other than for the purposes of a bona fide, solvent scheme of reconstruction or amalgamation previously approved by Special Resolution) or for the appointment of a receiver, administrator, administrative

receiver, liquidator, trustee or similar officer of it or of any or all of its assets;

7.1.6 Analogous proceedings: Anything analogous to or having a substantially similar effect to any of the events specified in clause 7.1.3 to clause 7.1.5 inclusive shall occur under the laws of any applicable jurisdiction;

7.1.7 Encumbrance enforceable: Any encumbrance on or over the assets of BEL becomes enforceable and any step (including the taking of possession or the appointment of a receiver, manager or similar person) is taken to enforce that encumbrance;

7.1.8 Cessation of business: BEL ceases to carry on the business it carries on at the date of this instrument or a substantial part thereof; and

7.1.9 Illegality: It is or becomes or will become unlawful for BEL to perform or comply with any of its obligations under this instrument, or any such obligation is not or ceases to be legal, valid and binding.

8. ACCELERATION

If, at any time and for any reason, any Event of Default has occurred, the Bondholders may by Special Resolution, at any time while such Event of Default remains un-remedied and has not been waived by a Special Resolution, direct that the capital amount of all Bonds, all unpaid accrued interest and any other sum then payable on such Bonds shall become due and payable immediately and such amounts shall be immediately payable by BEL to the Bondholders (in each case less any taxes that may be imposed by law).

9. NO SET-OFF

Payments of capital and interest under this Instrument shall be paid by BEL to the Bondholders, and the Bonds shall not be transferable.

10. MEETINGS OF COMMUNITY BONDHOLDERS

The provisions for meetings of the Bondholders are set out in Schedule 3.

11. ENFORCEMENT

11.1 From and after the date of this instrument and so long as any amount is payable by BEL in respect of the Bonds, BEL undertakes that it shall duly perform and observe the obligations on its part contained in this Instrument.

11.2 The Bonds shall be held subject to and with the benefit of the provisions of this Instrument, the Conditions and the schedules. All such provisions shall be binding on BEL and the Bondholders and all persons claiming through or under them respectively, and shall inure for the benefit of all Bondholders,

their personal representatives, successors and permitted assigns.

11.3 Except as expressly provided in this clause 11.3, a person who is not a party to this Instrument shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Instrument. This Instrument and the Bonds are enforceable under the Contracts (Rights of Third Parties) Act 1999 by each Bondholder.

12. MODIFICATION

The provisions of this Instrument may from time to time be modified, abrogated or compromised in any respect by Special Resolution and with the consent of BEL.

13. GOVERNING LAW AND JURISDICTION

13.1 This Instrument and the Bonds and any dispute or claim arising out of or in connection with any of them or their subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.

13.2 The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Instrument or any Bond or their subject matter or formation (including non-contractual disputes or claims).

SCHEDULE 1 - THE CONDITIONS

1. CAPITAL REPAYMENT

1.1 All Bonds not previously redeemed before the Maturity Date will be repaid by BEL within 30 days of the Maturity Date, at par, together with interest accrued up to and including the date that repayment is made.

1.2 Bondholders may be repaid some or all of their capital early if the Directors determine that a set of circumstances arises such that it will advance the community purpose of BEL to do so. Any repayment will be made pro rata amongst all Bondholders. Bondholders will be given not less than three months' notice in the event of such determination.

1.3 In the event of an early repayment under Condition 1.2 meaning that all Bondholders are repaid in full or in part, the Directors shall also make payment of any accrued interest to all Bondholders, subject to Available Funds.

1.4 All Bonds repaid in full by BEL shall be cancelled.

1.5 For the avoidance of doubt, where BEL does not have Available Funds: (a) to pay capital repayments in any year or (b) to repay any capital outstanding at the Maturity Date, any non-payment shall not amount to an Event of Default.

2. INTEREST

2.1 Subject to Condition 3, until the Bonds are repaid in accordance with these Conditions, interest on the capital amount of the Bonds outstanding from time to time shall accrue from the Interest Date at the Target Interest Rate, calculated annually on 1st October in each year.

2.2 Interest shall be calculated on the basis of the actual number of days elapsed in the relevant period and a 365-day year.

2.3 Interest accrued shall be paid in arrears within 90 days of the interest date in each year to a bank account nominated by the Bondholder in writing to BEL.

3. CANCELLATION OF INTEREST

3.1 The Directors shall use their reasonable endeavours to manage the business of BEL with a view to generating and maintaining sufficient Available Funds to pay interest to Bondholders at the Target Interest Rate for each year.

3.2 If BEL does not have the Available Funds to pay interest at the Target Interest Rate for any year, Bondholders shall receive an interest payment which, in the reasonable opinion of the Directors, is affordable to BEL based on Available Funds.

3.3 For the avoidance of doubt, where BEL does not have Available Funds to pay interest at the Interest Rate or to meet a shortfall arising in a previous year(s), this shall not amount to an Event of Default.

4. DEALINGS

The Bonds shall not be capable of being dealt in or on any listed stock exchange in the United Kingdom or elsewhere and no application has been or shall be made to any listed stock exchange for permission to deal in or for an official or other quotation for the Bonds.

5. NOTICES

5.1 Any notice or other document (including Certificates) may be given or sent to any Bondholder by sending the same by post in a prepaid, first-class letter addressed to such Bondholder at their registered address in the United Kingdom or (if they have no registered address within the United Kingdom) to the address (if any) within the United Kingdom supplied by them to BEL for the giving of notice to him or to an electronic address notified by the Bondholder to BEL for the purpose of receiving notices or other documents (including Certificates). Notice may be given to the persons entitled to any Bonds as a result of the death or bankruptcy of any Bondholder by sending the same by post in a prepaid, first-class envelope addressed to them by name or by the title of the representative or trustees of such Bondholder at the address (if any) in the United Kingdom supplied for the purpose by such persons or (until such address is supplied) by giving notice in the manner in which it would have been given if the death or bankruptcy had not occurred.

5.2 Any notice or other document (including Certificates) may be given or sent to BEL by sending the same by post in a prepaid, first-class letter addressed to BEL at its registered office for the time being.

5.3 Any notice, communication or document sent by post shall be deemed to have been delivered or received on the second Business Day following the day on which it was posted. In proving such delivery or receipt it shall be sufficient to prove that the relevant notice, communication or document was properly addressed, stamped and posted (by airmail, if to another country) in the United Kingdom. Any notice, communication or document sent to an electronic address shall be deemed to have been delivered on the day on which it was sent.

SCHEDULE 2 - PROVISIONS

1. RECOGNITION OF BONDHOLDER AS ABSOLUTE OWNER

BEL shall recognise as absolute owner the registered holder of any Bonds. BEL shall not (except as ordered by a court of competent jurisdiction) be bound to take notice or see to the execution of any trust (whether express, implied or constructive) to which any Bond may be subject. The receipt of the registered holder for the time being of any Bonds or, for the capital payable in respect of such Bonds and for the interest from time to time accruing due in respect of such Bonds or for any other moneys payable in respect of such Bonds shall be a good discharge to BEL notwithstanding any notice it may have (whether express or otherwise) of the right, title, interest or claim of any other person to or in such Bonds, interest or moneys. BEL shall not be bound to enter any notice of any express, implied or constructive trust on the Register in respect of any Bonds.

Certificate is issued. BEL reserves the right to charge a fee to the Bondholder for issuing a replacement Certificate

2. TRANSFERABILITY OF BONDS

2.1 The Bonds are not transferable.

3. RECOGNITION OF PERSONAL REPRESENTATIVES

3.1 The executors or administrators of a deceased Bondholder shall be the only person(s) recognised by BEL as having any title to such Bonds.

3.2 Any person who becomes entitled to any of the Bonds as a result of the death or bankruptcy of any Bondholder, or of any other event giving rise to the transmission of such Bonds by operation of law may, upon producing such evidence that they sustain the character in respect of which he proposes to act under this Condition or of his title as the Directors shall think sufficient, be registered themselves as the holder of such Bonds or, subject to the preceding Conditions as to transfer, may transfer such Bonds. BEL may retain any payments paid upon any such Bonds which any person under this provision is entitled to, until such person is registered as the holder of such Bonds or has duly transferred the Bonds.

4. MEANS OF PAYMENT OF INTEREST AND CAPITAL

4.1 Payments of capital, interest or other sums payable by BEL in respect of the Bonds will be paid by electronic transfer.

4.2 All payments of capital, interest or other moneys to be made by BEL shall be made after any deductions or withholdings for or on account of any present or future taxes required to be deducted or withheld from such payments.

5. REPLACEMENT OF CERTIFICATES

If the Certificate for any Bonds is lost, defaced or destroyed it may be renewed on such terms (if any) as per evidence and indemnity as the Directors may require. In the case of defacement the defaced Certificate shall be surrendered before the new

SCHEDULE 3 - PROVISIONS FOR BONDHOLDER MEETINGS

1. CALLING OF MEETINGS

The Directors may at any time and shall on the request in writing signed by 10% or more of the total number of Bondholders convene a meeting of the Bondholders to be held at such place as the Directors shall determine. If requested, a register of bondholders will be made available for bondholders to contact one another.

2. NOTICE OF MEETINGS

At least 28 clear days' notice specifying the place, day and hour of the meeting shall be given to the Bondholders of any meeting of Bondholders. Any such notice shall specify the general nature of the business to be transacted at the meeting thereby convened but, except in the case of a resolution to be proposed as a Special Resolution, it shall not be necessary to specify the terms of any resolutions to be proposed. The omission to give notice to any Bondholder shall not invalidate any resolution passed at any such meeting.

3. CHAIR OF MEETINGS

A person nominated by the Directors shall be entitled to take the chair at any such meeting and if no such nomination is made, or if at any meeting the person nominated shall not be present within 15 minutes after the time appointed for holding the meeting, the Bondholders present shall choose one of their number to be Chair. The Directors and legal advisers of BEL and any other person authorised in that behalf by the Directors may attend at any such meeting.

4. QUORUM

At any such meeting convened for any purpose persons being or representing by proxy at least 10% of the total number of Bondholders shall form a quorum for the transaction of business. No business (other than the choosing of a Chair) shall be transacted at any meeting unless the requisite quorum is present at the commencement of the meeting.

4.1 If within 30 minutes from the time appointed for any meeting of the Bondholders a quorum is not present the meeting shall, if convened upon the requisition of the Bondholders, be dissolved. In any other case it shall stand adjourned to such day and time (being not less than 14 days and not more than 42 days thereafter) and to such place as may be appointed by the Chair and at such adjourned meeting two Bondholders present in person or by proxy and entitled to vote shall form a quorum.

5. ADJOURNMENT OF MEETINGS

5.1 The Chair may with the consent of (and shall if directed by) any such meeting adjourn the same from time to time and from place to place. No business shall be transacted at any adjourned meeting other than business that might lawfully have been

transacted at the meeting from which the adjournment took place.

5.2 Notice of any adjourned meeting at which a Special Resolution is to be submitted shall be given in the manner provided for in this instrument. Such notice shall state that two Bondholders present in person or by proxy and entitled to vote at the adjourned meeting shall form a quorum.

6. VOTING

6.1 Every question submitted to a meeting of Bondholders shall be decided in the first instance by a show of hands. In case of an equality of votes whether on a show of hands or a poll, the Chair shall not have a second or casting vote and the resolution shall be deemed to have been lost.

6.2 At any meeting of Bondholders, unless (before or on the declaration of the result of the show of hands) a poll is demanded by the Chair or by one or more Bondholders present in person or by proxy, a declaration by the Chair that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority shall be conclusive evidence of the fact.

6.3 If at any such meeting a poll is so demanded it shall be taken in such manner as the Chair may direct, provided that no Bondholder shall have more than one vote. The result of such poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn.

6.4 Any poll demanded at any such meeting shall be taken at the meeting without adjournment. 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.

6.5 Every Bondholder who (being an individual) is present in person or by proxy or (being a corporation) is present by a representative (not being himself a Bondholder) or by proxy shall have one vote, regardless of the number of Bonds held by such Bondholder present in person or represented.

7. PROXIES

7.1 Every instrument appointing a proxy shall be in writing, signed by the appointor or his attorney or, in the case of a corporation, under its common seal, or signed by its attorney or a duly authorised officer and shall be in such form as the Directors may approve. Such instrument of proxy shall, unless the contrary is stated thereon, be valid both for an adjournment of the meeting and for the meeting to which it relates and need not be witnessed. A person appointed to act as a proxy need not be a Bondholder.

7.2 The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of such power or authority shall be deposited with BEL at its registered office or at such other place as may be specified in the notice convening the meeting before the time appointed for holding the meeting or adjourned meeting or the taking of a poll at which the person named in such instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of proxy or of the authority under which the instrument of proxy is given or transfer of the Bonds in respect of which it is given unless previous intimation in writing of such death, insanity, revocation or transfer shall have been received by BEL at its registered office. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.

8. POWER OF MEETINGS OF BONDHOLDERS

In addition to the powers to pass the Special Resolutions referred to in Clause 7 (Events of Default), Clause 8 (Acceleration) and Clause 12 (Modification) of this instrument, a meeting of the Bondholders may, by Special Resolution, consent to any proposal put to Bondholders by BEL where such proposal may affect Bondholders' rights to repayment of capital, payment of interest or to demand accelerated repayment under Clause 8.

9. RESOLUTIONS

9.1 A Special Resolution, passed at a meeting of Bondholders duly convened and held in accordance with the provisions of this schedule, shall be binding on all the Bondholders whether or not present at such meeting and each of the Bondholders shall be bound to give effect to such Special Resolution accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing of such Special Resolution.

9.2 Subject to clause 7 of this Instrument, a Written Resolution shall be as effectual as a Special Resolution at a Meeting. A Written Resolution in writing may be contained in one document or in several documents in like form each signed by one or more of the Bondholders.

10. MINUTES OF MEETINGS

Minutes of all resolutions and proceedings at every such meeting of the Bondholders shall be made and duly entered in books to be from time to time provided for that purpose by BEL and shall be available for inspection by Bondholders during normal business hours on reasonable notice to BEL.