

# The bond

20 May 2025

THIS DEED is dated \_\_\_\_\_ 2025

- (1) **BAGNALL ENERGY LIMITED** a limited liability company incorporated and registered in England and Wales with company number 08349679 whose registered office is at 10 Lower Thames Street, London EC3R 6AF (**Borrower**).
- (2) **DOWNING NOMINEES LIMITED** a limited liability company incorporated and registered in England and Wales with number 08641949 whose registered office is at 10 Lower Thames Street, London EC3R 6AF (**Nominee**).

## 1. Definitions and interpretation

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

**Bondholder Account:** the bank account of each Bondholder as may be notified by a Bondholder to the Borrower in writing from time to time.

**Bondholder:** each person or body corporate in respect of whom the Borrower has accepted an application for subscription for Bonds and for the time being entered in the Register as a beneficial holder of any Bonds, with legal title being held by the Nominee on behalf of such Bondholder.

**Bonds:** the amount of bonds constituted by this instrument for the time being issued and outstanding.

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

**Default Interest Rate:** the rate 2% per annum above the Interest Rate.

**Downing Arrangement Fee:** a sum equal to 1% of the aggregate principal amount of the Bonds issued under this instrument.

**Event of Default:** any of those events specified in clause 8.

**Final Repayment Date:** the date falling 18 months after the first date of issue of the Bonds under this instrument.

**Interest Rate:** the Reference Rate plus the Margin.

**Interest Payment Date:** the Final Repayment Date and the last Business Day in every third month from the first date of issue of the Bonds under this instrument, and, if the relevant Bond is repaid prior to the Final Repayment Date, the date upon which all amounts outstanding under this instrument in relation to the relevant Bond are repaid in full in accordance with the terms of this instrument.

**Interest Period:** the period starting on the date after an Interest Payment Date and ending on the next Interest Payment Date, other than the first Interest Period, which shall start on the date of issue of the relevant Bond and end on the first Interest Payment Date.

**Margin:** 2.75% per annum for such time as the aggregate par value of Bonds in issue pursuant to this instrument is up to £15,000,000 and, otherwise, 3.00% per annum unless and until Bonds are redeemed pursuant to a Bondholder Redemption Notice and this results in the aggregate par value of the Bonds in issue pursuant to this instrument reducing below £15,000,000.

**Reference Rate:** in respect of an Interest Period, the average SONIA (sterling overnight index average) reference rate displayed on the relevant screen of any authorised distributor of that reference rate for each day during that period, and in the event such rate not being available, shall be the "Daily Rate" as defined in the revolving facility agreement entered into between the Borrower and Santander UK Plc on 31 March 2025 (as amended from time to time).

**Register:** the register kept and maintained by the Borrower in accordance with clause 6 showing the legal and beneficial owner of the Bonds.

1.2 Any reference in this instrument to:

1.2.1 an encumbrance shall mean 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 this instrument or to any other instrument, agreement or document shall, unless the context otherwise requires, mean this instrument or such other instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case, in accordance with its terms;

1.2.3 a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality) and that person's personal representatives, successors, permitted assigns, nominee or agent; and

1.2.4 the winding-up, dissolution or administration of a person shall include any equivalent or analogous proceedings under the law of the jurisdiction in which such person is incorporated or of any jurisdiction in which such person carries on business.

1.3 In interpreting this instrument, words preceded by the word other shall not be given a restrictive meaning. 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. Such examples shall not be deemed to be an exhaustive list of examples.

1.4 All the provisions of this instrument are severable and distinct from one another. The unenforceability of any provision of this instrument (for any reason) under the law of any jurisdiction shall not affect its validity or enforceability under the law of any other jurisdiction.

1.5 The Schedule forms part of this instrument. Any reference to this instrument includes the Schedule. Any reference to “this instrument” shall be to this instrument.

## 2. Amount, description and status of Bonds

2.1 The aggregate principal outstanding amount of the Bonds from time to time is limited to £23,000,000. The Bonds shall be known as Floating Rate Bonds of £1 each.

2.2 The Bonds when issued shall rank pari passu equally and rateably without discrimination or preference among themselves and as unsecured obligations of the Borrower. The Bonds shall rank behind the Borrower’s secured obligations.

2.3 Legal title to the Bonds shall be held by the Nominee as bare nominee for each Bondholder.

## 3. Repayment of bonds

3.1 Subject to the remaining provisions of this clause 3, the Bonds shall be repaid in full on the Final Repayment Date, together with all interest due thereon.

3.2 The Borrower may, at any time after the date falling three months from the first date of issue of the Bond, give notice to the Nominee and the relevant Bondholder (such notice being given in writing) at any time that some or all of the Bonds are to be redeemed (“**Borrower Redemption Notice**”). The Borrower shall redeem the Bonds that are subject to the Borrower Redemption Notice on the day which is six calendar months after the date upon which the Borrower Redemption Notice is served.

3.3 The Nominee (where instructed to do so in writing by a Bondholder) shall, at any time after the date falling three months from the first issue of the Bonds, give notice to the Borrower (such notice being given in writing) that some or all of the Bonds in respect of which it is beneficial owner are to be redeemed (“**Bondholder Redemption Notice**”). The Borrower shall redeem the Bonds that are subject to the Bondholder Redemption Notice on the day which is six calendar months after the date upon which the Bondholder Redemption Notice is served.

3.4 Any redemption of the Bonds under this instrument shall be made together with accrued and unpaid interest on the relevant Bonds up to (and including) the date of redemption.

3.5 Any redemption of Bonds or payment of interest under this instrument shall only be made by the Borrower if and to the extent permitted by the terms of the Borrower’s revolving facility agreement with Santander UK plc (“**Santander**”) dated 31 March 2025 (as amended from time to time) and any documents entered into pursuant to it (“**RCF**”). If such redemption or payment of interest is not so permitted, the relevant payment shall be deferred to the first date when it may be paid by the Borrower.

3.6 All Bonds repaid, prepaid or purchased by the Borrower shall be cancelled. The Borrower may choose to reissue such bonds subject always to the maximum aggregate principal outstanding amount of Bonds set out in this instrument.

3.6 All payments under this instrument, whether of principal, interest or otherwise, shall be made by the Borrower to the Bondholders to the relevant Bondholder Account by electronic transfer in immediately available cleared funds on the due date for payment. A payment to a Bondholder shall be a good discharge of the Borrower’s liability and no separate payment shall be made to the Nominee.

3.7 Where any payment, whether of principal, interest or otherwise, is due in accordance with the terms of this instrument on a day that is not a Business Day, payment shall take place on the immediately preceding Business Day.

## 4. Interest on Bonds

4.1 Until the Bonds are repaid in accordance with this instrument, interest on the principal amount of the Bonds outstanding from time to time shall accrue at the Interest Rate and will be payable in arrears on each Interest Payment Date.

4.2 The Borrower shall pay accrued interest on the Bonds in respect of an Interest Period on the Interest Payment Date on which that Interest Period ends. Interest payments shall be made in cash to the relevant Bondholder Account. Any payment of interest is subject always to the provisions of clause 3.5 above.

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

4.4 The Borrower shall pay to Downing LLP, on the date of Issue of the Bonds, the Downing Arrangement Fee. The payment shall be made to such account as Downing LLP nominates in writing to the Borrower from time to time.

4.5 If the Borrower fails to pay any amount of interest or principal on any Bond or the Downing Arrangement Fee when such amount is due, interest shall accrue at a default rate of two per cent above the relevant Interest Rate on the unpaid amount from the due date until the date of payment.

## 5. Certificates

Each certificate for Bonds shall bear a denoting number and be issued to the Nominee as nominee for a Bondholder substantially in the form set out in Schedule 1. The certificate shall be issued in electronic form only. Each Bondholder may require that the Nominee shall be entitled to receive without charge one electronic certificate for the Bonds registered in the Nominee's name, as nominee for such Bondholder.

## 6. Register

6.1 The Borrower shall, at all times, keep a Register at its registered office. The Register shall contain the following details:

6.1.1 the names and addresses of the Nominee and the Bondholder for the time being in respect of which the Nominee holds the Bonds;

6.1.2 the principal amount of the Bonds held by the Nominee on behalf of each Bondholder;

6.1.3 the date of issue of each Bond together with all transfers and changes of ownership of the Bonds.

6.2 Any change of name or address by the Nominee or any Bondholder that is notified to the Borrower at its registered office address from time to time (or such other address that the Borrower shall notify to the Bondholder) above shall be entered in the Register.

6.3 Any Bondholder may require that the Nominee, by written notice to the Borrower, request to be informed of the information regarding that Nominee or Bondholder held in the Register and require the company promptly to rectify any error in the Register in relation to that Bondholder.

## 7. Transferability of bonds

7.1 The Bonds are transferrable by instrument in writing in such form as the directors of the Borrower may approve subject to the strict requirement that such transfer has received the prior written approval of the Borrower, in its absolute discretion.

7.2 Every instrument of transfer shall be left for registration at the address where the Register is maintained for the time being accompanied by the Certificate(s) for the Bonds to be transferred.

## 8. Default

8.1 The following are Events of Default:

8.1.1 Non-payment: The Borrower fails to pay any principal or interest on any of the Bonds within 10 Business Days after the due date for payment;

8.1.2 Insolvency: The Borrower 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);

8.1.3 Winding-up: The Borrower 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) 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;

8.1.4 Breach: The Borrower commits any material breach of the terms of this instrument and, where capable of remedy, does not remedy such material breach within 5 Business Days or being given notice to do so by the Nominee on behalf of a Bondholder.

8.1.5 Analogous proceedings: Anything analogous to or having a substantially similar effect to any of the events specified in clause 8.1.2 to clause 8.1.3 inclusive shall occur under the laws of any applicable jurisdiction;

8.1.6 Encumbrance enforceable: Any encumbrance on or over the assets of the Borrower is enforced and Downing notifies the Borrower in writing that such matter is considered to be an Event of Default;

8.1.7 Cessation of business: The Borrower ceases to trade; or

8.1.8 Illegality: It is or becomes or will become unlawful for the Borrower 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.

## 9. Acceleration

If, at any time and for any reason, any Event of Default has occurred, a Bondholder may at its absolute discretion by written notice to the Nominee direct that the Nominee declares to the Borrower that principal amount of all Bonds in respect of which that Bondholder is beneficial owner, all unpaid accrued interest, any unpaid Downing Arrangement Fee and any other sum then payable on such Bonds shall become due and payable immediately to the Bondholders to the relevant Bondholder account. Any such payment shall be subject always to the provisions of clause 3.5 above.

## 10. No set-off

Payments of principal and interest under this instrument shall be paid by the Borrower to the Bondholder Account, and the Bonds shall be transferable in accordance with the provisions of this instrument without any deduction or withholding (whether in respect of any set-off, counterclaim or otherwise whatsoever) unless the deduction or withholding is required by law.

## 11. Enforcement

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

11.2 The Bonds shall be held subject to and with the benefit of the provisions of this instrument and the schedules (all of which shall be deemed to be incorporated in this instrument).

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 save that Downing LLP may enforce clause 4.4 of this instrument as if it were a party hereto.

## 12. Modification

The provisions of this instrument and the rights of the Bondholders may from time to time be modified, abrogated or compromised in any respect with the written agreement of the Nominee (where instructed to do so by the Bondholders) and with the written consent of the Borrower.

## 13. Notice

13.1 Any notice or other communication to be given under this instrument must be in writing and will be served by delivering it personally or by email or sending it by pre-paid post to the address and for the attention of the relevant party set out below (or as otherwise notified by that party) Any notice will be deemed to have been received:

13.1.2 if delivered personally or email, at the time of delivery;

13.1.2 in the case of pre-paid post, 48 hours from the date of posting;

13.1.3 If deemed receipt occurs before 9 a.m. on a Business Day the notice is deemed to have been received at 9 a.m. on that day and if deemed receipt occurs after 5pm, the notice is deemed to have been received at 9a.m. on the next Business Day.

13.2 The addresses of the Bondholders for the purposes of the Instrument are as set out in the Register from time to time and the address of the Borrower and the Nominee are their registered office addresses from time to time.

13.3 In the case of joint registered holders of any Bonds a notice given to the Bondholder whose name stands first in the Register in respect of such Bonds shall be sufficient notice to all joint holders.

## 14. Governing law and jurisdiction

14.1 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.

14.2 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).

This instrument has been executed as a deed is delivered and takes effect on the date stated at the beginning of it.

BOND CERTIFICATE

Bagnall Energy  
Limited

Floating Rate Bonds of £1.00

Certificate No: [CERTIFICATE No.]  
Bondholder: DOWNING NOMINEES LIMITED AS NOMINEE FOR [BONDHOLDER] [AMOUNT]  
Amount: [DATE]  
Date:

Created an issued pursuant to a resolution of the members of the Borrower, passed on  
[DATE 2025]

This is to certify that:

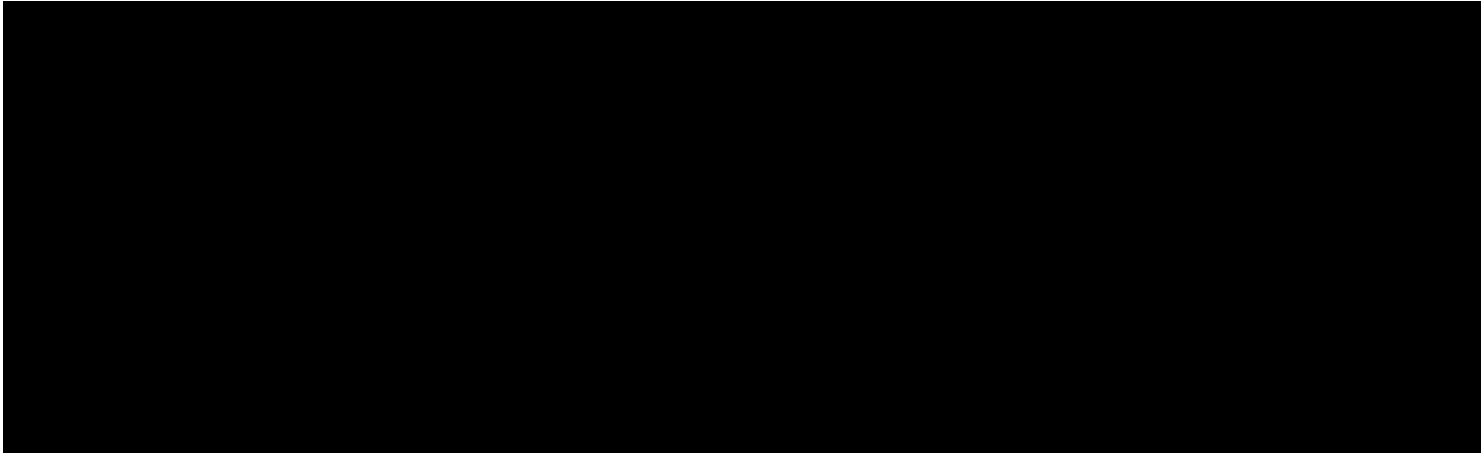
DOWNING NOMINEES LIMITED is the registered holder of [AMOUNT] of the Floating Rate Bond of  
£1.00 constituted by a bond instrument entered into by the borrower on [DATE 2025]  
(Instrument). Beneficial title to such Floating Rate Bonds is held by [BONDHOLDER NAME].

The bonds are issued subject to and with the benefit of the provisions contained in the Instrument.

SIGNED BY: [NAME]  
As a Director of Bagnall Energy Limited dated [DATE 2025]

[SIGNATURE OF DIRECTOR]  
Bagnall Energy Limited

Executed as a deed by BAGNALL ENERGY LIMITED acting by a director in the presence of:



Signed as a deed by DOWNING NOMINEES LIMITED acting by a director in the presence of:

