How It Works

Access to Strong 3rd Party Credit Relationships

The majority of all applicants who apply for a **Staged Disbursement Facility** do so because they have exhausted their traditional lending facilities.

It is often the case that applicants do not have sufficient existing security to allow them to borrow the quantum of funds they require from their bank, or they may have extended their credit to the existing banking limits.

The **SDF** allows the applicant to piggy-back a Lender's private facilities, raised against the Borrowers own projects. Applicants retain full control and decision making for use of proceeds throughout the tenure.

To access the Lenders facilities, the Lender will require all Applicants to enter into a **Share Pledge** agreement. The pledge of shares can be from the project SPV or the main business, but will always be the entity drawing the loan. Funds are disbursed to this Share Pledged company only.

Upon booking of their facility, the Lender becomes contractually bound, and so needs to be certain of the commitment of the Applicant. As such,, the Lender requires a **Commitment Deposit** to be deposited with a 3rd party Trustee following contracting.

These two elements provide the certainty required to extend the Lender's credit lines, with the Share Pledge as an option of last resort for the Lender should there be default by the Applicant.

How It Works

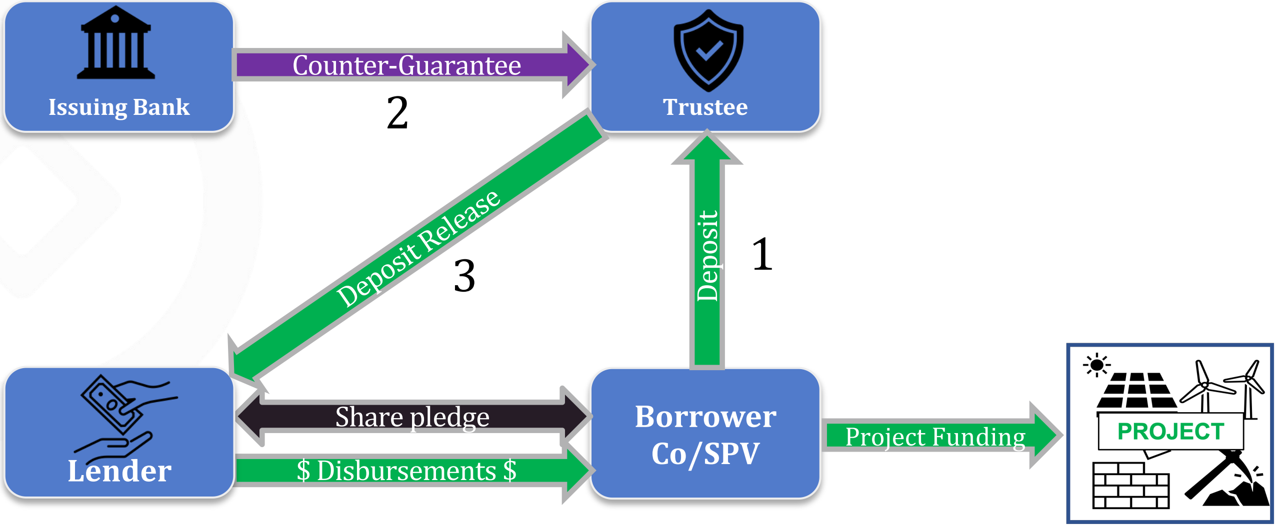
Closing Process, Commitment Deposit, Counter-Guarantee and Disbursement

1. Contract is Tri-party - signed in conjunction with independent Trustee.
2. Commitment Deposit is transferred to the Trustee's Client account. Trustee is a professional provider and is insured [redacted]
3. Hard-Copy Counter-Guarantee issued to the Trustee for Applicant, <u>value equal to the Commitment Deposit</u> .
4. Trustee validates Counter-Guarantee directly through their bank and informs Applicant of validity.
5. Applicant confirms with Trustee to release the Commitment Deposit to Lender.
6. Lender formally commits to their facility against the Applicant's project?(s)
7. Disbursement time period begins. 1st tranche within maximum of 60 days, and all following tranches monthly.
8. Before the Maturity Date of the Counter Guarantee the Commitment Deposit is returned to Trustee Client account in full.
9. Counter-Guarantee is discharged.
10. Disbursement of loan funds monthly until full disbursement achieved.
11. Agreed Loan tenure and interest payments begin.

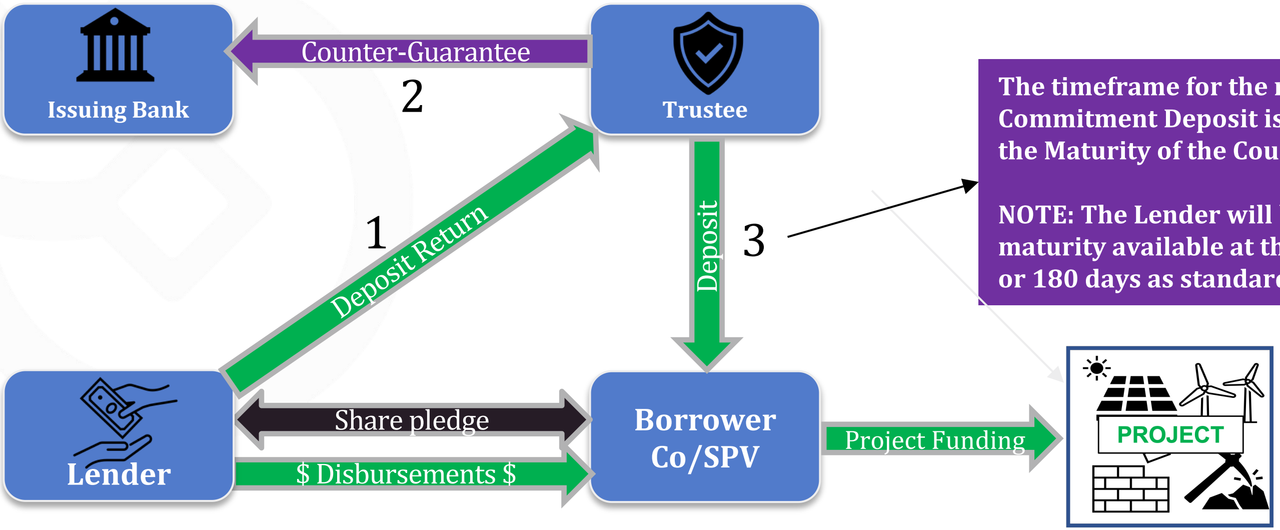
Counter Guarantees are issued by the Lender's banking partners. The issuing bank will vary depending on the capital value required.

NOTE: The time-period for the return of the Commitment Deposit is entirely driven by the maturity date of the available Counter-Guarantees available in the marketplace at the time of booking. This is typically 90days or 180 days as standard.

Loan Structure Explained
- Booking, Counter-Guarantee and Disbursements



Loan Structure Explained
- Return of Booking Fee & ongoing Disbursements



The timeframe for the return of the Commitment Deposit is equal to or less than the Maturity of the Counter-Guarantee.

NOTE: The Lender will book the shortest maturity available at the time. Typically 90 or 180 days as standard.

Loan Structure - Benefits & Explanation

What are the benefits of the Staged Disbursement Facility Lending Solution?

- **Provides access to capital not available to the Applicant from their existing Lenders**
- **Up to 100% of required development capital required**
- **Designed around Borrower's security and planning requirements**
- **Commitment Deposit covered by Bank issued Counter-Guarantee**
- **Very few restrictions on projects loan proceeds can finance**
- **Very fast turn around of approximately 1 week to contract**
- **Contracted 8-12 weeks to 1st disbursement**
- **Disbursed over time to meet project cashflow requirements**
- **No interest charged until disbursement of the full loan amount completed**
- **Agreed Loan term begins only upon disbursement of the full loan amount completed**
- **Flexible loan term from 3 to 7 years**
- **Very good solution for project development funding**
- **5 million to 250 million USD or €uro funding, with the ability to 'stack' contracts**
- **Lending rates between 8-9% per annum**