

Loan Agreement

THIS AGREEMENT MADE BY AND BETWEEN/AMONG THE FOLLOWING PARTIES

DAH & JSH Retirement Fund (“DAH”) (“Lender”)
AND
BAREFOOT POWER PTY. LIMITED
ACN 112 576 397 (“BFP”).

DATE: 14 August 2017

1. DEFINITIONS

1.1. Dictionary: In this Agreement, unless the context requires otherwise:

Agreement means this document and includes all attachments, annexures and schedules to this document;

Authorised Officer means a director, officer or employee of the Company with authority to sign loan agreements for amounts specified in the Company's approved policy POL-BOD-005.3 Delegated Authorisation.

Business means the business of providing consultancy services and developing and providing systems to supply electricity and related products or services or as specified in the Business Plan;

Business Day means a day on which banks are open for business in Sydney excluding a Saturday, Sunday or public holiday;

Business Plan means the Company's 12 months financial projections and assumptions as reviewed and amended on a quarterly basis;

Constitution means the Constitution of the Company and as amended from time to time;

Dollars AUD and \$ means the lawful currency of Australia; Euro means the lawful currency of the European Union; USD means the lawful currency of the United States.

Effective Starting Date has the meaning given to that term by clause 5.1;

EU Commission Grant means European Commission - Women and sustainable energy grant. Reference: EuropeAid/155118/DH/ACT/Multi

Event of Default means an event specified in clause 11;

Interest Rate means the % interest charged on the Loan, as defined in clause 5.77;

Lien means the encumbrances set out in clause 5.8

Loan means the Loan Amount specified in 5.6, paid from Lender to BFP for the Term specified in 5.3

Repayment Amount means the cash defined by this Agreement, to be paid by BFP to Lender.

Term means the period specified in clause 5.3

Related Body Corporate has the same meaning given to that term in the *Corporations Act 2001*;

Related Entity has the same meaning given to that term in the *Corporations Act 2001*;

Tax means a tax, levy, charge, impost, fee, deduction, withholding or duty of any nature, including, without limitation, stamp and transaction duty which is imposed or collected by a Government Agency and includes, but is not limited to, any interest, fine, penalty, charge, fee or other amount imposed in addition to those amounts;

1.2. Interpretation: In this Agreement unless the context otherwise requires:

- (a) words importing the singular include the plural and vice versa;
- (b) words which are gender neutral or gender specific include each gender;
- (c) other parts of speech and grammatical forms of a word or phrase defined in this Agreement have a corresponding meaning;
- (d) an expression importing a natural person includes a company, partnership, joint venture, association, corporation or other body corporate and a Government Agency;
- (e) a reference to a thing (including, but not limited to, a chose-in-action or other right) includes a part of that thing;
- (f) a reference to a clause, party, schedule or attachment is a reference to a clause of this Agreement, and a party, schedule or attachment to, this Agreement and a reference to this Agreement includes a schedule and attachment to this Agreement;

- (g) a reference to a law includes a constitutional provision, treaty, decree, convention, statute, regulation, ordinance, by-law judgment, rule of common law or equity or a rule of an applicable stock exchange and is a reference to that law as amended, consolidated or replaced;
- (h) a reference to a document includes all amendments or supplements to that document, or a replacement or a notation of it;
- (i) a reference to a party to a document includes that party's successors and permitted assigns;
- (j) a reference to the rights, duties, obligations and liabilities of more than one party will in every case be a reference to rights, duties, obligations and liabilities that are several and not joint or joint and several;
- (k) a reference to an agreement, other than this Agreement, includes an undertaking, deed, agreement or legally enforceable arrangement or understanding, whether or not in writing;
- (l) where the day on or by which something must be done is not a business day, that thing must be done on or by the following business day;
- (m) headings are for convenience only and do not affect the interpretation of this Agreement; and
- (n) this Agreement may not be construed adversely to a party just because that party prepared the agreement.

2. PURPOSE

- 2.1.** This loan is a specific purpose Bridging Loan to provide access to funds in advance of receipt of a scheduled grant from EU Commission Grant.

3. CONDITIONS BEFORE USE OF FUNDS

- 3.1.** This Agreement will be signed in duplicate by Lender and one Authorised Officer of BFP, with each party retaining one original signed copy.

4. CONDITIONS DURING USE OF FUNDS

- 4.1.** Lender shall be kept informed of the status of the EU Commission Grant progress which will be used to repay the Bridging Loan upon receipt.

5. LOAN AMOUNT, TERM, INTEREST RATE AND LIEN

- 5.1.** The Effective Starting Date of the loan will be 23 August 2017
- 5.2.** The End Date of the loan will be the date of receipt of the EU Commission Grant, unless extended by mutual agreement of the parties
- 5.3.** The Term of the loan is for the period from drawdown until receipt of EU Commission Grant payment (End Date) unless extended under clauses 5.4 or 5.5. The repayment of the loan is to be given first priority and is to be repaid within 24 hours of the receipt of these grant funds.
- 5.4.** Should the EU Commission Grant not be granted the bridging Loan amount plus the interest calculated under clause 5.7 is repayable on receipt of AECF REACT grant money.
- 5.5.** Should the EU Commission Grant or the AECF REACT not be granted the bridging loan amount plus the interest calculated under clause 5.7 is repayable no later than 31 December 2017.
- 5.6.** The Bridging Loan Amount is AUD 50,000 (see Clause 1.1 Definitions) and is to be drawn down on the Effective Starting Date.
- 5.7.** The Bridging Loan will attract an interest that is the same rate of interest charged by Sunfunder Inc to BFP for the credit facility agreement. At the time of signing this agreement the rate is 11.0% pa.
- 5.8.** BFP is to provide the following liens
- 5.8.1 Over the Connect 6000 inventory held in Kigali Rwanda. Should any of this stock be sold before the loan and any interest is repaid to the lender, the proceeds of sale are to be held in escrow for the benefit of DAH.
 - 5.8.2 Over the remaining sales receipts from the sale of 31,687 GO 250s to the Lutheran World Foundation. The remaining receipts are estimated to be USD346,854.
 - 5.8.3 Over the proceeds from the EU Commission Grant.
- 5.9.** The liens in clause 5.8 are to be extinguished on repayment of the loan and interest to the lender.

6. SECURITY

- 6.1.** The loan is secured by the liens set out in clause 5.6

7. PAYMENT OF LOAN

- 7.1. On or before the Effective Starting Date Lender must pay the Bridging Loan Amount to the bank account designated by BFP in accordance with the terms and conditions of this Agreement.

8. REPAYMENTS OF LOAN

- 8.1. The Loan will be repaid as a single payment, including capital and any applicable interest at the end of the Loan Term according to the formulae in clause 15, unless loan extension is mutually agreed.
- 8.2. Lender will nominate a bank account for repayment within 24 hours of the End Date of this Agreement (clause 5.3).

9. FULL REPAYMENT OF ORIGINAL LOAN

- 9.1. All payments to be made under this Agreement shall be made in cleared funds, without any deduction of any taxes, levies, imports, duties, charges, fees and withholdings of any nature now or hereafter imposed by any governmental, fiscal or other authority save as required by law.

10. EARLY REPAYMENTS AND CANCELLATION

- 10.1. BFP may repay the loan in the currency in which the loan was issued at any time before the End Date, without penalty, in accordance with the formulae in clause 15.

11. EVENTS OF DEFAULT

- 11.1. This loan will be deemed to be in default if Lender has not received the full amount owing by 5pm Australian Eastern Standard Time, on day after the End Date of the Agreement,
- 11.2. And/or if the conditions of clause 4 are not met.
- 11.3. And/or BFP is formally in default with its obligations towards any other creditor
- 11.4. And/or BFP is in the process of being wound up, liquidated, filing for bankruptcy or any comparable event under Australian law.

12. REMEDIES FOR DEFAULT

- 12.1. **Immediate action:** In the event that the loan is in default, Lender shall issue by mail a Default Notice to BFP, in writing, to their head office at the address shown

in clause 16 that the loan is in default. It is also recommended that Lender issue this Default Notice by email to BFP. Regardless of the arrival date of the Default Notice by mail or by email, BFP agrees that it shall be obliged to sell existing assets or raise additional capital to ensure the full payment of the loan by 5pm Australian Eastern Standard Time, seven (7) days after the End Date of this agreement.

12.2. Further action: In the event that the loan is in default seven (7) days after the end date of this agreement, Lender has the option to take further legal action to recover the loan, at the cost of BFP. BFP agrees that such costs will be added to the outstanding loan. Notwithstanding Lenders full right to take legal actions whenever he deems useful or necessary, both parties agree that clear communications and mediation are preferable steps to legal action at this stage, and envisage using their reasonable endeavours to complete all actions required to ensure full repayment is completed, without incurring additional legal expenses.

12.3. Penalties: The Interest Rate will increase to 3 times the initial interest rate during the period of time after the End Date until the date that the loan has been deposited in the Lender nominated bank account, as evidenced by a bank statement. The formula to use in this the event of defaulted payment is given in clause **Error!**
Reference source not found.

12.4. Liquidation: in the event of liquidation of BFP within the Term of the loan

12.4.1 This loan is defined as a Class B-NCD Loan, and has liquidation preference on par with Class B Lenders and above every share owned by shareholders of BFP, and in the event of liquidation, the loan shall be repaid before any proceeds are paid to shareholders

12.4.2 In the event of liquidation, Class A Loans will be repaid before this loan is repaid. If any other Class B or Class B-NCD loan exists, this loan will share pro-rata in the liquidated assets of BFP until the loan has been repaid, or the liquidated assets have been fully paid out.

13. DISPUTE RESOLUTION

13.1. No proceedings: A party must not start court proceedings (except proceedings seeking interlocutory relief) in respect of a dispute arising out of or related to this Agreement or arising out of a dispute related to the Shares, a Shareholder or the Company ('Dispute') unless it has complied with this clause.

13.2. Notification of Dispute: A party claiming that a Dispute has arisen must notify each other party to the Dispute giving details of the Dispute.

13.3. Best efforts to resolve Dispute: During the 14 day period after a notice is given under clause 13.2 (or longer period unanimously agreed in writing by the parties to

13.4. Termination of Dispute resolution process: After the Initial Period, a Disputant may terminate the dispute resolution process by giving notice to each other Disputant.

13.5. Breach of this clause: If, in relation to a Dispute, a Disputant breaches any provision of clauses 13.1 to 13.4 (both inclusive), each other Disputant need not comply with clauses 13.1 to 13.4 (both inclusive) in relation to that Dispute.

14. TAX, COSTS AND EXPENSES

14.1. Lender and BFP shall bear all costs associated with any legal advice that each party obtains in connection with this Agreement or to enable the parties to perform their obligations in accordance with the terms and conditions of this Agreement with the exception of any costs incurred by Lender in relation to an Event of Default of the loan.

14.2. The parties agree that all Payments have been set or determined without regard to the impact of GST.

14.3. In all cases, the payee will provide to the payer a Tax Invoice

15. FORMULAE

15.1. Both parties agree to use the following formula for calculation of the Repayment to be paid at any point during the Term of the loan, and for any period beyond the Term of the Loan.

$$R = L \times (1 + i)^{nt}$$

where

R = total Repayment required

L = initial Loan Amount

i = interest rate

n = number of times interest is compounded in one year (equal to 12 for interest calculated monthly)

t = number of years since Effective Starting Date

= number of days since Effective Starting Date / 365.25

15.2. The above formulae apply to calculation of repayment as detailed in clause 5.7.

16. ADDRESSES FOR NOTICES

Postal address for Barefoot Power:

Suite 1A Level 2, 802 Pacific Highway, Gordon NSW 2072

Postal address for Lender:
45A Shellcove Road, Neutral Bay NSW 2089.

17. GENERAL

17.1. Notices:

- (a) Any notice or other communication given under this Agreement including, but not limited to, a request, demand, consent or approval, to or by a party to this Agreement:
- (i) must be in legible writing and in English;
 - (ii) must be addressed to the addressee at the address or facsimile number set out below or to any other address or facsimile number a party notifies the other under this clause:
 - (A) if to BFP or Lender, the address and contact details as set out in clause 16 of this Agreement; and
 - (B) is deemed to be received by the addressee in accordance with paragraph (b).
- (b) Without limiting any other means by which a party may be able to prove that a notice has been received by another party, a notice is deemed to be received.
- (i) if sent by hand, when delivered to the addressee;
 - (ii) if by post, 3 Business Days from and including the date of postage;
 - (iii) if by email, on sending of the email to a valid email address; or
 - (iv) if by facsimile transmission, on receipt by the sender of an acknowledgment or transmission report to the effect that the facsimile was sent in its entirety to the correct facsimile number and which is generated by the machine from which the facsimile was sent, but if the delivery or receipt is on a day which is not a Business Day or is after 4.00pm (addressee's time) it is regarded as having been received at 9.00 am on the following Business Day.
- (c) A facsimile transmission is regarded as legible unless the addressee telephones the sender within two hours after transmission is received or regarded as received under paragraph (b)(iii) and informs the sender that it is not legible.
- (d) In this clause a reference to an addressee includes a reference to an addressee's Officers, agents or employees or a person reasonably believed by the sender to be an Officer, agent or employee of the addressee.

17.2. Governing law

This Agreement is governed by the laws of NSW, Australia and each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the Courts of NSW, Australia.

17.3. Severability

- (a) If a provision of this Agreement, or a right or remedy of a party under this Agreement is invalid or unenforceable in a particular jurisdiction:

- (i) it is read down or severed in that jurisdiction only to the extent of the invalidity or unenforceability;
 - (ii) it does not affect the validity or enforceability of that provision in another jurisdiction or the remaining provisions in any jurisdiction.
- (b) This clause is not limited by any other provision of this Agreement in relation to severability, invalidity or unenforceability.

17.4. Amendments and Waivers

- (a) This Agreement may be amended only by a written document signed by Lender and Directors of BFP.
- (b) A waiver of a provision of this Agreement or a right or remedy arising under this Agreement, including this clause, must be in writing and signed by the party granting the waiver.
- (c) A single or partial exercise of a right does not preclude a further exercise of that right or the exercise of another right.
- (d) Failure by a party to exercise a right or delay in exercising that right does not prevent its exercise or operate as a waiver.
- (e) A waiver is only effective in the specific instance and for the specific purpose for which it is given.

17.5. Cumulative rights

The rights and remedies of a party under this Agreement do not exclude any other right or remedy provided by law.

17.6. Payments

A payment which is required to be made under this Agreement must be in cash or by bank cheque or in other immediately available funds and in the currency specified in section 5.4.

17.7. Further assurances

Each party must do all things necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

17.8. Entire agreement

This Agreement supersedes all previous agreements about its subject matter and embodies the entire agreement between the parties with regard to the matters dealt with herein and no representations, conditions or warranties, express or implied, not contained in this Agreement shall be binding on the parties.

17.9. No Assignment

Except as expressly specified in this Agreement, a party may not assign this Agreement or otherwise transfer the benefit of this Agreement or a right or remedy under it, without the prior written consent of the other parties.

17.10. Conflict with Constitution

- (a) This Agreement prevails if there is any inconsistency between this Agreement and the Company's constitution.
- (b) Each party must take all necessary steps to amend a provision of the Company's constitution which is inconsistent with this Agreement if another party requests it to do so in writing.

17.11. Counterparts

This Agreement may be executed in any number of counterparts and all those counterparts taken together shall be construed as one agreement.

17.12. Non-merger

None of the terms or conditions of this Agreement, or any act, matter or thing done under or by virtue of this Agreement or any other agreement, instrument or document, or judgment or order of any court or judicial proceedings, will operate as a merger of any of the rights and remedies of the parties under this Agreement, and those rights and remedies will at all times continue in force.

18. TERMINATION OF AGREEMENT

18.1. Termination

This Agreement will be terminated:

- (a) upon payment of the Repayment Amount to Lender by BFP
- (b) by mutual agreement in writing of Lender and BFP; or
- (c) when the Company is wound up (whether voluntary or by order of a court).

18.2. Extension

The Loan Term of this Agreement may only be extended by mutual consent.

18.3. Accrued rights

Termination of this Agreement will be without prejudice to any accrued rights of either Lender or BFP.

18.4. Agreement no longer applies

Once a party is no longer owes or is owed monies under this agreement, then any rights or obligations relating to that party arising from this Agreement shall cease and that party shall have no further rights or obligations under this Agreement except for accrued rights or obligations or those rights or obligations arising under clause 14 (Tax, Costs and Expenses).

19. SURVIVAL

Lender and BFP agree that clauses 17 and 18 continue in force upon termination of this Agreement.

20. EXECUTION AND SIGNATURES



EXECUTED as an agreement.

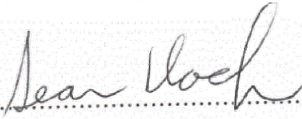
Each party shall retain a copy of this agreement, signed and initialled, by one director each from BFP and Lender. All parties agree that email confirmation by all other Directors of BFP and Lender shall be attached to this agreement in lieu of signed hard copies, to expedite the process.

DA

BAREFOOT POWER PTY LTD

ABN 80 112 576 397

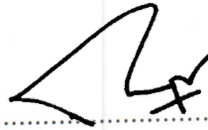
by authority of its Board of Directors in
the presence of:



Signature of Authorised Officer

Sean Hooper
Name of Authorised Officer (Print Name)

2 August 2017
Date




Signature of Witness

Rick Hooper
Name of Witness (Print Name)

2 August 2017
Date

Lender, DAH & JSH Retirement Fund

in the presence of:



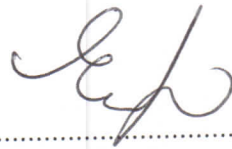
Signature

DAVID HIND

Name

17. 8. 2017

Date



Signature of Witness

Eryn Briton

Name of Witness (Print Name)

17/8/2017

Date