

SCHEME FOR DEVELOPMENT

Capitalised terms in this Scheme for Development are defined in Part 1 of the Schedule

1. SCHEME FOR DEVELOPMENT

- 1.1 This Scheme for Development grants rights to SWF and imposes restrictions on the Crofters in exchange for payments to be made by SWF via the Trust to the Clerks of the Common Grazing Areas affected by the Scheme for the benefit of the Crofters.
- 1.2 The rights and obligations in this Scheme for Development relate to the Scheme Area. The Scheme Area is located to the west of Stornoway (approximately 2.5km from the centre of Stornoway at its closest point) and centred at National Grid Reference E137149 N933373.
- 1.3 The Scheme Area is shown outlined in orange on Plan 1 and covers land located within each of the Common Grazing Areas within that orange outline.
- 1.4 This Scheme shall endure from the Commencement Date until the Date of Completion of Aftercare. In accordance with Section 19A(11) of the Crofters (Scotland) Act 1993 this Scheme shall be binding on:-
- (a) the Trust (as landlord and owner of the Scheme Area)
 - (b) any member of the crofting community in the area affected by the development;
 - (c) any person who, though not described in paragraph (b) above, is –
 - (i) a tenant of a croft; or
 - (ii) a holder of grazing rights, in that area; and
 - (d) the successors to the persons mentioned in paragraphs (a) to (c) above.

2. CROFTERS AND COMMON GRAZINGS

- 2.1 The Crofters with common grazing rights in each Common Grazing Area at the time of this application are listed in the List of Crofters. The list was compiled by and will be held and maintained by the Trust, in close consultation and in conjunction with the Crofting Commission (per this section 2).
- 2.2 In order that the List of Crofters accurately records the names and addresses of all crofters affected by the Wind Farm, it will be subject to annual review by the Trust. The Trust shall: (a) contact each of the Crofting Commission and the Clerk of each Common Grazing Area (where appointed) at the end of each year following the Date of Consent, requesting details of any changes required to the List of Crofters, to be submitted to the Trust within 28 days of request; and (b) make any updates required to the List of Crofters as a result of information received timeously from the Crofting Commission, and/or the Clerk of each Common Grazing Area (where appointed), or information received by the Trust from other sources.
- 2.3 Following consultation with these parties and the receipt of any revised crofters' details, the Trust will produce a revised List of Crofters. The Trust shall send a copy of each revised List of Crofters to SWF, the Crofting Commission and the Clerk of each Common Grazing Area (where appointed).
- 2.4 The Clerks of each of the Common Grazing Areas (including those comprising the Stornoway General Common Grazing Area) as at the date of this Scheme are understood to be as shown in section 7 of the application.

3. DEVELOPMENT

- 3.1 The development area (as permitted by the Section 36 Consent) covers approximately

1,700 hectares. Of this area, 38 hectares (or 2%) will be occupied by the Wind Farm infrastructure. Both the sites of Wind Farm infrastructure and the balance of the Scheme Area will be subject to the relevant rights and restrictions detailed below in sections 5 and 6, in order to:

- (a) secure the personal safety of the Crofters, SWF's employees and contractors, and the general public;
- (b) protect any equipment related to the Wind Farm within the Scheme Area;
- (c) ensure the safe and efficient construction, operation and decommissioning of the Wind Farm;
- (d) maximise the benefits and effectiveness of the Aftercare Works; and
- (e) seek to protect livestock within the Scheme Area in order to allow continued grazing on each Common Grazing Area within the limitations set out in this Scheme.

3.2 The Wind Farm shall comprise a wind-powered electricity generating station including:

- (a) 33 wind turbines (24 turbines with blade to tip height of up to 180m and 9 turbines with a blade to tip height of 156m) and associated foundations;
- (b) Battery Storage Facility;
- (c) Crane hard standings;
- (d) Construction of site entrances;
- (e) Upgrade and construction of internal tracks and passing bays;
- (f) Establishment and working of up to five borrow pits;
- (g) Construction of a temporary site compound(s); and
- (h) Construction of a new on-site control building and substation.

3.3 The Section 36 Consent permits SWF to develop within the area shown outlined in orange on Plan 2. Plan 1 shows the detail of the infrastructure SWF intends to develop within the Scheme Area (which detail is also shown on Plan 2), with Plan 3 showing the proposed position of infrastructure within each Common Grazing Area as at the date of this Scheme. All of the turbines permitted by the Section 36 Consent lie within the Scheme Area.

3.4 Condition 13 of the Section 36 Consent allows SWF to microsite (i.e. relocate) infrastructure subject to certain restrictions, primarily that the micrositeing of turbines must be no more than 50 metres, and all other infrastructure must be no more than 100m, from the location as set out on Plan 1, Plan 2 and Plan 3, unless agreed in advance in writing by the Comhairle nan Eilean Siar as Planning Authority (in Consultation with NatureScot, the Scottish Environment Protection Agency and the Joint Radio Company. In respect of turbines T3, T4, T7, T25 and T28, additional restrictions apply.

As such, the infrastructure layout is subject to change and the "as-built" infrastructure layout is likely to differ from that shown on Plan 1, Plan 2 and Plan 3.

3.5 Following completion of construction, SWF will submit final "as-built" drawings of the Wind Farm to the Land Court, the Trust and the Clerk of each Common Grazing Area

(where appointed), which drawings shall replace Plan 1, Plan 2 and Plan 3.¹ SWF will also publish such "as-built" drawings on SWF's website. Thereafter all payments made in terms of this Scheme shall be based upon the locations of infrastructure shown on the "as-built" drawings.

4. **PAYMENTS TO THE CROFTERS**

This section 4 sets out in brief the payment obligations of SWF in accordance with this Scheme. Please refer to the Payment Schedule for detailed information in respect of the nature, timing and quantum of these payments (Part A relating to the Pre-Construction Period and Parts B and C relating to payments during the Wind Farm Period). In particular Part F of the Payment Schedule contains a detailed worked example of the CGA Share Calculation (as further described in Part E) and Part G of the Payment Schedule contains a spreadsheet showing an illustrative example of the annual payments referred to in Part B payable to each Common Grazing Area in accordance with the CGA Share Calculation.

4.1 **Pre-Construction Period**

4.1.1 SWF has paid to the Trust and the Trust has distributed to the Crofters the non-refundable Pre-Construction Payment, which sum was allocated in accordance with the Pre-Construction Payment Distribution Table in Schedule Part 4A.

4.1.2 Once SWF has:

(a) been granted an order by the Land Court authorising this Scheme and a period of 3 months has elapsed from the later of:

(i) such grant; or

(ii) any legal challenges to such order having been fully and finally determined such that the order is upheld; and

(b) the board of SWF takes a Final Investment Decision to build Stornoway Wind Farm and a period of 3 months has elapsed:

SWF shall pay the FID Success Fee within 20 Working Days of the last condition being satisfied. The FID Success Fee shall be paid by SWF to the Trust for onward distribution to the Crofters and to be allocated in accordance with the FID Success Fee Distribution Table in Schedule Part 4A.

4.2 **Wind Farm Period**

In exchange for the rights granted to SWF in section 5 below and the restrictions set out in sections 6.1, 6.2.1 to 6.2.3, 6.2.5 to 6.2.11 and 6.3 to 6.7, SWF shall pay to the Trust for onward distribution to the Crofters the Wind Farm Payments and, where relevant, the Miscellaneous Payments during the Wind Farm Period, as follows:

4.2.1 **Construction Sum**

SWF will pay the one-off Construction Sum on or before the first Date of Full Occupation. This sum will be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.

4.2.2 **Basic Payment**

From the Date of First Commissioning, the Basic Payment will be payable by SWF quarterly in arrears (on or before 31 March, 30 June, 30 September and 31 December in each Operational Year). The Basic Payment will be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.

¹ This follows the approach set out by the Land Court in *Hilleary v MacAskill*, 2004 S.L.C.R. 162

4.2.3 Variable Top Up Payment

Within 35 Working Days of the end of each Operational Year, SWF shall pay the Variable Top Up Payment. The level of Variable Top Up Payment due will be the greater of: (a) a sum linked to the output of the Turbines Commissioned within the Scheme Area during the relevant Operational Year and (b) a sum linked to the Gross Income received by SWF in respect of the Turbines Commissioned within the Scheme Area during the relevant Operational Year, in each case under deduction of the aggregate of all Basic Payments due in respect of the relevant Operational Year. The Variable Top Up Payment will be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.

4.2.4 Substation Payment

SWF shall pay the Substation Payment in respect of that Common Grazing Area within which the Electricity Sub-station is constructed (as at the date of this Scheme this is intended to be located within the area shown outlined in black and coloured orange on Plan 2).

4.2.5 Assignment Fee

In the event that SWF's interest in the Lease is assigned at any time following the Commencement Date to a third party that is not a Group Company of SWF, SWF shall pay the Assignment Fee. In the event that SWF's successors as tenant under the Lease (and any future assignees of SWF's successor) should also succeed to SWF's interest to enforce this Scheme, those successors and assignees whomsoever shall also be obliged to pay the Assignment Fee in the event that the Lease is assigned to a third party that is not a Group Company of the successor or assignee (the definition of "Group Company" applying to those entities *mutatis mutandis*). The Assignment Fee shall be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.

4.2.6 Felling Fee

SWF shall pay the Felling Fee in respect of any trees lopped, topped, trimmed or felled by SWF (or otherwise affected by the Wind Farm) standing on any Common Grazing Area in terms of this Scheme.

4.3 Payment Provisions

4.3.1 SWF are obliged not only in terms of this Scheme but also in terms of the Lease to make the payments to the Crofters due in terms of this Scheme. All sums payable by SWF to the Crofters shall be paid to the Trust who shall distribute those sums in accordance with the terms of this Scheme. When making any payment to the Trust in terms of this Scheme, SWF shall provide to the Trust (at the same time as making such payment) a written statement giving details of: (i) the provision of this Scheme to which the funds relate and (ii) how such payment has been calculated, with reference to the Payment Schedule and the CGA Share Calculation. Payment by SWF to the Trust of any sums due in terms of this Scheme shall discharge in full SWF's obligations to pay such sums.

4.3.2 Within 10 Working Days of receipt of cleared funds in respect of any sums payable by SWF to the Trust in terms of this Scheme, the Trust shall pay to the Clerk of each relevant Common Grazing Area (for the benefit of the Crofters of such Common Grazing Area) such part of those sums as is due to such Common Grazing Area at that time in accordance with the terms of this Scheme accompanied with a copy of the written statement from SWF referred to in section 4.3.1 above. Payment by the Trust to the Clerk of the relevant Common Grazing Area of sums due in terms of this Scheme to the Crofters with common grazing rights in such Common Grazing Area shall discharge in full the Trust's obligations to make such payments. If and for so long as no Clerk is appointed in respect of any Common Grazing Area, the Trust shall hold the relevant sums pending such appointment and shall pay

such sums within 10 Working Days of the Trust being notified in writing by the Crofting Commission of the appointment and contact details of the relevant Clerk.

- 4.3.3 Each individual Crofter's souming and entitlement to share in payments made to the Clerk of the Common Grazing Area in which they are a shareholder is shown in the List of Crofters. For the avoidance of doubt, the sums paid by the Trust to the Clerk of each Common Grazing Area shall be the cumulative amount due to all Crofters with common grazing rights in such Common Grazing Area at the relevant payment date. It is anticipated that the Grazings Committee for each Common Grazing Area may be entitled to retain sums from the payments apportioned to an individual Crofter in respect of sums or debts properly due by the individual Crofter to the relevant Grazings Committee.

4.4 **Notifications**

- 4.4.1 No later than 20 Working Days from the occurrence of each of the following, SWF shall (i) notify the Clerk of each Common Grazing Area (where appointed) of such occurrence and (ii) publish on SWF's website:
- (a) the Board of SWF have taken the Final Investment Decision to build the Wind Farm;
 - (b) the Date of Commencement of Surveys (see also section 7.1 below);
 - (c) the Date of Full Occupation (see also section 7.2 below);
 - (d) the Date of First Commissioning;
 - (e) the date on which any assignation of SWF's interest (or SWF's successors' interest) in the Lease to a third party not being a Group Company of SWF (or their successors) takes place;
 - (f) the Date of Final Decommissioning;
 - (g) the Date of Full Restoration; and
 - (h) the Date of Completion of Aftercare.
- 4.4.2 On or before the first Date of Full Occupation, SWF shall (i) notify the Clerk of each Common Grazing Area (where appointed) of; and (ii) publish on SWF's website, the Intended Capacity and the proposed locations of those Northern Turbines and Southern Turbines comprised in such Intended Capacity.

4.5 **TNUoS-Linked Payment Review**

SWF acknowledge that the levels of payment due to the Crofters as set out in this Scheme reflect market values for such payments in respect of onshore wind farms on the Isle of Lewis, which market values are in part informed by the level of TNUoS Charge payable by operators of onshore wind farms in this location as at the date of this Scheme. If the level of the TNUoS Charge payable by such operators were to decrease significantly so as to be comparable to the TNUoS Charge payable by operators of onshore wind farms in northernmost mainland Scotland, SWF anticipate that market values for the levels of payment that would be due to crofters pursuant to a scheme for development for a project in the nature of the Wind Farm (located on the Isle of Lewis) would increase. In order to reflect the importance of the TNUoS Charge to the market values of such payments and to allow for a revision of the levels of payment due under this Scheme in the event of a significant reduction in the TNUoS

Charge as aforementioned, SWF have therefore included provisions in the Scheme to the following effect (see Part D of the Payment Schedule for more detail):

If the SWF TNUoS Charge in any Operational Year is considered by either (i) any Grazings Committee(s) of the relevant Common Grazing Areas (where appointed) or (ii) SWF, to be comparable to the Mainland TNUoS Charge for the same Operational Year, the matter may be referred to an Independent Surveyor to determine whether the aforementioned charges can be considered comparable. If the charges are considered by the Independent Surveyor to be comparable, the levels of Wind Farm Payments and Miscellaneous Payments shall be re-assessed (if appropriate) in order to reflect the market levels of payment made (to crofters or, on non-crofted land, 50% of the market levels of rent paid to landowners) by operators of onshore wind farms of equivalent size and specification to the Wind Farm located in Zone 1 at such time.

5. RIGHTS GRANTED TO SWF

In terms of the Lease, the Trust have granted SWF the property rights required in connection with the Wind Farm, allowing SWF to undertake the necessary pre-construction surveys, construction works, operation & maintenance, decommissioning and aftercare works.

This Scheme permits the following rights (based on those granted to SWF by the Trust pursuant to the Lease) to be exercised by SWF at the following stages of the Wind Farm's lifecycle:

5.1 Pre-Construction Period

From the Commencement Date, SWF shall have the rights to:

- 5.1.1 (i) make bore holes, dig trial pits, erect temporary anemometer masts (whether free-standing or otherwise) and carry out such tests and surveys on or in the Scheme Area as are necessary for the purpose of assessing and monitoring: (a) the suitability of the Scheme Area for the Wind Farm and/or (b) the construction, operation and decommissioning of the Wind Farm and in particular the construction, operation and decommissioning of the wind turbines; and (ii) where necessary to facilitate the exercise of the foregoing rights, to lop, top, trim or fell trees (subject to payment of the Felling Fee following such lopping, topping, trimming or felling taking place);
- 5.1.2 undertake such works and operations as may reasonably be required to relocate the Comhairle nan Eilean Siar's road salt storage area (which lies adjacent to the Northern access to the Scheme Area, as shown on Plan 2, within the Scheme Area and to the West of the A859 public road);
- 5.1.3 construct a bellmouth and undertake such additional facilitation works as may reasonably be required adjacent to the Northern access to the Scheme Area (as shown on Plan 2) and the A859 public road; and
- 5.1.4 enter upon the Scheme Area or any other existing road or Access Way for the purpose of exercising the foregoing rights.

5.2 Wind Farm Period

During the Wind Farm Period, in addition to the rights referred to in section 5.1, SWF shall have the rights to:

- 5.2.1 construct the Access Roads and the right to use, maintain, repair, renew, alter, remove and replace the Access Roads and Access Ways for pedestrian and vehicular traffic and for all purposes in connection with the Wind Farm, including the carrying out of the Accommodation Works, on such part of the Scheme Area as SWF determines acting reasonably;
- 5.2.2 lay or erect and thereafter use, maintain, repair, renew, alter, remove and

replace the Electric Cables and Wires in, on, under or over the Scheme Area in such a position as SWF in its discretion (acting reasonably) shall decide;

- 5.2.3 lay within the Scheme Area all ancillary services necessary or appropriate to the Wind Farm together with a right to use the same and of access thereto on all necessary occasions for the purposes of maintenance, repair, alteration, replacement, re-routing, renewal and removal which services without prejudice to the foregoing generality, may include the following:-
- (a) telecommunications and other data transmission wires and cables for use in connection with the Wind Farm;
 - (b) pipes or other conduits for the abstraction of water from any convenient water course within the Scheme Area to provide a supply of drinking water to any staff accommodation provided by SWF within the Scheme Area; and
 - (c) drains to serve any staff accommodation provided by SWF within the Scheme Area and to discharge into any convenient water course located within or adjoining the Scheme Area (subject to SWF having obtained any necessary effluent discharge consent from the Scottish Environment Protection Agency or their successors);
- 5.2.4 re-route and divert any existing services within the Scheme Area as may affect the development of the Wind Farm;
- 5.2.5 enter upon the Scheme Area at all times with or without vehicles, plant, machinery and equipment for the purposes of and the right to do the following thereon:-
- (a) carrying out the Accommodation Works;
 - (b) constructing, using, maintaining, renewing, removing and replacing any anemometer mast, Electricity Sub-station, Ancillary Building, Access Roads, Electric Cables and Wires, R-T Mitigation Equipment and Turbines; and
 - (c) generally exercising all of the rights granted in the Lease
- 5.2.6 the oversailing of the Scheme Area by the Turbines and the free and uninterrupted passage and flow of air and wind from and across the Scheme Area to the Turbines;
- 5.2.7 lop, top, trim or fell from time to time all trees and branches which are at any time growing on the Scheme Area which would if not lopped, topped, trimmed or felled obstruct or interfere with the Wind Farm or the exercise of the rights hereby granted. Prior to such lopping, topping, trimming or felling taking place, SWF shall notify the Clerk (where appointed, failing which the relevant Crofters) of any Common Grazing Area in which the trees are to be felled (or otherwise affected by the Wind Farm) of the estimated hectareage of the area of trees to be felled (or otherwise affected by the Wind Farm). Following such lopping, topping, trimming or felling taking place, SWF shall pay the Felling Fee to the Clerk of any relevant Common Grazing Area for the benefit of the Crofters in such Common Grazing Area and that via the Trust;
- 5.2.8 spread or deposit soil and other spoil arising from the construction, maintenance, repair, renewal, removal and replacement of any Access Roads, Electric Cables and Wires, Electricity Substation, Ancillary Building, Turbines and R-T Mitigation Equipment on or in any position or positions on the Scheme Area approved pursuant to the Section 36 Consent; and
- 5.2.9 form and operate a borrow pit or borrow pits in such location or locations within the Scheme Area as SWF (acting reasonably and following prior

consultation with Trust) may determine and to win, work, extract and remove therefrom such stone and other materials as are deemed suitable for use as aftermentioned and thereafter to transport and use such stone and other materials within the Scheme Area in connection with the construction, maintenance, repair and renewal of the Access Roads and the carrying out of the Accommodation Works and ancillary purposes relating to the Wind Farm provided that SWF shall restore the borrow pit or pits in accordance with the Section 36 Consent (and in particular the site-specific scheme for the working and restoration of each borrow pit to be approved by Comhairle nan Eilean Siar pursuant to planning condition 14) when the extraction of stone is completed.

5.3 **Decommissioning Period**

During the Decommissioning Period, SWF shall have the rights (to be exercised in accordance with the terms of the Section 36 Consent) to:

- 5.3.1 decommission, make safe and/or remove the Electric Cables and Wires, Electricity Sub-station, Ancillary Building, Access Roads, Electric Cables and Wires, R-T Mitigation Equipment and Turbines;
- 5.3.2 re-route and divert any existing services within the Scheme Area as may affect the decommissioning of the Wind Farm; and
- 5.3.3 enter upon the Scheme Area at all times with or without vehicles, plant, machinery and equipment for the purposes of and the right to exercise the above rights in this section 5.3.

5.4 **Aftercare Period**

During the Aftercare Period, SWF shall have the right to undertake the Aftercare Works.

6. **RESTRICTIONS ON CROFTERS' RIGHTS**

In order to achieve the objectives stated in section 3.1 above, this Scheme requires that the Crofters observe the following restrictions:

6.1 **General Restrictions**

From the Commencement Date and throughout the duration of this Scheme, the Crofters shall:

- (a) permit SWF to exercise the rights specified in section 5 above at the relevant stages of the Wind Farm's lifecycle;
- (b) exercise their rights over the Scheme Area at all times so as to cause the least practicable disturbance to SWF.
- (c) not knowingly do or omit to do anything in or upon the Scheme Area which could damage any Electric Cables and Wires, Electricity Sub-station, Access Roads, Drainage, Access Ways, anemometer mast, Ancillary Building, R-T Mitigation Equipment or Turbine or in any way cause or knowingly permit a breach of any statute, order, regulation, bylaw or other requirement for the time being in force relating to any Electric Cables and Wires, Electricity Sub-station, Access Roads, Access Ways, anemometer mast, Ancillary Building, R-T Mitigation Equipment or Turbine;
- (d) not cause harmful or noxious substances to escape onto the Scheme Area, nor to do anything or omit to do anything which would breach the provisions of the Environmental Protection Act 1990, the Control of Pollution Act 1974, the Environment Act 1995 and other relevant legislation, bylaws or regulations in respect of the Scheme Area;

- (e) not deliberately burn anything (including heather) whether as a form of muirburn or otherwise on the Scheme Area; and
- (f) not enter any secure compound, building or other structure installed or erected by SWF on or forming part of the Scheme Area.

6.2 Access

General

From the Commencement Date and throughout the duration of this Scheme:

- 6.2.1 Any Crofter taking vehicular access to the Scheme Area shall observe a speed limit of 20 miles per hour at all times on the Access Roads and Access Ways and shall comply with any local vehicle or traffic restrictions or any restrictions imposed by SWF (acting reasonably) in relation to their use and in particular weight restrictions over bridges, cattle grids or other such structures.
- 6.2.2 Any Crofter taking access to the Scheme Area shall close all gates unless otherwise agreed between the Crofter taking access and SWF.
- 6.2.3 No Crofter shall obstruct any Access Roads or Access Ways and any Crofter shall remove any broken down vehicles and machinery for which the relevant Crofter is responsible as soon as reasonably practicable.

Pre-Construction Period

- 6.2.4 During the Pre-Construction Period, any Crofter may freely take access to the Scheme Area, subject to complying with the other restrictions applicable during the Pre-Construction Period as detailed in sections 6.1, 6.2.1 – 6.2.4, 6.3.1 and 6.5.

Construction Period

- 6.2.5 During the Construction Period, Crofters may not take access to excluded areas identified by SWF in accordance with section 7.2 for the period specified by SWF.
- 6.2.6 During the Construction Period, any Crofter wishing to take access to the Scheme Area (outwith the excluded areas referred to in section 6.2.5 above) shall give SWF a minimum of 5 days' notice (by telephone, letter or email) of the dates, times and location(s) in respect of which access is sought. SWF shall allow any Crofter who has given such notice to take access where practicable (subject to operational and health and safety requirements). SWF will make alternative temporary access available to Crofters seeking access in accordance with this section 6.2.6 where practicable.
- 6.2.7 Crofters wishing to take access to the Scheme Area (outwith the excluded areas referred to in section 6.2.5 above) who have not complied with the notice provisions of section 6.2.6 will be permitted on to the Scheme Area during the Construction Period only where this is reasonably practicable in the absence of such notice having been provided and only where this has been agreed by SWF's project management team by telephone prior to arrival at the Scheme Area.
- 6.2.8 Upon arrival at the Scheme Area during the Construction Period, any Crofter seeking access in accordance with section 6.2.6 or 6.2.7 shall report to SWF's site office and participate in any induction or safety process as SWF may require to ensure the safety of all persons on the Scheme Area. SWF shall inform the relevant Crofter(s) of any localised or Scheme Area-wide restrictions or safety requirements in force at such times and the Crofter(s)

shall observe such requirements for the duration of their visit.

- 6.2.9 Prior to departing from the Scheme Area during the Construction Period, any Crofter who has taken access in accordance with sections 6.2.5 to 6.2.8 above shall return to SWF's site office and inform SWF that they are leaving the Scheme Area.

Operational Period

- 6.2.10 Following the Date of Final Commissioning, SWF shall agree with the Grazings Committees of the Common Grazing Areas (where appointed) and the Trust (having regard to SWF's operational and health and safety requirements as well as the Crofters' uses of the Scheme Area) detailed arrangements regarding:

- (a) control of access to and egress from the Scheme Area;
- (b) the ongoing use of gates within the Scheme Area; and
- (c) the use of the bridges constructed as part of the Wind Farm.

- 6.2.11 Where SWF are undertaking or intending to undertake Major Works during the Operational Period, SWF may impose such temporary access restrictions upon Crofters visiting the Scheme Area as may be reasonably necessary for operational and health and safety purposes, including, but not limited to, the restrictions referred to in sections 6.2.5 to 6.2.9.

Decommissioning Period

- 6.2.12 The restrictions contained within sections 6.2.5 – 6.2.9 shall apply to the Decommissioning Period as they apply to the Construction Period *mutatis mutandis*.

Aftercare Period

- 6.2.13 Crofters may not take access to excluded areas identified by SWF in accordance with the detailed decommissioning, restoration and aftercare plan (see section 6.8 below) for the period specified by SWF, save where prior authorisation has been given by SWF.

6.3 Grazing

- 6.3.1 During the Pre-Construction Period, grazing rights and liaison between the Crofters and SWF shall be dealt with as described in sections 6.1, 6.2.1 – 6.2.4, 6.3.1 and 6.5 *mutatis mutandis*.

- 6.3.2 During the Construction Period and the Decommissioning Period, or where SWF is undertaking Major Works during the Operational Period, grazing rights and liaison between the Crofters and SWF shall be dealt with as described in sections 6.2.1 – 6.2.3, 6.2.5 – 6.2.9 and 6.2.12 above *mutatis mutandis*.

- 6.3.3 Following the Date of Final Commissioning, SWF shall provide a plan to the Clerks of the Common Grazing Areas (where appointed), which plan shall delineate the areas within the Scheme Area in which the Crofters shall not be permitted to graze sheep or other livestock throughout the Operational Period. The excluded areas shown on the said plan shall include (but without limitation) land containing infrastructure, operational areas and areas where habitat restoration is taking place.

- 6.3.4 Outwith the excluded areas shown on the plan referred to in section 6.3.3, the Crofters may graze sheep or other livestock on the Scheme Area during the Operational Period provided they observe the other restrictions set out in

sections 6.1, 6.2.1 – 6.2.3, 6.2.10 – 6.2.11 and 6.7.

- 6.3.5 During the Aftercare Period, the exercise of grazing rights and liaison between the Crofters and SWF shall be dealt with in the same way as access, per sections 6.2.13 and 6.8 *mutatis mutandis*.

6.4 Peat Cutting

- 6.4.1 Following the Commencement Date and prior to the Date of Full Occupation, the Grazings Committee of each Common Grazing Area (where appointed) or any Crofter shall notify SWF and the Trust with reference to a plan of those areas located within the Scheme Area in which peat cutting is being undertaken by the Crofters having rights in their respective Common Grazing Areas.

- 6.4.2 Following receipt of such notice in accordance with section 6.4.1, SWF shall, from the Date of Full Occupation and where practicable:

- (a) seek to minimise the impacts of the Wind Farm (and related works) on those areas;
- (b) allow the relevant Crofters to have access to the areas notified, subject to SWF's operational and health and safety requirements;
- (c) lay short access tracks at points agreed with the Grazings Committees of the Common Grazing Areas (where appointed) to facilitate the crossing of the peat shoulders; and
- (d) where SWF has built new drainage within the Scheme Area which crosses access to peat cutting areas, provide crossing points with culverts underneath for access to these cutting areas.

- 6.4.3 Following the Date of Full Occupation but prior to the Aftercare Period, the Grazings Committee of each Common Grazing Area (where appointed) or any Crofter may notify SWF and the Trust with reference to a plan of additional areas located within the Scheme Area in which the relevant party (or those Crofters whom the Grazings Committee represent, where relevant) wishes to undertake peat cutting. SWF may, in its sole discretion, agree to allow access etc in accordance with section 6.4.2 above.

- 6.4.4 During the Aftercare Period, the Crofters shall not undertake any cutting of peat or similar works within the restricted areas and for such period as notified in accordance with sections 6.2.13 and 6.8.

6.5 Sporting Rights

Prior to the Crofters undertaking any hunting or shooting on the Scheme Area, the Crofters wishing to exercise such rights shall notify SWF (by telephone, letter or email) that they wish to do so and, following receipt of such notice, SWF shall allow hunting or shooting only in accordance with the Shooting Code of Practice and such additional terms and conditions as SWF (in its sole discretion) deems necessary for the purposes of health and safety and the security of the Wind Farm at that time, with reference to the operations being carried out by SWF on the Scheme Area.

6.6 Health and Safety

- 6.6.1 Where the Crofters enter the Scheme Area during the Construction Period or Decommissioning Period (or where SWF is undertaking Major Works during the Operational Period), the Crofters shall:

- (a) where a temporary exclusion zone is imposed by SWF around areas where works are being carried out (including but not limited

to the area around a wind turbine base during lifting operations or around any areas where blasting is taking place) and notified to the Crofters in accordance with this section 6.6 or section 7.6 below, not enter within the notified temporary exclusion zone;

- (b) be obliged to comply with and ensure that they do not breach the terms of, such rules, requirements and/or plans as SWF shall notify to the Crofters; for the avoidance of doubt including (but not limited to) SWF's:
 - (i) Traffic management plan;
 - (ii) Health and safety requirements;
 - (iii) Site rules;
 - (iv) Pollution prevention and incident plan; and
 - (v) Requirements pursuant to the Construction (Design and Management) Regulations 2015;

in each case as may be revised, altered and amended from time to time.

SWF shall make plain English and Gaelic summaries of the above documents available to the Crofters, with copies of the full documents being issued to the Clerks of the Common Grazing Areas (where appointed) and published on SWF's website.

- 6.6.2 Outwith the Construction Period or Decommissioning Period (or any period in which SWF is undertaking Major Works during the Operational Period), the Crofters shall be required to comply with SWF's reasonable health and safety requirements and the relevant site rules when within the Scheme Area, all of which shall be made available to the Crofters from time to time by SWF.

6.7 **Habitat Management Plan**

- 6.7.1 SWF shall issue the draft habitat management plan to the Clerks of the Common Grazing Areas for comment:
 - (a) coincidentally with issuing the draft habitat management plan to NatureScot, Scottish Forestry, the Scottish Environment Protection Agency and / or Comhairle nan Eilean Siar for comment; and
 - (b) if material amendments are made to the habitat management plan by SWF or any of the bodies referred to in section 6.7.1(a), upon receipt or issue of those amendments (as appropriate).
- 6.7.2 Following receipt of the draft habitat management plan from SWF, the Clerks of the Common Grazing Areas shall provide any comments thereon (including comments as may be provided by the Crofters having shares in the Common Grazing Area that they represent) in writing to SWF within 20 Working Days.
- 6.7.3 On receipt of comments from the Clerks of the Common Grazing Areas, SWF shall take account of these and, where at the sole discretion of SWF it is reasonable and practicable to do so, shall revise the draft habitat management plan accordingly.
- 6.7.4 Comhairle nan Eilean Siar (in consultation with NatureScot, Scottish Forestry and the Scottish Environment Protection Agency) shall have the final decision regarding the contents of the habitat management plan, in accordance with planning condition 25 of the Section 36 Consent.

- 6.7.5 The provisions of the habitat management plan as approved by Comhairle nan Eilean Siar shall take precedence over the Crofters' access to and use of the Scheme Area during the Wind Farm Period.
- 6.7.6 The Crofters will not breach the terms of any habitat management plan relevant to the Scheme Area notified to the Crofters by SWF.
- 6.7.7 SWF shall make a plain English and Gaelic summary of the habitat management plan available to the Crofters, with copies of the full document being issued to the Clerks of the Common Grazing Areas (where appointed) and published on SWF's website.

6.8 **Aftercare Works**

The provisions of section 6.7 above shall apply to the draft detailed decommissioning, restoration and aftercare plan referred to in planning condition 39 of the Section 36 Consent *mutatis mutandis*.

7. **NOTIFICATIONS AND INFORMATION**

- 7.1 No later than one week prior to the Date of Commencement of Surveys, SWF shall provide the Clerks of the Common Grazing Areas (where appointed) with details of SWF's planned survey works for the month following the Date of Commencement of Surveys. The notification shall include details of any areas within the Scheme Area where the Crofters will not be permitted at any given time during the relevant month for operational and/or health and safety reasons.

- 7.2 No later than one month prior to the Date of Full Occupation, SWF shall notify the Clerks of the Common Grazing Areas (where appointed) and shall publish on SWF's website details of SWF's (a) estimated construction timetable and (b) planned works for the month following the Date of Full Occupation. The notification shall include details of any areas within the Scheme Area where the Crofters will not be permitted during the relevant month for operational and/or health and safety reasons.

SWF shall issue a further such notification on the date occurring one month after the Date of Full Occupation and thereafter on a monthly basis until the Date of Final Commissioning.

- 7.3 Following receipt of a notification in terms of section 7.2 above, the Grazings Committees of the Common Grazing Areas (where appointed) or any Crofter may make representations to SWF regarding planned crofting activities in the Scheme Area in the period covered by the notification.

SWF shall take account of such representations and, where at the sole discretion of SWF it is reasonable and practicable to do so, shall: (a) revise and reissue the relevant notification accordingly and (b) incorporate any required amendments into the construction method statements, construction environmental plan and site induction for all workers. For the avoidance of doubt, SWF's planned works shall take precedence over the Crofters' access to and use of the Scheme Area during the Wind Farm Period.

- 7.4 Prior to the Date of Full Occupation, SWF shall notify the Clerks of the Common Grazing Areas (where appointed) and shall publish on SWF's website details of a telephone number which may be used for direct contact with the Wind Farm's project management team for queries from the Crofters in respect of this Scheme and any works carried out or to be carried out by or on behalf of SWF within the Scheme Area (in particular with regard to the construction of the Wind Farm).

- 7.5 The provisions of sections 7.2 – 7.4 above shall apply to: (i) the period prior to the Date of Commencement of Decommissioning and throughout the Decommissioning Period and (ii) the period prior to the commencement of any Major Works and the period in which those Major Works are undertaken during the Operational Period, in the same manner as they are stated to apply to the period prior to the Date of Full Occupation, save where Major Works are required in an emergency, in which case

SWF shall use reasonable endeavours to comply with sections 7.2 – 7.4 insofar as is reasonably practicable.

- 7.6 No later than one week prior to undertaking blasting activities on the Scheme Area, SWF shall notify the Clerks of the Common Grazing Areas (where appointed) and shall publish on SWF's website details of the dates and times at which such blasting operations will occur.
- 7.7 SWF shall make plain English and Gaelic summaries of this Scheme available to the Crofters, with full copies of the Scheme documents being issued to the Clerks of the Common Grazing Areas (where appointed) and published on SWF's website.

THIS IS THE SCHEDULE REFERRED TO IN THE FOREGOING SCHEME FOR DEVELOPMENT

SCHEDULE PART 1 – DEFINITIONS

“Accounts” means unaudited management accounts;

“Access Roads” means the roads to be constructed by SWF within the Scheme Area, the intended routes of such roads as at the date of this Scheme being shown coloured black on Plan 2;

“Access Ways” means the roads and/or access ways on the Scheme Area over which the Trust enjoys a right of way or has a right of access/egress;

“Accommodation Works” means all works on the Scheme Area reasonably required by SWF in connection with the development of the Wind Farm including without limitation the right to construct access tracks (in addition to the Access Roads), foundation works and crane pads, to dig trenches and establish a temporary site office or offices and/or temporary works compounds and/or concrete batching plants, to construct and temporarily store the Turbines, construction vehicles, cranes and equipment and to stockpile stone;

“Affiliate” means, in respect of any company, any subsidiary or any holding company of that company or any company which is a subsidiary of any holding company of that company (where the terms “holding company” and “subsidiary” have the meanings given to them in Section 1159 of the Companies Act 2006);

“Aftercare Period” means the period from the Date of Full Restoration until the Date of Completion of Aftercare;

“Aftercare Works” means the works to be undertaken by SWF inter alia on the Scheme Area following the Date of Final Commissioning, as required pursuant to the Section 36 Consent;

“Ancillary Building” means any operation and maintenance control centre, permanent laydown area or any other building ancillary to the Wind Farm or its operation and maintenance, the intended location(s) of such ancillary building(s) as at the date of this Scheme being shown coloured orange and pink on Plan 2;

“Assignment Fee” means the sum of TWENTY-FIVE THOUSAND POUNDS (£25,000) STERLING Index Linked;

“Basic Payment” means the sum calculated by multiplying the Installed Capacity at the commencement of the relevant quarter by 25% of the Basic Payment Rate;

“Basic Payment Rate” means FOUR THOUSAND TWO HUNDRED AND FIFTY POUNDS (£4,250) STERLING per megawatt of Installed Capacity, which sum shall be Index Linked at the start of each Operational Year;

“CfD” means an agreement between SWF and the CfD Counterparty in respect of the Wind Farm entered into following the relevant application or negotiation process established under or by virtue of Part 2 of Chapter 2 of the Energy Act 2013 or any similar, substitute or replacement scheme;

“CfD Counterparty” means the Low Carbon Contracts Company Limited or such other person or persons designated as a counterparty for contracts for difference in accordance with section 7 of the Energy Act 2013 or any similar, substitute or replacement scheme;

“CGA Share Calculation” means the calculation of the share of payments due by SWF to each Common Grazing Area in accordance with Part E of the Payment Schedule;

“Clerk” means either a grazings clerk or grazings constable, in either case appointed in

accordance with Section 47 of the Crofters (Scotland) Act 1993 (as amended or replaced from time to time);

“Commencement Date” means the Date of Commencement of Surveys or the Date of Consent (whichever is the earlier);

“Common Grazing Area(s)” means all or any of those areas of land (as the context admits) comprised in the common grazings known as Aignish; Garrabost and New Garrabost; Holm; Knock and Swordale; Melbost and Branahuie; New Valley, Guershader and Laxdale Lane; Sandwick and Sandwick East Street; Sandwick North Street; Sheshader; Steinish and Stornoway General as more particularly shown coloured on Plan 1 and located within the Scheme Area, in which those listed in the List of Crofters hold common grazing rights;

“Commissioned” means generating electricity for commercial exportation (and therefore excluding Turbines which are either generating electricity during testing or permanently decommissioned) PROVIDED ALWAYS THAT in the context of the allocation of the Construction Sum in accordance with the CGA Share Calculation, “Commissioned” shall mean forming part of the Intended Capacity;

“Construction Period” means the period from the Date of Full Occupation until the Date of Final Commissioning;

“Construction Sum” means the sum of TWO THOUSAND TWO HUNDRED AND FIFTY POUNDS (£2,250) STERLING per megawatt of Intended Capacity Index Linked;

“Crofters” means those individuals holding shares in any Common Grazing Area (excluding sub-tenants of those shares), which individuals are understood to be as listed in the List of Crofters from time to time, and **“Crofter”** shall mean any one of them;

“Date of Commencement of Decommissioning” means the date on which SWF commences decommissioning works on the Scheme Area in respect of the Wind Farm;

“Date of Commencement of Surveys” means the date on which SWF first undertook or undertakes works in the Scheme Area as described in section 5.1;

“Date of Completion of Aftercare” means the date on which SWF completes the Aftercare Works;

“Date of Consent” means the date on which the Scottish Land Court consents to this Scheme;

“Date of First Commissioning” means the date on which the first Turbine within the Scheme Area forming part of the Wind Farm is Commissioned by or on behalf of SWF;

“Date of Final Commissioning” means the date on which all Turbines within the Scheme Area forming part of the Wind Farm have been Commissioned by or on behalf of SWF;

“Date of Final Decommissioning” means the date on which all Turbines within the Scheme Area forming part of the Wind Farm cease supplying electricity on a commercial basis;

“Date of Full Occupation” means the date stated on the Notice of Full Occupation;

“Date of Full Restoration” means the date on which SWF completes the decommissioning of the Wind Farm insofar as within the Scheme Area and restoration of the Scheme Area in accordance with the Lease and the Section 36 Consent;

“Decommissioning Period” means the period from the Date of Commencement of Decommissioning until the Date of Full Restoration;

“Electric Cables and Wires” means the overhead and/or underground electric lines, cables wires and electrical plant, conducting and communications media and other ancillary structures

and equipment to be used, laid or erected by SWF or any other person in connection with the Wind Farm on the Scheme Area;

“Electricity Sub-station” means any electricity sub-station and other similar or ancillary structures and equipment (including, for the avoidance of doubt, battery storage facilities) which may be placed or constructed by SWF on the Scheme Area of such type size and construction as the Tenant may reasonably require, the intended location of such sub-station as at the date of this Scheme being shown outlined in black and coloured orange on Plan 2;

“Felling Fee” means the sum of TWO THOUSAND POUNDS (£2,000) STERLING Index Linked per hectare of trees removed from (or affected by the Wind Farm and standing within) the relevant Common Grazing Area;

“FID Success Fee” means the sum of TWO HUNDRED THOUSAND POUNDS (£200,000) STERLING;

“Final Investment Decision” means the final decision of the SWF board to proceed to build the Wind Farm;

“Grazings Committee” means a grazings committee appointed in accordance with Section 47 of the Crofters (Scotland) Act 1993 (as amended or replaced from time to time);

“Group Company” means, in respect of SWF, any Affiliate or any Shareholder or any Affiliate of any Shareholder of SWF or any other company in which SWF is a Shareholder or an Affiliate of any such company;

“Gross Income” means the income received by SWF during the relevant Operational Year for the electricity generated from the Wind Farm including but not limited to (for the avoidance of doubt) any additional monetary value linked to any CfD, income received from any premiums, subsidies, allowance, credit or incentive payments and any substituted arrangements relative to such electricity and any constraint payments received as a consequence of SWF complying with a request made by the grid operator to cease or constrain the generation of electricity from the Wind Farm made to SWF, less (in respect of the relevant Operational Year) (a) any value added tax on such income, (b) the costs of electricity purchased to operate or store within the Wind Farm and (c) any sums paid by the Tenant to the CfD Counterparty pursuant to a CfD;

“Income Percentage” means 2.5%;

“Independent Surveyor” means an independent surveyor of relevant experience (acting as an expert and not an arbitrator) agreed upon between SWF and the Grazings Committees of the relevant Common Grazing Areas (where appointed), or in the absence of agreement, nominated on the application of either SWF or the Grazings Committees of the relevant Common Grazing Areas (where appointed) by the President for the time being of the Scottish Branch of the Royal Institution of Chartered Surveyors;

“Index” means the Consumer Price Index (All Items) published by the Office of National Statistics or any successor Ministry or Department or other body with the responsibility for the time being for publishing the same or, in the event of the Consumer Price Index ceasing to be published at any time during the currency of this Scheme or (subject to the aftermentioned proviso) it becoming impossible to use the Consumer Price Index for the purposes set out in this Scheme by reason of any change after the Commencement Date in the methods used to compile such index, such comparable index as is as near as possible to the said Consumer Price Index for all items as the Trust and SWF shall agree or failing agreement as shall be determined by a single surveyor acting as an expert and not as an arbiter to be appointed, in default of agreement between the parties, by the President for the time being of the Royal Institution of Chartered Surveyors in Scotland on the application of either party PROVIDED THAT if the reference base used to compile the Consumer Price Index changes after the Commencement Date then the figure applicable at any anniversary of the Commencement Date shall be adjusted to the figure which would have applied if the reference base current at the Commencement Date had been retained and not changed;

“Index Linked” means multiplied by the higher of (a) one and (b) $\frac{CPI_n}{CPI_a}$

CPI_n means the Index for the last month prior to the month of payment or calculation for which the Index has been published; and

CPI_a means the Index for the month of December 2021

“Installed Capacity” means the capacity in megawatts which is or has been Commissioned on the Scheme Area at the relevant calculation date under deduction of any capacity permanently decommissioned at the same calculation date;

“Intended Capacity” means the capacity in megawatts of those Turbines which SWF certifies to the Trust on or before the first Date of Full Occupation that they intend to install on the Scheme Area, SWF being required to act reasonably and have regard to the Section 36 Consent and any Notice of Full Occupation served by SWF as at the date of such certification;

“Interest Rate” means 4% per annum above the base rate of The Royal Bank of Scotland plc;

“Lease” means the lease between SWF and the Trust dated 25 and 28 November 2003, registered in the Land Register of Scotland under Title Number ROS1235, as varied by: (i) Minute of Alteration and Extension of Lease dated 28 June and 20 July 2010 registered in the Land Register and Books of Council and Session on 24 August 2010; (ii) Minute of Alteration and Extension of Lease dated 15 and 19 July 2011 and registered in the Land Register and Books of Council and Session on 17 August 2011; (iii) Partial Renunciation among the Trust, SWF and Point and Sandwick Power Limited dated 7, 8 and 11 August 2014; (iv) Minute of Alteration and Extension of Lease dated 5 April 2016 and 26 May 2017 registered in the Books of Council and Session on 12 July 2016 and the Land Register on 22 July 2016; (v) Minute of Alteration of Lease dated 26 May 2017; (vi) Minute of Alteration and Extension of Lease dated 22 February and 7 April 2022; and as may be further varied from time to time;

“List of Crofters” means the document entitled “List of Crofters by Grazing Area” contained in Part 3 of this Schedule (as updated and revised from time to time in accordance with this Scheme);

“Mainland TNUoS Charge” means the average TNUoS Charge payable by onshore wind farms located in Northern Scotland of equivalent size and specification to the Wind Farm;

“Major Works” means any works or repairs (including major component works) undertaken by SWF where (in SWF’s sole discretion) such works will impact upon the Crofters’ rights to access and/or use the Scheme Area;

“Miscellaneous Payments” means the Substation Payment, the Assignment Fee and the Felling Fee, as more particularly described in Part C of the Payment Schedule;

“Northern CGAs” means all or any of the Common Grazing Areas (as the context admits) located to the North of the River Creed and within the Scheme Area, as more particularly shown coloured on Plan 1;

“Northern Turbines” means those Turbines within the Scheme Area located to the North of the River Creed, being those Turbines the intended locations of which as at the date of this Scheme are shown by red turbine shapes marked T14, T15, T16, T17, T18, T19, T20, T21, T22, T23, T25, T26, T27, T28, T29, T30, T31, T32, T33 and T35 (20 turbines) on Plan 2;

“Notice of Full Occupation” means a written notice issued to the Trust in terms of clause 4.1 of the Lease (and copied to the Clerk of each Common Grazing Area (where appointed) and published on SWF’s website in accordance with section 4.4.1 of this Scheme) stating the date upon which SWF will occupy the relevant parts of the Scheme Area for any Ancillary Buildings, an Electricity Sub-station, R-T Mitigation Equipment, Turbines, Access Roads and Electric Cables and Wires;

“Operational Period” means the period from the Date of Final Commissioning until the Date of Commencement of Decommissioning;

“Operational Year” means, from and after the Date of First Commissioning until the Date of Final Decommissioning, any period of 12 months commencing in each year on First January (except the first Operational Year which shall be the period commencing on the Date of First Commissioning until the first Thirty-first December occurring not less than 12 months after the Date of First Commissioning and the last Operational Year which shall be the period commencing on First January until the Date of Final Decommissioning);

“Payment Schedule” means the document entitled “Payment Schedule” forming Part 4 of this Schedule;

“Plan 1” means the plan marked “Plan 1” contained in Part 2 of this Schedule;

“Plan 2” means the plan marked “Plan 2” contained in Part 2 of this Schedule;

“Plan 3” means the plan comprising 11 parts marked “Plan 3” contained in Part 2 of this Schedule;

“Pre-Construction Payment” means the sum of THIRTY THOUSAND POUNDS (£30,000) STERLING;

“Pre-Construction Period” means the period from the Commencement Date until the Date of Full Occupation;

“Quarter Days” means 31 March, 30 June, 30 September and 31 December;

“R-T Mitigation Equipment” means any equipment required in terms of the Section 36 Consent in order to mitigate the effect or effects of the Wind Farm on any radio and/or television and/or telecommunication services in the vicinity of the Wind Farm;

“Scheme” means this Scheme for Development including the schedule annexed hereto and the following items referred to in the inventory of productions accompanying the application: Schedule Part 2 – Plan 1 (Scheme Area); Schedule Part 2 – Plan 2 (Development Area); Schedule Part 2 – Plan 3 (Common Grazing Areas Detail); Schedule Part 3 – List of Crofters; Schedule Part 4 (Payment Schedule) Part G – Illustrative Worked Example 2; and Schedule 6 of Lease between the Stornoway Trust and Stornoway Wind Farm Limited – Code of Practice for Exercising Sporting Rights;

“Scheme Area” means the aggregate of all of the Common Grazing Areas located within the area shown outlined in orange on Plan 1 annexed to this Scheme;

“Section 36 Consent” means the Section 36 Consent issued by the Scottish Ministers under the Electricity Act 1989 on 5 January 2022 (as such Section 36 Consent may be varied from time to time);

“Shareholder” means any person holding shares in SWF or in any holding company of SWF (where the term “holding company” has the meaning given to it in section 1159 of the Companies Act 2006);

“Shooting Code of Practice” means the “Code of Practice for Exercising Sporting Rights” forming Part 6 of the Schedule to the Lease;

“Southern CGAs” means all or any of the Common Grazing Areas (as the context admits) located to the South of the River Creed and within the Scheme Area, as more particularly shown coloured on Plan 1;

“Southern Turbines” means those Turbines within the Scheme Area located to the South of the River Creed, being those Turbines the intended locations of which as at the date of this Scheme are shown by red turbine shapes marked T1, T2, T3, T4, T5, T6, T7, T8, T9, T10, T11, T12 and T13 (13 turbines) on Plan 2;

“Substation Payment” means the sum of FIVE THOUSAND POUNDS (£5,000) STERLING Index Linked per annum;

“SWF” means Stornoway Wind Farm Limited, a company registered in Scotland with registered number SC225262 and having its registered office at c/o EDF Energy, GSO Business Park, East Kilbride, G74 5PG;

“SWF TNUoS Charge” means the average level of TNUoS Charge applicable to the Wind Farm in any Operational Year;

“TNUoS Charge” means the Transmission Network Use of System charge paid pursuant to the Connection and Use of System Code established pursuant to the transmission licence of (and as published by) National Grid Electricity Transmission plc (or its successor as GB transmission system operator), as from time to time revised in accordance with that transmission licence;

“Trust” means the Stornoway Trust, a community-owned charitable trust incorporated under the Trust Order Confirmation Act 1975 and having its principal place of business at the Estate Office, Leverhulme House, Perceval Square, Stornoway, Isle of Lewis HS1 2DD;

“Turbines” means wind powered electricity generating turbines constructed or which may be constructed from time to time by SWF within the Scheme Area of such type size and construction as SWF in its absolute discretion may decide, the intended locations of such Turbines as at the date of this Scheme being shown by red turbine shapes on Plan 2;

“Unit” means one megawatt hour of electricity;

“Unit Price” means £1.25 per Unit, Index Linked;

“Variable Top Up Payment” means the variable payment(s) described in paragraph 3 of Part B of the Payment Schedule;

“Wind Farm” means the proposed Stornoway Wind Farm, as more particularly described in the Section 36 Consent;

“Wind Farm Payments” means the Construction Sum, the Basic Payment and the Variable Top Up Payment, all as more particularly described in Part B of the Payment Schedule;

“Wind Farm Period” means the period from the Date of Full Occupation until the Date of Final Decommissioning;

“Working Day” means any day from Monday to Friday (inclusive) which is not Christmas Day, Good Friday or a statutory Bank Holiday; and

“Zone 1” means “Zone 1 – North Scotland” in terms of the Schedule of Transmission Network Use of System Wider Zonal Generation Charges, contained within the Statement of Use of System Charges published by National Grid Electricity Transmission plc (or its successors) from time to time.

SCHEDULE PART 2 – PLANS

Plan 1 – Scheme Area

Plan 2 – Development Area

Plan 3 – Common Grazing Areas Detail – comprising 11 parts:

3.1 Aignish

3.2 Garrabost and New Garrabost

3.3 Holm

3.4 Knock & Swordale

3.5 Melbost and Branahuie

3.6 New Valley, Guershader and Laxdale Lane

3.7 Sandwich & Sandwich East Street

3.8 Sandwich North Street

3.9 Sheshader

3.10 Stornoway General

3.11 Steinish

SCHEDULE PART 3 – LIST OF CROFTERS

List of Crofters by Common Grazing Area comprising 10 parts:

- 1. Stornoway General**
- 2. Holm**
- 3. Melbost & Branahuie**
- 4. Newvalley, Guershader & Laxdale**
- 5. Sheshader**
- 6. Sandwick North Street**
- 7. Aignish**
- 8. Sandwick & Sandwick East Street**
- 9. Garrabost and New Garrabost**
- 10. Knock & Swordale**

SCHEDULE PART 4 – PAYMENT SCHEDULE

PART A – PRE-CONSTRUCTION PAYMENT AND FID SUCCESS FEE

1. SWF has paid to the Trust and the Trust has distributed to the Crofters the non-refundable Pre-Construction Payment, which sum was allocated in accordance with the Pre-Construction Payment Distribution Table below.

Pre-Construction Payment Distribution Table

Common Grazing Area / Croft	Entitlement (%)
Aignish	6.6553
Garrabost and New Garrabost	6.6553
Holm	6.6553
Lower Bayble	6.6553
Melbost and Branahuie	6.6553
Mill Lands Bennadrove	0.17
New Valley, Guershader & Laxdale Lane	6.6553
Newmarket, Laxdale & Coulregrein	6.6553
Portnaguran, Newlands and Broker	6.6553
Portvoller	6.6553
Sandwick & Sandwick East Street	6.6553
Sandwick North Street	6.6553
Sheshader	6.6553
Shulishader	6.6553
Steinish	6.6553
Upper Aird	6.6553

Note: At the time of making this payment, the design of the Wind Farm did not propose to erect infrastructure on the Knock and Swordale common grazings area, which is therefore not included in the Pre-Construction Payment Distribution Table.

2. Once SWF has:
 - (a) been granted an order by the Land Court authorising this Scheme and a period of 3 months has elapsed from the later of:
 - (i) such grant; or
 - (ii) any legal challenges to such order having been fully and finally determined such that the order is upheld; and
 - (b) the board of SWF takes a Final Investment Decision to build Stornoway Wind Farm and a period of 3 months has elapsed:

SWF shall pay the FID Success Fee within 20 Working Days of the last condition being satisfied. The FID Success Fee shall be paid by SWF to the Trust and thereafter allocated and distributed by the Trust in accordance with the FID Success Fee Distribution Table below.

FID Success Fee Distribution Table

Common Grazing Area / Croft	Entitlement (%)
Aignish	6.2393
Garrabost and New Garrabost	6.2393
Holm	6.2393
Knock and Swordale	6.2393
Lower Bayble	6.2393
Melbost and Branahuie	6.2393
Mill Lands Bennadrove	0.17
New Valley, Guershader & Laxdale Lane	6.2393
Newmarket, Laxdale & Coulregrein	6.2393
Portnaguran, Newlands and Broker	6.2393
Portvoller	6.2393
Sandwick & Sandwick East Street	6.2393
Sandwick North Street	6.2393
Sheshader	6.2393
Shulishader	6.2393
Steinish	6.2393
Upper Aird	6.2393

PART B – WIND FARM PAYMENTS

During the Wind Farm Period, in exchange for the rights granted to SWF in section 5 and the restrictions set out in sections 6.1, 6.2.1 to 6.2.3, 6.2.5 to 6.2.11 and 6.3 to 6.7, SWF shall pay to the Trust the Wind Farm Payments and, where relevant, the Miscellaneous Payments. The Wind Farm Payments shall be paid to the Trust (for onward distribution to the Crofters) and distributed in accordance with section 4.3 of this Scheme and shall be the sums calculated and payable in the following manner:-

1. Construction Sum

The Construction Sum shall be paid to the Trust (for onward distribution to the Crofters) on or before the first Date of Full Occupation and shall be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.

2. Basic Payment

In each Operational Year from and after the Date of First Commissioning, the Basic Payment shall be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation and shall be payable quarterly in arrears as follows:-

2.1 in the first Operational Year (i.e. the period from the Date of First Commissioning until the first Thirty-first December occurring not less than 12 months after the Date of First Commissioning) the first payment shall be made to the Trust (for onward distribution to the Crofters) on or before the first Quarter Day occurring after the Date of First Commissioning, the second payment shall be made on or before the second such Quarter Day and so on until the last payment in the first Operational Year which shall be made on or before the Quarter Day (31 December) which shall be the last day of the first Operational Year; and

2.2 in the second and subsequent Operational Years the first payment shall be made to the Trust (for onward distribution to the Crofters) on or before the first Quarter Day (31 March) occurring during that year and so forth quarterly and proportionately thereafter throughout the Wind Farm Period.

3. Variable Top Up Payment

The Variable Top Up Payment due at the end of each Operational Year shall be allocated among the Common Grazing Areas in accordance with the CGA Share

Calculation and shall be as follows:-

3.1 The greater of: (a) the sum calculated by multiplying the Unit Price by the Units generated by any Turbines which are or have been Commissioned on the Scheme Area and sold by SWF in the relevant Operational Year and (b) the sum calculated by multiplying the Gross Income for the relevant Operational Year by the Income Percentage, in either case less the aggregate of all Basic Payments due or paid by SWF in respect of the Installed Capacity for the relevant Operational Year;

3.2 In the first Operational Year (i.e. the period from the Date of First Commissioning until the first Thirty-first December occurring not less than 12 months after Date of First Commissioning) the Variable Top Up Payment due shall be paid to the Trust (for onward distribution to the Crofters) within 35 Working Days of the said Thirty-first December occurring not less than 12 months after Date of First Commissioning. Thereafter, the Variable Top Up Payment due at the end of each Operational Year shall be paid to the Trust (for onward distribution to the Crofters) within 35 Working Days after the end of the relevant Operational Year and so forth annually and proportionately throughout the Wind Farm Period.

4. **Accounts etc.**

4.1 From the Date of First Commissioning, as soon as practicable after the end of each Operational Year, SWF will produce and deliver to the Trust and to the Clerk of each Common Grazing Area (where appointed):

4.1.1 Accounts to show the total Gross Income received by SWF in respect of all Turbines which are or have been Commissioned by SWF on the Scheme Area in the relevant Operational Year;

4.1.2 Accounts to show the number of Units generated by any Turbines which are or have been Commissioned on the Scheme Area and sold by SWF in the relevant Operational Year; and

4.1.3 in respect of the relevant Operational Year, confirmation of both (i) the SWF TNUoS Charge and (ii) the Mainland TNUoS Charge.

4.2 SWF shall, upon request by the Trust or the Grazings Committee of any Common Grazing Area, produce such evidence as the Trust or the relevant Grazings Committee may reasonably require (insofar as available to SWF) to verify the said written confirmations and Accounts produced by SWF in terms of this paragraph 4.

5. **Interest**

If SWF fails to make the whole or any part of any payment referred to in this Part B of the Schedule to the Trust (for onward distribution to the Crofters) on the relevant Quarter Day (in respect of the Basic Payment due in terms of paragraph 2 above) or within 35 Working Days of the end of the relevant Operational Year (in respect of the Variable Top Up Payment due in terms of paragraph 3 above), SWF shall pay interest on any such payment or part thereof outstanding at the Interest Rate from the date on which payment became due to the date of actual payment.

PART C – MISCELLANEOUS PAYMENTS

1. SWF shall pay the annual Substation Payment to the Trust for onward distribution to the Common Grazing Area within which any Electricity Sub-station is constructed quarterly in arrears from the Date of First Commissioning. SWF shall pay each equal instalment to the Trust at the same time as making the relevant quarterly instalment of the Basic Payment, in accordance with paragraph 2 of Part B of this Payment Schedule.
2. In the event that SWF's interest in the Lease is assigned at any time following the Commencement Date to a third party that is not a Group Company of SWF, SWF shall pay the Assignment Fee to the Trust for onward distribution to the Crofters. In the event that SWF's successors as tenant under the Lease (and any future assignees of SWF's successor) should also succeed to SWF's interest to enforce this Scheme, those successors and assignees whomsoever shall also be obliged to pay the Assignment Fee in the event that the Lease is assigned to a third party that is not a Group Company of the successor or assignee (the definition of "Group Company" applying to those entities *mutatis mutandis*). The Assignment Fee shall be allocated among the Common Grazing Areas in accordance with the CGA Share Calculation.
3. Following any exercise of SWF's rights to lop, top, trim or fell trees standing on any Common Grazing Area within the Scheme Area in terms of section 5.1.1 or 5.2.7 of this Scheme (or where trees standing on any Common Grazing Area are otherwise affected by the Scheme), SWF shall pay the Felling Fee. The Felling Fee shall be paid to the Trust and distributed to the relevant Common Grazing Area in accordance with section 4.3 of this Scheme.

On receipt of the Felling Fee, the Clerk of the relevant Common Grazing Area (where appointed) shall have one calendar month to notify SWF in writing whether the Crofters holding shares in that Common Grazing Area wish to seek from SWF additional compensation for costs either: (i) incurred or to be incurred by the relevant Crofters in replanting elsewhere an equivalent area to replace those trees felled or otherwise affected by SWF, for which the Felling Fee has been paid, or (ii) a sum equivalent to the level calculated pursuant to (i) above, payable towards the costs either incurred or to be incurred for the establishment and/or management of other forestry within the relevant Common Grazing Area, in each case together with an estimate of those costs.

Provided a notice has been received by SWF within the timescale referred to above, the relevant Crofters may then apply to SWF within one year of the date of that notice for compensation to be paid in respect of replanting costs or establishment/management costs as aforesaid, which application must be accompanied by full and proper vouching for the relevant costs incurred or to be incurred, together with copies of the relevant landowner and statutory consents. Any compensation shall be paid by SWF to the relevant Crofters via the Trust.

PART D – TNUoS-LINKED PAYMENT REVIEW

In the event that the SWF TNUoS Charge (as notified by SWF in accordance with paragraph 4.1.3 of Part C of this Payment Schedule above) in any Operational Year is considered by either (i) any Grazings Committee(s) of the relevant Common Grazing Areas (where appointed) or (ii) SWF, in each case acting reasonably, to be comparable to the Mainland TNUoS Charge for the same Operational Year, the relevant Grazings Committee(s) or SWF (as the case may be) may apply to the Independent Surveyor in accordance with the following provisions:

1. The Independent Surveyor shall determine (based on representations made by the relevant Grazings Committee(s) and SWF, plus the Independent Surveyor's own expertise and experience) whether the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year can be considered to be comparable;
2. If the Independent Surveyor determines that the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year are not comparable, no further action shall be required by SWF or the relevant Grazings Committee(s) in terms of this Part D of the Payment Schedule in that Operational Year;
3. If the Independent Surveyor determines that the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year are comparable, the Independent Surveyor shall thereafter assess whether the levels of Wind Farm Payments and Miscellaneous Payments require variation (and if so, to what extent) in order to reflect the market levels of payment made (to crofters or, on non-crofted land, 50% of the market levels of rent paid to landowners) by operators of onshore wind farms of equivalent size and specification to the Wind Farm located in Zone 1 at such time;
4. In the event that either the relevant Grazings Committee(s) or SWF dispute the Independent Surveyor's assessment of the required variation of the levels of Wind Farm Payments and/or Miscellaneous Payments in terms of paragraph 3, the issues in dispute shall be referred to a further Independent Surveyor for a further assessment;
5. The new levels of the Wind Farm Payments and Miscellaneous Payments in the relevant Operational Year (the "**Revised Payments**") shall be either: (a) if the Independent Surveyor's assessment in terms of paragraph 3 is not disputed, the levels set out in that assessment, or (b) if a second Independent Surveyor's assessment is sought by any party in terms of paragraph 4, the mean of the levels assessed by each of the two Independent Surveyors;
6. Following the determination of the Revised Payments, SWF shall enter into such documentation as may be required and shall seek such Land Court order as may be necessary in order to bind SWF to pay to the Trust in accordance with section 4.3 of this Scheme the Revised Payments from the date of such document and/or order;
7. Thereafter, from the date of such document and/or order, SWF shall make the Revised Payments in each subsequent Operational Year while the SWF TNUoS Charge remains at a level comparable to the Mainland TNUoS Charge. In the event that the SWF TNUoS Charge in any Operational Year is at a level which is no longer comparable to the Mainland TNUoS Charge for the same Operational Year, SWF or the relevant Grazings Committee(s) may refer the matter to the Independent Surveyor in terms of paragraph 1 above, *mutatis mutandis*. If the Independent Surveyor determines that the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year are comparable, SWF shall continue to pay the Revised Payments in respect of that Operational Year. If the Independent Surveyor determines that the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year are not comparable, the Revised Payments shall not be payable by SWF in respect of that Operational Year;

8. For the avoidance of doubt, notwithstanding that the SWF TNUoS Charge and the Mainland TNUoS Charge in the relevant Operational Year are determined to be comparable, if the Independent Surveyor(s)' assessments are that no variations are required to the Wind Farm Payments and/or Miscellaneous Payments, no further action shall be required by SWF or the Grazings Committees of the relevant Common Grazing Areas (where appointed) in terms of this Part D of the Payment Schedule in that Operational Year;
9. SWF shall be solely responsible for the costs of the Independent Surveyor(s) referred to in this Part D of the Payment Schedule.

PART E – CGA SHARE CALCULATION

Where a payment is stated to be allocated in accordance with the CGA Share Calculation, it shall be allocated in accordance with the following provisions of this Part E of the Payment Schedule:

1. **Split of Total Payment into Northern Pot and Southern Pot**

The total of the relevant Wind Farm Payment (or Assignment Fee) to be allocated at any payment date shall first be divided into two parts in accordance with the following calculations:

1.1 Northern Pot

$$NP = RP \times (NT / TT)$$

Where NP = the "**Northern Pot**"

RP = the relevant payment due at the payment date in question which is to be allocated in accordance with the CGA Share Calculation

NT = the total number of Northern Turbines Commissioned within the Scheme Area at the payment date in question

TT = the total number of Turbines Commissioned within the Scheme Area at the payment date in question;

1.2 Southern Pot

$$SP = RP \times (ST / TT)$$

Where SP = the "**Southern Pot**"

RP = the relevant payment due at the payment date in question which is to be allocated in accordance with the CGA Share Calculation

ST = the total number of Southern Turbines Commissioned within the Scheme Area at the payment date in question

TT = the total number of Turbines Commissioned within the Scheme Area at the payment date in question;

2. **Split of Northern Pot into Northern Turbine Pot and Northern Access Pot**

Once the Northern Pot has been calculated in respect of the relevant payment, the Northern Pot shall then be further divided into two parts by the following calculations:

(a) $2/3 \times \text{the Northern Pot} = \text{the "**Northern Turbine Pot**"}$

(b) $1/3 \times \text{the Northern Pot} = \text{the "**Northern Access Pot**"}$

3. **Split of Southern Pot into Southern Turbine Pot and Southern Access Pot**

Once the Southern Pot has been calculated in respect of the relevant payment, the Southern Pot shall then be further divided into two parts by the following calculations:

(a) $2/3 \times \text{the Southern Pot} = \text{the "**Southern Turbine Pot**"}$

(b) $1/3 \times \text{the Southern Pot} = \text{the "**Southern Access Pot**"}$

4. **Split of Northern Turbine Pot among relevant Common Grazing Areas**

Once the Northern Turbine Pot has been calculated in respect of the relevant payment, the Northern Turbine Pot shall then be further allocated to each of the relevant Common Grazing Areas having Northern Turbines Commissioned located within them, by the following calculation:

$$CGNTP = NTP \times (NCGT / NT)$$

Where CGNTP = the "**Common Grazing Northern Turbine Payment**" payable to the relevant Common Grazing Area from the Northern Turbine Pot

NTP = the Northern Turbine Pot

NCGT = the total number of Northern Turbines Commissioned within the Scheme Area at the payment date in question which lie within the relevant Common Grazing Area

NT = the total number of Northern Turbines Commissioned within the Scheme Area at the payment date in question

5. **Split of Southern Turbine Pot among relevant Common Grazing Areas**

Once the Southern Turbine Pot has been calculated in respect of the relevant payment, the Southern Turbine Pot shall then be further allocated to each of the relevant Common Grazing Areas having Southern Turbines Commissioned located within them, by the following calculation:

$$CGSTP = STP \times (SCGT / ST)$$

Where CGSTP = the "**Common Grazing Southern Turbine Payment**" payable to the relevant Common Grazing Area from the Southern Turbine Pot

STP = the Southern Turbine Pot

SCGT = the total number of Southern Turbines Commissioned within the Scheme Area at the payment date in question which lie within the relevant Common Grazing Area

ST = the total number of Southern Turbines Commissioned within the Scheme Area at the payment date in question

6. **Split of Northern Access Pot among relevant Northern CGAs**

Once the Northern Access Pot has been calculated in respect of the relevant payment, the Northern Access Pot shall then be further allocated to each of the relevant Northern CGAs through which Northern Turbines Commissioned at the payment date in question are accessible, by the following calculation:

$$CGNAP = NAP \times (NCGA / NA)$$

Where CGNAP = the "**Common Grazing Northern Access Payment**" payable to the relevant Northern CGA from the Northern Access Pot

NAP = the Northern Access Pot

NCGA = the "ANT" figure for the relevant Northern CGA

NA = the sum total of the "ANT" figures for each Northern CGA through which Northern Turbines Commissioned at the payment date in question are accessible

"Accessible Northern Turbines" (or **"ANT"**) means, in respect of each Northern CGA, the number of Northern Turbines Commissioned within the Scheme Area at the payment date in question (but excluding any Turbines Commissioned on the relevant Northern CGA), which are accessible from the public road solely or principally via that section of Access Road located within the relevant Northern CGA

7. **Split of Southern Access Pot among relevant Southern CGAs**

Once the Southern Access Pot has been calculated in respect of the relevant payment, the Southern Access Pot shall then be further allocated to each of the relevant Southern CGAs through which Southern Turbines Commissioned at the payment date in question are accessible, by the following calculation:

$$CGSAP = SAP \times (SCGA / SA)$$

Where CGSAP = the **"Common Grazing Southern Access Payment"** payable to the relevant Southern CGA from the Southern Access Pot

SAP = the Southern Access Pot

SCGA = the "AST" figure for the relevant Southern CGA

SA = the sum total of the "AST" figures for each Southern CGA through which Southern Turbines Commissioned at the payment date in question are accessible

"Accessible Southern Turbines" (or **"AST"**) means, in respect of each Southern CGA, the number of Southern Turbines Commissioned within the Scheme Area at the payment date in question (excluding any Turbines Commissioned on the relevant Southern CGA) which are accessible from the public road solely or principally via that section of Access Road located within the relevant Southern CGA

8. **Division of Payments within Stornoway General Common Grazing Area**

The following formula will provide the means by which payments due to the Stornoway General Common Grazing Area shall be divided among those common grazing areas which have a share in the Stornoway General Common Grazing Area:

$$CP = CGP \times (CSE / TSE)$$

Where CP = that part of the relevant payment to be made to the relevant common grazing area which has a share in the Stornoway General Common Grazing Area

CGP = the total amount of the relevant payment due to the Stornoway General Common Grazing Area, being all or any of the Common Grazing Northern Turbine Payment and Common Grazing Northern Access Payment calculated in accordance with the foregoing provisions

CSE = the share that the relevant common grazing area has in the Stornoway General Common Grazing Area as noted on the List of Crofters at the payment date in question (e.g. being 18 in the case of Holm in accordance with the List of Crofters annexed in Part 3 of this Schedule as at the date of this Scheme).

TSE = the total shares that all common grazing areas which have a share in the Stornoway General Common Grazing Area (each such common grazing area being a **"SG Shareholder"**) have in the Stornoway General Common Grazing Area as noted on the List of Crofters at the payment date in question (e.g. being 8,448 in accordance with the List of Crofters annexed in Part 3 of this Schedule as at the date of this Scheme).

PART F – ILLUSTRATIVE / WORKED EXAMPLE 1 - AIGNISH COMMON GRAZING AREA

Construction Sum Payments – Aignish Common Grazing Area

1. Full details of the formulae used to allocate payments to be made by SWF in terms of the Scheme in accordance with the CGA Share Calculation are set out in Part E of the Payment Schedule. This Part F provides an illustrative example of the allocation of the Construction Sum in order to demonstrate the steps comprised in the CGA Share Calculation and to provide an illustrative example of the level of the Construction Sum payment which might be made by the Trust to the Clerk of the Aignish Common Grazing Area, applying those formulae set out in Part E which relate to the Southern Pot (as Aignish is one of the Southern CGAs).
2. The level of any Construction Sum payments due in accordance with paragraph 1 of Part B of the Payment Schedule will vary depending on the number and capacity of the Turbines within the Scheme Area. By way of example, subject to certain assumptions² and without applying any indexation, the following allocation would be made to each Common Grazing Area prior to the first Date of Full Occupation applying the CGA Share Calculation:-

Common Grazing Area	£
Aignish	57,273
Garrabost and New Garrabost	8,182
Holm	24,423
Knock and Swordale	8,182
Melbost and Branahuie	52,266
New Valley, Guershader and Laxdale Lane	29,796
Sandwick and Sandwick East Street	94,091
Sandwick North Street	8,182
Sheshader	84,261
Stornoway General ³	38,345
Total	405,000

3. We set out below a narrative describing how the Construction Sum has been allocated among the various Common Grazing Areas, as follows:
 - Calculate the Construction Sum payable to the Crofters for the 33 turbines on croft land (i.e. £2,250 x 180MW = £405,000);
 - Divide the Construction Sum into two "pots", one each for the northern part of the wind farm and the southern part, by: (a) multiplying by the proportion of all Northern Turbines (the "Northern Pot") (e.g. 20/33 x £405,000 = £245,455); and (b) multiplying by the proportion of all Southern Turbines (the "Southern Pot") (e.g. 13/33 x £405,000 = £159,545);

² The assumptions made for the purposes of this illustration are as follows: (i) a wind farm of 33 turbines and (ii) conservative assumed total Wind Farm capacity of 180 MW

³ Includes Steinish apportionment

- Divide each of those "pots" into two further "pots" on the basis of the principle in the case of *Stokes v Cambridge*⁴, namely:
 - (a) 2/3 of the Northern Pot becomes a "Northern Turbine Pot" payable to those Northern CGAs on which turbines will be located (e.g. $2/3 \times £245,455 = £163,637$);
 - (b) 1/3 of the Northern Pot becomes a "Northern Access Pot" payable to those Northern CGAs which will host access roads leading to turbines on other Northern CGAs (e.g. $1/3 \times £245,455 = £81,818$);
 - (c) 2/3 of the Southern Pot becomes a "Southern Turbine Pot" payable to those Southern CGAs on which turbines will be located (e.g. $2/3 \times £159,545 = £106,363$); and
 - (d) 1/3 of the Southern Pot becomes a "Southern Access Pot" payable to those Southern CGAs which will host access roads leading to turbines to the south of the River Creed/located on other Southern CGAs (e.g. $1/3 \times £159,545 = £53,182$).
- The Northern Turbine Pot ("NTP") and the Southern Turbine Pot ("STP") will be allocated according to the number of turbines within each Common Grazing Area within the north and south areas respectively as a proportion of all turbines on all affected Common Grazing Areas within the north or south (as the case may be).
- In respect of the Aignish Common Grazing Area which is one of the Southern CGAs, it is proposed that 1 of the Southern Turbines will be located on this area (defined as "SCGT") out of a total of 13 Southern Turbines ("ST"). Therefore – in accordance with paragraph 5 of Part E of the Payment Schedule – the proportion of the Southern Turbine Pot payable to Aignish CGA (defined as the "Common Grazing Southern Turbine Payment" or CGSTP) would be calculated in accordance with the formula

$$CGSTP = STP (£106,363) \times SCGT (1) / ST (13) = £8,182$$

- The Northern Access Pot ("NAP") and the Southern Access Pot ("SAP") will be allocated according to the number of turbines accessible over each Common Grazing Area in the north and the south respectively, as a proportion of the aggregate of the figures in respect of each of the relevant Common Grazing Areas having a share in the Northern Access Pot or the Southern Access Pot (as appropriate). Allowing for certain turbines being accessible via more than one Common Grazing Area: (a) the total number of turbines accessible via any of the Northern CGAs (the sum total of "Accessible Northern Turbines" in respect of each relevant Common Grazing Area, defined in paragraph 6 of Part E of the Payment Schedule as "NA") is 67 and (b) the total number of turbines accessible via any of the Southern CGAs (the sum total of "Accessible Southern Turbines" in respect of each relevant Common Grazing Area, defined in paragraph 7 of Part E of the Payment Schedule as "SA") is 13.
- For the Aignish Common Grazing Area, 12 turbines located south of the River Creed are accessible via the access roads to be constructed within the Aignish Common Grazing Area (excluding the turbine within the Aignish Common Grazing Area itself). This number is defined as the "SCGA" in

⁴ *Stokes v Cambridge Corporation*, (1962) 13 P. & C.R. 77; (1961) 180 E.G. 839. This principle was also applied in the approved Pentland Road s19A Scheme for Development (Application RN 138/11, per Land Court Order of 18 January 2012), where it was stated in the relevant Statement of Facts: "The rent will be apportioned between the land areas upon which the turbines are located and the land areas upon which the access tracks are located in the proportions 2:1 in accordance with a legal precedent set within *Stokes v Cambridge Corporation*, 1961".

paragraph 7 of Part E of the Payment Schedule. The proportion of the Southern Access Pot payable to Aignish CGA (defined as the "Common Grazing Southern Access Payment" or CGSAP) would be calculated in accordance with the formula contained in paragraph 7 of Part E of the payment Schedule as follows:

$$\text{CGSAP} = \text{SAP } (\pounds 53,182) \times \text{SCGA}(12) / \text{SA}(13) = \pounds 49,091$$

This equates to a total Construction Sum payment from the Southern Turbine Pot and the Southern Access Pot payable by the Trust to the Clerk of the Aignish Common Grazing Area of $\pounds 8,182 + \pounds 49,091 = \pounds 57,273$.

PART G – ILLUSTRATIVE / WORKED EXAMPLE 2
ANNUAL WIND FARM PAYMENTS

Full details of the formulae used to allocate payments to be made by SWF in terms of the Scheme in accordance with the CGA Share Calculation are set out in Part E of the Payment Schedule. This Part G provides an illustrative example of the level of annual Wind Farm Payments which might be made to each Common Grazing Area during the Wind Farm Period subject to certain assumptions (set out in the spreadsheet).