

MR01

Particulars of a charge

235419/23

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✓ **What this form is for**
You may use this form to register
a charge created or evidenced by
an instrument

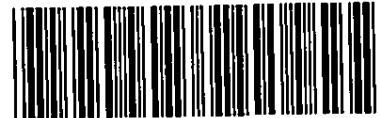
✗ **What this form is NOT for**
You may not use this form to
register a charge where there is no
instrument Use form MR08

For further information, please
refer to our guidance at
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This form **must be delivered to the Registrar for registration within 21 days** beginning with the day after the date of creation of the charge. If delivered outside of the 21 days it will be rejected unless it is accompanied by a court order extending the time for delivery



You **must** enclose a certified copy of the instrument with this form
scanned and placed on the public record **Do not send the original**



A07 *A5LP7IUG* #110
COMPANIES HOUSE

MONDAY

1 Company details

Company number 03033654

Company name in full Centrica plc

10 For official use

→ **Filing in this form**
Please complete in typescript or in
bold black capitals

All fields are mandatory unless
specified or indicated by *

2 Charge creation date

Charge creation date 07/12/2016

3 Names of persons, security agents or trustees entitled to the charge

Please show the names of each of the persons, security agents or trustees
entitled to the charge

Name Delaware Trust Company, 2711 Centerville Road, Wilmington, DE
19808, United States (as Collateral Agent for the Secured Parties)

Name

Name

Name

If there are more than four names, please supply any four of these names then
tick the statement below

☐ I confirm that there are more than four persons, security agents or
trustees entitled to the charge

MR01

Particulars of a charge

4 Brief description

Please give a short description of any land, ship, aircraft or intellectual property registered or required to be registered in the UK subject to a charge (which is not a floating charge) or fixed security included in the instrument

Brief description

Not applicable

Please submit only a short description. If there are a number of plots of land, aircraft and/or ships, you should simply describe some of them in the text field and add a statement along the lines of, "for more details please refer to the instrument"

Please limit the description to the available space

5 Other charge or fixed security

Does the instrument include a charge (which is not a floating charge) or fixed security over any tangible or intangible or (in Scotland) corporeal or incorporeal property not described above? Please tick the appropriate box

☒ Yes

☐ No

6 Floating charge

Is the instrument expressed to contain a floating charge? Please tick the appropriate box

☐ Yes Continue

☒ No Go to Section 7

Is the floating charge expressed to cover all the property and undertaking of the company?

☐ Yes

7 Negative Pledge

Do any of the terms of the charge prohibit or restrict the company from creating further security that will rank equally with or ahead of the charge? Please tick the appropriate box

☒ Yes

☐ No

8 Trustee statement ¹

You may tick the box if the company named in Section 1 is acting as trustee of the property or undertaking which is the subject of the charge

☒

¹ This statement may be filed after the registration of the charge (use form MR06)

9 Signature

Please sign the form here

Signature

Signature

X *Atorn Lowell International LLP* X

This form must be signed by a person with an interest in the charge

MR01

Particulars of a charge



Presenter information

You do not have to give any contact information, but if you do, it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record

Contact name Anna Jackson (ref 140830 000055 DD)

Company name Hogan Lovells International LLP

Address Atlantic House

Holborn Viaduct

Post town London

County/Region

Postcode E C 1 A 2 F G

Country United Kingdom

DX 57 London Chancery Lane

Telephone +44 (20) 7296 5663



Certificate

We will send your certificate to the presenter's address if given above or to the company's Registered Office if you have left the presenter's information blank



Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register
- ☐ You have included a certified copy of the instrument with this form
- ☐ You have entered the date on which the charge was created
- ☐ You have shown the names of persons entitled to the charge
- ☐ You have ticked any appropriate boxes in Sections 3, 5, 6, 7 & 8
- ☐ You have given a description in Section 4, if appropriate
- ☐ You have signed the form
- ☐ You have enclosed the correct fee
- ☐ Please do not send the original instrument, it must be a certified copy



Important information

Please note that all information on this form will appear on the public record



How to pay

A fee of £23 is payable to Companies House in respect of each mortgage or charge filed on paper.

Make cheques or postal orders payable to 'Companies House'



Where to send

You may return this form to any Companies House address. However, for expediency, we advise you to return it to the appropriate address below

For companies registered in England and Wales
The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

For companies registered in Scotland
The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

For companies registered in Northern Ireland
The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1



Further information

For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

CHFP025

06/16 Version 2.1



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CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 3033654

Charge code: 0303 3654 0010

The Registrar of Companies for England and Wales hereby certifies that a charge dated 7th December 2016 and created by CENTRICA PLC was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 12th December 2016

pk

Given at Companies House, Cardiff on 16th December 2016



Companies House



**THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES**

EXECUTION VERSION

Dated 7 DECEMBER 2016

CENTRICA PLC

and

DELAWARE TRUST COMPANY

as Collateral Agent


and

CENTRICA PENSION TRUSTEES LIMITED

as Trustee Agent

INTRAGROUP RECEIVABLES CHARGE

Save for material redacted pursuant to s859G of the Companies Act 2006, I certify that this is a true and complete copy of the composite original seen by me



Name: OLIVER WEST

Title: SOLICITOR

Date: 09.12.2016

Ref L-239621

Hogan Lovells International LLP (Ref 140630-000015)
Atlantic House, Holborn Viaduct London, EC1A 2FG

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THIS CHARGE is dated 7 DECEMBER 2016 and made between

- (1) **CENTRICA PLC**, a company incorporated in England and Wales under number 3033654 and having its registered office at Millstream, Maidenhead Road, Windsor, SL4 5GD (the "Company"),

in favour of
- (2) **DELAWARE TRUST COMPANY**, a Delaware state chartered trust company, as trustee for the Secured Parties on the terms and conditions set out in the Finance Documents (the "Collateral Agent", which expression shall include any person for the time being appointed as collateral agent or as an additional collateral agent for the purpose of, and in accordance with, the Intercreditor Agreement), and
- (3) **CENTRICA PENSION TRUSTEES LIMITED** as trustee agent for the Pension Trustees on the terms and conditions set out in the Finance Documents (the "Trustee Agent")

IT IS AGREED as follows

1 Definitions and Interpretation

1.1 Definitions

Capitalised terms used in this Charge or any Supplemental Intragroup Receivables Charge and not otherwise defined herein have the meanings given to such terms in the Intercreditor Agreement

When used in this Charge or any Supplemental Intragroup Receivables Charge (as defined below)

"Act" means the Law of Property Act 1925

"Business Day" means a day (other than a Saturday or Sunday) on which banks are open for general business in both London and New York

"Centrica International" means Centrica International B V, a company incorporated in the Netherlands under number 61858266, having its registered office at Polarisavenue 39, 2132 JH Hoofddorp, The Netherlands

"Centrica International Loan Agreement" means, collectively, the term loan agreement to be entered into between Centrica International and Centrica plc, including, for the avoidance of doubt, any increase in the principal amount of the loans thereunder and any further term loan agreements entered into between Centrica International and Centrica plc, in each case in the form attached as Part I of Schedule 5 (*Form of Centrica International Loan Agreement*) of the Intercreditor Agreement or as otherwise agreed between Centrica plc and the Trustee Agent

"Centrica International Non-Sterling Loan Agreement" means any loan from time to time entered into between Centrica plc and Centrica International which is not denominated in sterling and is otherwise not related, directly or indirectly, to the funding of any loans to Centrica Beta Holdings Limited, CUSHI or any of its Subsidiaries

"Centrica Group" means the Company and each of its Subsidiaries for the time being

"Charged Property" means all assets and undertaking of the Company which from time to time are, or are expressed to be, the subject of the security created or expressed to be created in favour of the Collateral Agent by or pursuant to this Charge

"Collateral Rights" means all rights, powers and remedies of the Collateral Agent provided by or pursuant to this Charge, any Finance Document to which it is a party and/or by law

"Covenant to Pay Deed" has the meaning given to it in the CUSHI Share Pledge

"CUSHI" means Centrica US Holdings Inc, a body corporate incorporated pursuant to the laws of the State of Delaware, having its head office located at 1105 N Market Street, Suite 1300, Wilmington, Delaware

"CUSHI Share Pledge" means the Share Pledge dated 7 DECEMBER 2016 between Centrica Beta Holdings Limited, the Collateral Agent and the Trustee Agent

"Default" has the meaning given to it in the CUSHI Share Pledge

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Collateral Agent, in each case, in accordance with the provisions of the Finance Documents

"Enforcement Event" means the delivery or deemed delivery of an Actionable Default Notice

"Finance Documents" has the meaning given to it in the Intercreditor Agreement

"FX Swap Agreement" means the foreign exchange agreement to be entered into between Centrica International and Centrica plc including, for the avoidance of doubt, any increase in the amount of the "Loan Principal Repayment" thereunder, and any further foreign exchange agreements entered into between Centrica International and Centrica plc, in each case in the form attached as Part II, Schedule 5 (*Form of FX Agreement*) of the Intercreditor Agreement or as otherwise agreed between Centrica plc and the Trustee Agent

"Intercreditor Agreement" means the Intercreditor Agreement dated on or about the date of this Agreement between, amongst others, Centrica Beta Holdings Limited, the Company, Centrica Finance (US) Limited, the Collateral Agent and the Trustee Agent

"Material Adverse Effect" means either or both of

- (a) a material adverse effect on
 - (i) the ability of any Security Provider to perform its payment obligations under any of the Finance Documents to which it is a party,
 - (ii) the validity or enforceability of any of the Finance Documents and/or any security thereby constituted,
 - (iii) the rights or remedies taken as a whole of the Collateral Agent and/or the Trustee Agent under any of the Finance Documents, and/or
 - (iv) the title to any Charged Property, and/or
 - (v) the ranking of any of the Security Interests granted or purported to be granted under the Security Documents
- (b) a Material Adverse Effect on Value (as defined in the CUSHI Share Pledge)

"Monetary Claims" means

- (a) any book and other debts and monetary claim owing to the Company by Centrica International, Centrica Beta Holdings Limited or any member of the CUSHI Group including, without limitation, under

- (i) the Centrica International Loan Agreement, and/or
 - (ii) any present or future written loan agreement between the Company as lender and Centrica International, Centrica Beta Holdings Limited or any member of the CUSHI Group as borrower (including, for the avoidance of doubt, any loan assigned or transferred to the Company), and/or
 - (iii) the FX Swap Agreement, and/or
 - (iv) the CUSHI Loan Agreements (as defined in the Intercreditor Agreement) as may be assigned from Centrica International to the Company pursuant to the Centrica International Loan Agreement,
- (b) in each case including any proceeds of such debts and claims (including any claims or sums of money deriving from or in relation to any court order or judgment, any contract or agreement to which the Company is a party) and provided that for the purposes of this Charge, "Monetary Claims" shall not include the Centrica International Non-Sterling Loan Agreements

"Party" means a party to this Charge and/or, as the case may be, any Supplemental Intragroup Receivables Charge

"Pension Trustees" has the meaning given to it in the Intercreditor Agreement (and **"Pension Trustee"** shall be construed as each or any of them as the context admits or requires)

"Permitted Security" means

- (a) any lien arising by operation of law and in the ordinary course of trading and not as a result of any default or omission by any member of the Centrica Group,
- (b) any netting, set-off, cash pooling or settlement arrangement entered into by any member of the Centrica Group in the ordinary course of its banking arrangements for the purpose of netting debit and credit balances of members of the Centrica Group but only so long as (i) such arrangement does not permit credit balances of the Company to be netted or set off against debit balances of other members of the Centrica Group where that is prohibited by the Intercreditor Agreement and (ii) such arrangement does not give rise to other Security over the assets of the Company in support of liabilities of other members of the Centrica Group, or
- (c) any Security expressly agreed to by the Trustee Agent in writing

"Receiver" means a receiver or receiver and manager or (where permitted by law) administrative receiver of the whole or any part of the Charged Property and that term will include any appointee made under a joint and/or several appointment

"Related Rights" means, in relation to any asset

- (a) the proceeds of sale of any part of that asset,
- (b) all rights under any licence, agreement for sale or agreement for lease in respect of that asset,
- (c) all rights, benefits, claims, contracts, warranties, remedies, security, indemnities or covenants for title in respect of that asset, and
- (d) any moneys and proceeds paid or payable in respect of that asset

"Reservations" has the meaning given to it in the CUSHI Share Pledge

"Scheme" has the meaning given to it in the CUSHI Share Pledge

"Secured Obligations" means the obligation to pay the Secured Amount (as defined in the Covenant to Pay Deed) and any and all other present and future obligations (and whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) at any time due, owing or incurred by any Security Provider to any Secured Party (in such capacity only) under or in connection with any of the Finance Documents, (as such documents may be varied, amended, waived, released, novated, supplemented, extended, restated or replaced from time to time)

"Secured Parties" has the meaning given to that term in the CUSHI Share Pledge (and **"Secured Party"** shall be construed as each or any of them as the context admits or requires)

"Security" means a mortgage, standard security, charge, pledge, lien, assignment, assignation, hypothecation or other security interest securing any obligation of any person or any other agreement or arrangement having similar legal or commercial purpose or effect

"Security Documents" has the meaning given to that term in the CUSHI Share Pledge

"Security Period" means the period beginning on the date of this Charge and ending on the date on which all Secured Obligations have been unconditionally and irrevocably paid and discharged in full

"Security Provider" has the meaning given to it in the Intercreditor Agreement

"Subsidiary" means in relation to any partnership, company or corporation (including limited liability company organized under the laws of any State of the United States of America including in the District of Columbia) (each, an **"entity"**), any other entity

- (a) which is controlled, directly or indirectly, by the first mentioned entity,
- (b) more than half the issued share capital or other ownership interests of which are beneficially owned, directly or indirectly by the first mentioned entity, or
- (c) which is a Subsidiary of another Subsidiary of the first mentioned entity,

and for this purpose, an entity shall be treated as being controlled by another if that other entity is able to direct its affairs and/or to control the composition of its board of directors, managers, trustees or equivalent body

"Supplemental Intragroup Receivables Charge" means a charge in respect of Monetary Claims in accordance with Clause 5 (*Further Assurance*) substantially in the form of Schedule 1 (*Form of Supplemental Intragroup Receivables Charge*)

1 2 Interpretation

Unless a contrary indication appears, a reference in this Charge to

- 1 2 1 the **"Collateral Agent"**, the **"Trustee Agent"** the **"Company"**, or any of the **"Secured Parties"**, or any other person shall be construed so as to include its successors in title, permitted assigns and permitted transferees and, in the case of the Collateral Agent, any person for the time being appointed as Collateral Agent or Collateral Agents in accordance with the Intercreditor Agreement,

- 1 2 2 "assets" includes present and future properties, revenues and rights of every description,
- 1 2 3 any agreement or instrument is a reference to that agreement or instrument as amended (however fundamentally), novated, supplemented, restated or replaced,
- 1 2 4 "guarantee" means any guarantee, letter of credit, bond, indemnity or similar assurance against loss, or any obligation, direct or indirect, actual or contingent, to purchase or assume any indebtedness of any person or to make an investment in or loan to any person or to purchase assets of any person where, in each case, such obligation is assumed in order to maintain or assist the ability of such person to meets its indebtedness,
- 1 2 5 "indebtedness" includes any obligation (whether incurred as principal or as surety) for the payment or repayment of money, whether present or future, actual or contingent,
- 1 2 6 a "person" includes any person, firm, company, corporation, government, state or agency of a state or any associate, trust or partnership (whether or not having separate legal personality) of two or more of the foregoing
- 1 2 7 "regulation" includes any regulation, rule, official directive, request or guideline whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation, and
- 1.2 8 a provision of law is a reference to that provision as amended or re-enacted

1 3 Headings

Clause and Schedule headings are for ease of reference only and (unless otherwise stated) any reference to any Clause or Schedule is to a clause or schedule contained in this Charge

1 4 Third Party Rights

- 1 4 1 A person who is not a party to this Charge has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Charge
- 1 4 2 Notwithstanding any term of this Charge, the consent of any person who is not a Party is not required to rescind or vary this Charge at any time

1 5 Inconsistency

To the extent that the provisions of this Charge are inconsistent with those of any Supplemental Intragroup Receivables Charge then, in relation to the subject matter of that Supplemental Intragroup Receivables Charge, the provisions of that Supplemental Intragroup Receivables Charge shall prevail

1 6 Incorporation of provisions into any Supplemental Intragroup Receivables Charge

Clauses 1 2 (*Interpretation*), 5 1 (*Further Assurance General*), 5 2 (*Necessary action*), 9 (*Enforcement of Security*), 10 (*Extension and Variation of the Act*), 11 (*Appointment of Receiver or Administrator*), 12 (*Powers of Receiver*), 15 (*Power of Attorney*), 23 (*Governing Law*) and 24 (*Jurisdiction*) of this Charge are expressly incorporated into any Supplemental Intragroup Receivables Charge as if references in those clauses to this

Charge were references to that Supplemental Intragroup Receivables Charge and as if all references in those clauses to Charged Property were references to the assets of the Company from time to time charged in favour of, or assigned (whether at law or in equity) to the Collateral Agent by or pursuant to that Supplemental Intragroup Receivables Charge

1 7 Supplemental Intragroup Receivables Charge

It is agreed that each Supplemental Intragroup Receivables Charge is supplemental to this Charge Unless a contrary indication appears, references in this Charge to "this Charge" shall be construed as a reference to this Charge together with each Supplemental Intragroup Receivables Charge

1 8 Deed

It is intended that this Charge takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

2 Payment of Secured Obligations

2 1 Interest on Demands

If the Company fails to pay under this Charge any sum on the due date for payment of that sum it shall pay interest on any such sum (before and after any judgment and to the extent interest at a default rate is not otherwise being paid on such sum) from the due date for payment until the date of actual payment calculated on a daily basis at the rate of three per cent per annum above the base rate of Barclays Bank plc from time to time (and such interest shall be compounded quarterly)

2 2 Recourse

2 2 1 Notwithstanding anything otherwise contained in this Charge, all moneys payable or from time to time becoming payable by the Company to the Collateral Agent pursuant to this Charge shall be recoverable by the Collateral Agent solely from the enforcement (by whatever means) of this Charge and to the extent only of the moneys thereby arising and so that such moneys shall not be recoverable from the Company by means of any action or proceeding of whatever nature against the Company personally or any assets of the Company other than those charged or intended or purported to be charged under or pursuant to this Charge Save as aforesaid the Collateral Agent shall not have, nor shall the Collateral Agent assert, claim to be entitled to, make, take or enforce any right, power, remedy, proceeding, step for winding-up, dissolution, sequestration or reorganisation or the appointment of a receiver, administrative receiver, trustee in sequestration, factor or similar officer of the Company or of all or any of its revenue and assets or other action in respect of any obligations under this Charge Any covenant to pay by the Company whether express or implied by the Law of Property Act 1925, The Land Registration Act 1925 or otherwise shall be excluded or modified to the extent inconsistent with the foregoing

2 2 2 Notwithstanding anything otherwise contained in this Charge and without prejudice to Clause 2 2 1, the amount that the Collateral Agent may recover under this Charge in relation to the Centrica International Loan Agreement and the FX Swap Agreement shall not exceed the total amount repayable by CUSHI under the CUSHI Loan Agreement (as defined in the Intercreditor Agreement)

3 Fixed Charges

The Company hereby charges with full title guarantee in favour of the Collateral Agent as trustee for the Secured Parties as security for the payment and discharge of the Secured Obligations, by way of first fixed charge all its right, title and interest from time to time in and to all Monetary Claims and all Related Rights in each case both present and future

4 Perfection of Security

4 1 Consents to Charge

In the case of any Charged Property which requires the consent of a third party to be effectively mortgaged, charged or assigned, the Company shall

- 4 1 1** make an application for the consent of such third party promptly following the earlier of the date of this Charge and the acquisition of that Charged Property (as applicable),
- 4 1 2** use all reasonable endeavours to procure such consent as soon as reasonably possible, and
- 4 1 3** keep the Collateral Agent and the Trustee Agent informed of the progress of its negotiations with such third parties,

and, if the relevant third party consents to such mortgage, charge or assignment, the relevant Charged Property shall be charged to the Collateral Agent pursuant to the terms of Clause 3 (*Fixed Charges*)

5 Further Assurance

5 1 Further Assurance: General

- 5 1 1** The covenant set out in Section 2(1)(b) of the Law of Property (Miscellaneous Provisions) Act 1994 shall extend to include the obligations set out in sub-Clause 5 1 2
- 5 1 2** Subject to obtaining any necessary consents, the Company shall promptly at its own cost enter into a Supplemental Intragroup Receivables Charge over any future acquired or arising Monetary Claims and all Related Rights and do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Collateral Agent may reasonably specify (and in such form as the Collateral Agent may reasonably require in favour of the Collateral Agent or its nominee(s))
 - (i) to perfect the security created or intended to be created in respect of the Charged Property (which may include the execution by the Company of a mortgage, charge or assignment over all or any of the assets constituting, or intended to constitute, Charged Property) or for the exercise of the Collateral Rights,
 - (ii) to confer on the Collateral Agent security over any property and assets of the Company located in any jurisdiction outside England and Wales equivalent or similar to the security intended to be conferred by or pursuant to this Charge, and/or
 - (iii) to facilitate the realisation of the Charged Property

5.1.3 In accordance with Clause 5.1.2, the Company shall enter into and deliver a Supplemental Intragroup Receivables Charge with respect to (i) any Monetary Claim arising with Centrica Finance (US) Limited as contemplated by clause 15.3 of the Intercreditor Agreement, (ii) any other loan, note or similar facility agreement between the Company and Centrica International, Centrica Beta Holdings Limited or any member of the CUSHI Group, or (iii) any other Monetary Claim, upon request of the Trustee Agent

5.2 Necessary Action

The Company shall take all such action as is available to it (including making all filings and registrations) as may be necessary for the purpose of the creation, perfection, protection, confirmation or maintenance of any security conferred or intended to be conferred on the Collateral Agent by or pursuant to this Charge

5.3 Implied Covenants for Title

The obligations of the Company under this Charge shall be in addition to the covenants for title deemed to be included in the Security Documents by virtue of Part 1 of the Law of Property (Miscellaneous Provisions) Act 1994

6 Representations

6.1 Representations

The representations set out in this Clause are made by the Company to the Trustee Agent and to the Collateral Agent for itself and as trustee for each of the Secured Parties

6.2 Status

6.2.1 It is a limited liability company, duly formed and validly existing under the laws of England and Wales

6.2.2 It has the corporate power to own its assets and carry on its business as it is being conducted

6.3 Powers and authority

It has the power (and without breach of any applicable limitation) to enter into and perform, and has taken all necessary action to authorise the entry into and performance of, this Charge and each of the Finance Documents to which it is a party and the transactions contemplated by each of such Finance Documents

6.4 Legal Validity

Each of this Charge and the Finance Documents to which it is a party is its legally binding, valid and (subject to the Reservations) enforceable obligation

6.5 Non-conflict

The entry into and performance by it of, and the transactions contemplated by, each of this Charge and the Finance Documents to which it is a party do not conflict with

6.5.1 any law or regulation applicable to it,

6.5.2 its or any of its Subsidiaries' constitutional documents, or

- 6.5.3** any agreement or instrument which is binding upon it or its Subsidiaries or any of its or its Subsidiaries' assets or constitute a default or termination event (however described) under any such agreement or instrument to the extent any such conflict or default would have a Material Adverse Effect

6.6 No default

It is not in breach of any law or regulation which has or is reasonably likely to have a Material Adverse Effect. No event is outstanding which constitutes a default or termination event (however described) under any agreement or instrument which is binding on it or its Subsidiaries or any of its or its Subsidiaries' assets to an extent or in a manner which has or is reasonably likely to have a Material Adverse Effect.

6.7 Authorisations

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, each of this Charge and the Finance Documents to which it is a party have been obtained or effected (as appropriate) and are in full force and effect to the extent that failure to obtain or effect such authorisations would have a Material Adverse Effect.

6.8 Litigation

No litigation, arbitration or administrative proceedings are current or, to its knowledge, pending or threatened, which have or, if adversely determined, are reasonably likely to have a Material Adverse Effect.

6.9 Nature of Security

- 6.9.1** This Charge creates the Security it purports to create (subject to the reservation described in paragraph (f) of the definition of "Reservations" in Section 1.2 (*General Definitions*) of the CUSHI Share Pledge) and is not liable to be amended or otherwise set aside on the termination, winding-up, liquidation or administration of the Company or otherwise.

- 6.9.2** The security created by this Charge constitutes a valid and effective first priority Security of the type described over the Charged Property and the Charged Property is not subject to any prior or pari passu Security (except any Permitted Security).

6.10 Times for making representations

- 6.10.1** The representations set out in this Charge (including in this Clause) are made on the date of this Charge.
- 6.10.2** Unless a representation is expressed to be given at a specific date, each representation under Clause 6 in this Charge, other than those in Clause 6.8, is deemed to be repeated by the Company on the first day of each month during the Security Period.
- 6.10.3** When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

7 Negative Pledge and General Covenants

All covenants and undertakings by the Company in this Charge are entered into for the benefit of the Trustee Agent and the Collateral Agent for itself and as trustee for each of the Secured Parties

7.1 Security

The Company undertakes that it shall not, at any time during the subsistence of this Charge (or any Security evidenced or constituted thereby) or, if longer, during the subsistence of any Security Document (or any Security evidenced or constituted thereby) to which it is a party, create or permit to subsist any Security over all or any part of the Charged Property

7.2 No disposal of interests

The Company undertakes that it shall not (and shall not agree to) at any time during the subsistence of this Charge (or any Security evidenced or constituted thereby), except as expressly permitted by this Charge (or otherwise with the prior written consent of the Trustee Agent)

- 7.2.1 execute any transfer or assignment of its rights in respect of all or any part of the Charged Property, or
- 7.2.2 create any legal or equitable estate or other interest in, or over, or otherwise relating to, all or any part of the Charged Property, or
- 7.2.3 allow or grant any person any licence or right to use or to become entitled to assert any proprietary interest in, or right over, the Charged Property, which may, in each case, adversely affect the value of any of the Charged Property or the ability of the Collateral Agent to exercise any of the Collateral Rights

7.3 Notification of breach

The Company must notify the Trustee Agent and the Collateral Agent of any breach by it of any of the provisions of this Charge or any of the Finance Documents to which it is a party promptly upon becoming aware of its occurrence

7.4 Authorisations

The Company must promptly obtain, maintain and comply with the terms of any authorisation, permission or licence required under any law or regulation to enable it to (i) carry on its business as presently conducted or (ii) to perform its obligations under, or for the validity or enforceability of, this Charge and the Finance Documents to which it is a party and must take all steps necessary and desirable to avoid any revocation of any such authorisation, permission or licence, in each case to the extent that the absence of any such authorisation, permission or licence would have, or would be reasonably likely to have a Material Adverse Effect, and must take all steps necessary and desirable to avoid revocation of any such authorisation, permission or licence, other than as a result of a disposal or a change of business permitted by this Charge

7.5 Compliance with laws

The Company must comply in all respects with all laws and regulations to which it (or any of its assets) is subject except where non-compliance would be reasonably likely to have a Material Adverse Effect

7.6 Power to remedy

If the Company fails to comply with any of the undertakings contained in this Charge and such failure (if capable of remedy) is not remedied within fifteen Business Days (or such longer period as the Trustee Agent may agree) following written notice from the Trustee Agent to the Company advising it of such failure (or, if earlier, the date on which the Company becomes aware of such failure), the Trustee Agent (acting reasonably) may instruct the Collateral Agent and the Collateral Agent shall be entitled (with such agents and others as it sees fit) without enquiry

7.6.1 to do such things as the Trustee Agent may instruct it to do in order to remedy such failure and all moneys spent by the Collateral Agent in doing so shall be reimbursed by the Company to the Collateral Agent on demand with interest from the date of payment by the Collateral Agent until reimbursed at the rate specified in Clause 2.2 (*Interest on Demands*), and

7.6.2 to comply with or object to any notice served on the Company in respect of the Charged Property and to take any action as the Trustee Agent may instruct it to do to comply with or object to any such notice

7.7 Company's business

The Company shall not make or permit any substantial change to the general nature of its business from that carried on the date hereof that has or could reasonably be expected to have a Material Adverse Effect on Value

7.8 Constitutional Documents

The Company shall not make any change to its constitutional documents that would or could reasonably be expected to have a Material Adverse Effect

8 Monetary Claims

The Company shall be permitted at all times prior to the occurrence of an Enforcement Event, to deal with the Monetary Claims in any manner it sees fit other than any such action which would result in a breach of Clause 7.1 or, in relation to any written loan agreement entered into between the Company and Centrica International as borrower, Clause 7.2 of this Charge

9 Enforcement of Security

9.1 Enforcement

At any time after the occurrence of an Enforcement Event, or simultaneously therewith, the security created by or pursuant to this Charge is immediately enforceable and the Collateral Agent may, without notice to the Company or prior authorisation from any court, in its absolute discretion

9.1.1 enforce all or any part of that security (at the times, in the manner and on the terms it thinks fit) and take possession of and hold or dispose of all or any part of the Charged Property, and

9.1.2 whether or not it has appointed a Receiver, exercise all or any of the powers, authorities and discretion conferred by the Act (as varied or extended by this

Charge or the Finance Documents) on mortgagees and by the Finance Documents on any Receiver or otherwise conferred by law on mortgagees or Receivers,

provided that the Collateral Agent shall not be required to take any such action unless (i) indemnified and/or secured and/or pre-funded to its satisfaction and (ii) instructed by the Trustee Agent in accordance with the Intercreditor Agreement

9.2 No Liability as Mortgagee in Possession

Neither the Collateral Agent nor any Receiver shall be liable to account as a mortgagee in possession in respect of all or any part of the Charged Property or be liable for any loss upon realisation or for any neglect, default or omission in connection with the Charged Property to which a mortgagee or mortgagee in possession might otherwise be liable

9.3 Right of Appropriation

To the extent that any of the Charged Property constitutes "financial collateral" and this Charge and the obligations of the Company hereunder constitute a "security financial collateral arrangement" (in each case as defined in, and for the purposes of, the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No 3226) (the "**Regulations**") the Collateral Agent shall have, at any time after the occurrence of an Enforcement Event, or simultaneously therewith, the right to appropriate all or any part of such financial collateral in or towards discharge of the Secured Obligations. For this purpose, the parties agree that the value of such financial collateral so appropriated shall be, in the case of cash, the amount standing of the relevant Monetary Claim, together with any accrued but unposted interest (if any), at the time the right of appropriation is exercised. In each case, the parties agree that the method of valuation provided for in this Charge shall constitute a commercially reasonable method of valuation for the purposes of the Regulations

9.4 Rights of the Company on Enforcement

At any time after the occurrence of an Enforcement Event, the Company may not, without the prior written consent of the Trustee Agent, compromise, compound, vary, discharge, postpone or release any of its rights to receive monies or otherwise waive any rights of action in relation thereto other than, save to the extent the Trustee Agent otherwise instructs the Company in writing, granting extensions to normal trade credit in accordance with its reasonable and, in the circumstances then prevailing, prudent management of its debtors on a normal commercial basis

10 Extension and Variation of the Act

10.1 Extension of Powers

The power of sale or other disposal conferred on the Collateral Agent and on any Receiver by this Charge or the Security Documents shall operate as a variation and extension of the statutory power of sale under Section 101 of the Act and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of this Charge and each Supplemental Intragroup Receivables Charge

10.2 Restrictions

The restrictions contained in Sections 93 and 103 of the Act shall not apply to this Charge or any Security Document or to the exercise by the Collateral Agent of its right to consolidate all or any of the security created by or pursuant to this Charge or any Security Document with any other security in existence at any time or to its power of sale, which

powers may be exercised by the Collateral Agent without notice to the Company on or at any time after the occurrence of an Enforcement Event

10.3 Power of Leasing

The statutory powers of leasing may be exercised by the Collateral Agent at any time on or after the occurrence of an Enforcement Event and the Collateral Agent and any Receiver may make any lease or agreement for lease, accept surrenders of leases and grant options on such terms as it shall think fit, without the need to comply with any restrictions imposed by Sections 99 and 100 of the Act

11 Appointment of Receiver or Administrator

11.1 Appointment and Removal

At any time following this Charge becoming enforceable under Clause 9.1 (*Enforcement*), or if requested to do so by the Company, the Collateral Agent may by deed or otherwise (acting through an authorised officer of the Collateral Agent), without prior notice to the Company

- 11.1.1 appoint one or more persons to be a Receiver of the whole or any part of the Charged Property,
- 11.1.2 appoint two or more Receivers of separate parts of the Charged Property,
- 11.1.3 remove (so far as it is lawfully able) any Receiver so appointed,
- 11.1.4 appoint another person(s) as an additional or replacement Receiver(s), and
- 11.1.5 appoint one or more persons to be an Administrator of the Company or make an application to the court for such purpose

11.2 Capacity of Receivers

Each person appointed to be a Receiver pursuant to Clause 11.1 (*Appointment and Removal*) shall be

- 11.2.1 entitled to act individually or together with any other person appointed or substituted as Receiver,
- 11.2.2 for all purposes shall be deemed to be the agent of the Company which shall be solely responsible for his acts, defaults and liabilities and for the payment of his remuneration and no Receiver shall at any time act as agent for the Collateral Agent, and
- 11.2.3 entitled to remuneration for his services at a rate to be fixed by the Collateral Agent from time to time (without being limited to the maximum rate specified by the Act)

11.3 Statutory Powers of Appointment

The powers of appointment of a Receiver shall be in addition to all statutory and other powers of appointment of the Collateral Agent under the Act (as extended by this Charge and each Supplemental Intragroup Receivables Charge) or otherwise and such powers shall remain exercisable from time to time by the Collateral Agent in respect of any part of the Charged Property

12 Powers of Receiver

Every Receiver shall (subject to any restrictions in the instrument appointing him but notwithstanding any winding-up or dissolution of the Company) have and be entitled to exercise, in relation to the Charged Property (and any assets of the Company which, when got in, would be Charged Property) in respect of which he was appointed, and as varied and extended by the provisions of this Charge (in the name of or on behalf of the Company or in his own name and, in each case, at the cost of the Company)

12.1.1 all the powers conferred by the Act on mortgagors and on mortgagees in possession and on receivers appointed under the Act,

12.1.2 all the powers of an administrative receiver set out in Schedule 1 to the Insolvency Act 1986 (whether or not the Receiver is an administrative receiver),

12.1.3 all the powers and rights of an absolute owner and power to do or omit to do anything which the Company itself could do or omit to do, and

12.1.4 the power to do all things (including bringing or defending proceedings in the name or on behalf of the Company) which seem to the Receiver to be incidental or conducive to (a) any of the functions, powers, authorities or discretions conferred on or vested in him or (b) the exercise of the Collateral Rights (including realisation of all or any part of the Charged Property) or (c) bringing to his hands any assets of the Company forming part of, or which when got in would be, Charged Property

13 Application of Moneys

All moneys received or recovered by the Collateral Agent or any Receiver pursuant to this Charge or the powers conferred by it shall (subject to the claims of any person having prior rights thereto and by way of variation of the provisions of the Act) be applied first in the payment of the costs, charges and expenses incurred and payments made by the Receiver, the payment of his remuneration and the discharge of any liabilities incurred by the Receiver in, or incidental to, the exercise of any of his powers, and thereafter shall be applied by the Collateral Agent (notwithstanding any purported appropriation by the Company) in accordance with the Intercreditor Agreement

14 Protection of Purchasers

14.1 Consideration

The receipt of the Collateral Agent or any Receiver shall be conclusive discharge to a purchaser and, in making any sale or disposal of any of the Charged Property or making any acquisition, the Collateral Agent or any Receiver may do so for such consideration, in such manner and on such terms as it thinks fit

14.2 Protection of Purchasers

No purchaser or other person dealing with the Collateral Agent or any Receiver shall be bound to inquire whether the right of the Collateral Agent or such Receiver to exercise any of its powers has arisen or become exercisable or be concerned with any propriety or regularity on the part of the Collateral Agent or such Receiver in such dealings

15 Power of Attorney

Appointment and Powers

15 1 The Company by way of security irrevocably appoints the Collateral Agent and any Receiver severally to be its attorney and in its name, on its behalf and as its act and deed to execute, deliver and perfect all documents and do all things which the Trustee Agent (acting reasonably) may instruct the Collateral Agent to be required or desirable for

15 1 1 carrying out any obligation imposed on the Company by this Charge or any other agreement entered into pursuant to this Charge binding on the Company to which the Collateral Agent is a party (including the execution and delivery of any Supplemental Intragroup Receivables Charges, deeds, charges, assignments or other security and any transfers of the Charged Property), and

15 1 2 enabling the Collateral Agent and any Receiver to exercise, or delegate the exercise of, and of the rights, powers or authorities conferred on them by or pursuant to this Charge, any of the Finance Documents or by law (including, after the occurrence of an Enforcement Event, the exercise of any right of a legal or beneficial owner of the Charged Property)

15 2 Ratification

The Company shall ratify and confirm all things done and all documents executed by any attorney in the exercise or purported exercise of all or any of his powers

16 Effectiveness of Security

16 1 Continuing Security

16 1 1 The security created by or pursuant to this Charge shall remain in full force and effect as a continuing security for the Secured Obligations unless and until discharged by the Collateral Agent

16 1 2 No part of the security from time to time intended to be constituted by this Charge will be considered satisfied or discharged by any intermediate payment, discharge or satisfaction of the whole or any part of the Secured Obligations

16 2 Cumulative Rights

The security created by or pursuant to this Charge and the Collateral Rights shall be cumulative, in addition to and independent of every other security which the Collateral Agent or any Secured Party may at any time hold for the Secured Obligations or any other obligations or any rights, powers and remedies provided by law. No prior security held by the Collateral Agent (whether in its capacity as trustee or otherwise) or any of the other Secured Parties over the whole or any part of the Charged Property shall merge into the security constituted by this Charge

16 3 No Prejudice

The security created by or pursuant to this Charge and the Collateral Rights shall not be prejudiced by any unenforceability or invalidity of any other agreement or document or by any time or indulgence granted to the Company or any other person, or the Collateral Agent (whether in its capacity as collateral agent or otherwise) or any of the other Secured

Parties or by any variation of the terms of the trust upon which the Collateral Agent holds the security or by any other thing which might otherwise prejudice that security or any Collateral Right

16.4 Remedies and Waivers

No failure on the part of the Collateral Agent to exercise, or any delay on its part in exercising, any Collateral Right shall operate as a waiver of that Collateral Right, nor shall any single or partial exercise of any Collateral Right preclude any further or other exercise of that or any other Collateral Right

16.5 No Liability

None of the Collateral Agent, its nominee(s) or any Receiver shall be liable by reason of (a) taking any action permitted by this Charge or any Finance Document or (b) any neglect or default in connection with the Charged Property or (c) taking possession of or realising all or any part of the Charged Property, except in the case of gross negligence or wilful default upon its part

16.6 Partial Invalidity

If, at any time, any provision of this Charge or any Finance Document is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Charge or each Finance Document nor of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby and, if any part of the security intended to be created by or pursuant to this Charge or any Security Document is invalid, unenforceable or ineffective for any reason, that shall not affect or impact any other part of the security

16.7 Waiver of Defences

The obligations of the Company under this Charge and the Finance Documents to which it is a party will not be affected by an act, omission, matter or thing which, but for this Clause, would reduce, release or prejudice any of its obligations under this Charge or the Finance Documents to which it is a party (without limitation and whether or not known to it or any Secured Party) including

- 16.7.1** any time, waiver or consent granted to, or composition with, any person, or
- 16.7.2** the release of any person under the terms of any composition or arrangement with any creditor of any member of the Centrica Group, or
- 16.7.3** the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security, or
- 16.7.4** any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person, or
- 16.7.5** any amendment, novation, supplement, extension (whether of maturity or otherwise) or restatement (in each case however fundamental and of whatsoever nature) or replacement of any document, agreement or security or of the Secured

Obligations (including, without limitation, any increase to the Secured Obligations from time to time), or

16 7 6 any unenforceability, illegality or invalidity of any obligation of any person under any document, agreement or security or of the Secured Obligations, or

16 7 7 any insolvency or similar proceedings

16 8 Immediate recourse

The Company waives any right it may have of first requiring any Secured Party (or the Collateral Agent or any agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Company under this Charge or any Finance Document. This waiver applies irrespective of any law or any provision of this Charge or any Finance Document to the contrary.

16 9 Deferral of Rights

During the Security Period, the Company will not exercise any rights which it may have by reason of performance by it of its obligations under this Charge or any Finance Document to which it is a party

16 9 1 to be indemnified by any other Security Provider,

16 9 2 to claim any contribution from any surety for its obligations under this Charge, and/or

16 9 3 to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under any document or agreement or of any other guarantee or security taken pursuant to, or in connection with, this Charge by any Secured Party

17 Release of Security

17 1 Redemption of Security

In the event that

- (a) the Security Period expires, or
- (b) (at the cost of the Company) alternative Security to the Security constituted by this Charge and/or the Finance Documents is provided to or for the benefit of each Scheme in accordance with and satisfying the requirements of the Statements of Funding Principles of each Scheme, or
- (c) (at the cost of the Company) alternative Security to the Security constituted by this Charge and/or the Finance Documents is provided to or for the benefit of all of the Schemes to the satisfaction of the Trustee Agent,

the Collateral Agent shall, at the request and cost of the Company and subject, in the case of sub-clause (b) to having been notified thereof by the Trustee Agent, release and cancel the security constituted by this Charge and procure the reassignment to the Company of the property and assets assigned to the Collateral Agent pursuant to this Charge, in each case subject to Clause 17 2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, the Collateral Agent or any of its nominees. For the avoidance of doubt, where Clause 17 1(b) or (c) applies, no such release, cancellation or

reassignment shall take place unless and until the relevant alternative Security referred to in Clause 17 1(b) or, as the case may be, Clause 17 1(c) is completed in form and substance satisfactory to the Trustee Agent (acting reasonably and in good faith)

17 2 Avoidance of Payments

If the Collateral Agent (on the basis of legal advice received from a reputable firm of solicitors, or, in a jurisdiction other than England and Wales, their equivalent for this purpose) considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under, and the security created by, this Charge shall continue and such amount shall not be considered to have been irrevocably paid

17.3 Permitted disposals

Where the Company makes a disposal permitted by the Trustee Agent, the Collateral Agent shall at the request and cost of the Company, take all or any action necessary to release the Charged Property which is the subject of such permitted disposal from the security constituted by this Charge and/or the Security Documents to which it is a party

18 Subsequent Security Interests

If the Collateral Agent (acting in its capacity as collateral agent or otherwise) or any of the other Secured Parties at any time receives or is deemed to have received notice of any subsequent Security affecting all or any part of the Charged Property or any assignment or transfer of the Charged Property which is prohibited by the terms of any Security Document (or otherwise by any document or agreement to which any Secured Party is a party or otherwise in favour of any Secured Party), all payments thereafter by or on behalf of the Company to the Collateral Agent (whether in its capacity as collateral agent or otherwise) or any of the other Secured Parties shall be treated as having been credited to a new account of the Company and not as having been applied in reduction of the Secured Obligations as at the time when the Collateral Agent received such notice

19 Assignment

The Collateral Agent may assign and transfer to a replacement collateral agent all or any of its rights and obligations under this Charge. The Collateral Agent shall be entitled to disclose such information concerning the Company, this Charge and the Finance Documents as the Collateral Agent considers appropriate to any actual or proposed direct or indirect successor or to any person to whom information may be required to be disclosed by any applicable law

20 Notices

20.1 Communications in writing

Any communication to be made under or in connection with this Charge shall be made in writing and, unless otherwise stated, may be made by fax or letter

20.2 Addresses

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be

made or delivered under or in connection with this Charge is identified with its name below, or any substitute address, fax number or department or officer as any Party may notify to the other Parties by not less than five Business Days' notice

20.3 Delivery

20.3.1 Any communication or document made or delivered by one person to another under or in connection with this Charge will only be effective

- (a) if by way of fax, when received in legible form, or
- (b) if by way of letter, when it has been left at the relevant address or five Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address,

and, if a particular department or officer is specified as part of its address details provided under Clause 20.2 (*Addresses*), if addressed to that department or officer

20.3.2 Any communication or document to be made or delivered to the Collateral Agent will be effective only when actually received by the Collateral Agent and then only if it is expressly marked for the attention of the department or officer identified with the Collateral Agent's signature below (or any substitute department or officer as the Collateral Agent shall specify for this purpose)

21 Discretion and Delegation

21.1 Discretion

Subject to Clause 22 (*Collateral Agent*) any liberty or power which may be exercised or any determination which may be made under this Charge by the Collateral Agent or any Receiver may, save as otherwise provided in this Charge be exercised or made in its absolute and unfettered discretion without any obligation to give reasons

21.2 Delegation

Each of the Collateral Agent and any Receiver shall have full power to delegate (either generally or specifically) the powers, authorities and discretions conferred on it by this Charge (including any power of attorney) on such terms and conditions as it shall see fit which delegation shall not preclude either the subsequent exercise of any subsequent delegation or any revocation of such power, authority or discretion by the Collateral Agent or the Receiver itself

22 Collateral Agent

In acting under this Charge the Collateral Agent acts subject to and in accordance with the terms of the Intercreditor Agreement and with the benefit of all the protections, provisions and indemnities set out therein. The Collateral Agent has agreed to become a party to this Charge for the better preservation and enforcement of its rights under this Charge and shall not assume any liabilities or obligations under this Charge unless such obligation or liability is expressly assumed by the Collateral Agent in this Charge

23 Governing Law

This Charge, any non-contractual obligations arising out of or in connection with it and all other matters arising out of or in connection with it are governed by English law

24 Jurisdiction

24 1 English Courts

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of, or connected with this Charge (including a dispute regarding the existence, validity or termination of this Charge or the consequences of its nullity)

24 2 Convenient Forum

The Parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes between them and, accordingly, that they will not argue to the contrary

24 3 Exclusive Jurisdiction

This Clause 24 is for the benefit of the Secured Parties only. As a result and notwithstanding Clause 24 1 (*English Courts*), it does not prevent a Secured Party from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law a Secured Party may take concurrent proceedings in any number of jurisdictions

THIS CHARGE has been executed as a deed and is delivered on the date specified above

SCHEDULE 1
Form of Supplemental Intragroup Receivables Charge

Dated

CENTRICA PLC

and

[•]

As Collateral Agent

SUPPLEMENTAL INTRAGROUP

RECEIVABLES CHARGE

THIS DEED is dated between

- (1) **CENTRICA PLC**, a company incorporated in England and Wales under number 3033654 and having its registered office at Millstream, Maidenhead Road, Windsor, SL4 5GD (the "**Company**"),
- (2) **[•]** as Collateral Agent (the "**Collateral Agent**"), and
- (3) **CENTRICA PENSION TRUSTEES LIMITED** as trustee agent for the Pension Trustees on the terms and conditions set out in the Finance Documents (the "**Trustee Agent**")

BACKGROUND

It is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand

IT IS AGREED as follows

1 Definitions

Terms defined in the Charge shall, unless otherwise defined in this Supplemental Intragroup Receivables Charge, have the same meaning in this Supplemental Intragroup Receivables Charge and in addition

"**Charge**" means the charge dated **[•]** between the Company, the Collateral Agent and the Trustee Agent

"**Supplemental Intragroup Receivables Charged Property**" means the Monetary Claims specified in the Schedule (*Details of Supplemental Intragroup Receivables Charged Property*) and includes all Related Rights. The Supplemental Intragroup Receivables Charged Property shall constitute a "Monetary Claim" and "Charged Property" under the Charge

1.1 Fixed Security

The Company hereby charges with full title guarantee in favour of the Collateral Agent with the payment and discharge, when due and payable, of the Secured Obligations, by way of first fixed charge all the Company's right, title and interest from time to time in the Supplemental Intragroup Receivables Charged Property

1.2 Release of Security

1.2.1 Redemption of Security

In the event that

- (a) the Security Period expires, or
- (b) (at the cost of the Company) alternative Security to the Security constituted by the Charge and/or the Finance Documents is provided to or for the benefit of each Scheme in accordance with the requirements of the Statements of Funding Principles of each Scheme, or
- (c) (at the cost of the Company) alternative Security to the Security constituted by the Charge and/or the Finance Documents is provided to or for the benefit of all of the Schemes to the satisfaction of the Trustee Agent,

the Collateral Agent shall, at the request and cost of the Company and subject, in the case of sub-clause (b) to having been notified thereof by the Trustee Agent, release and cancel the security constituted by this Deed and procure the reassignment to the Company of the property and assets assigned to the Collateral Agent pursuant to this Deed, in each case subject to Clause 1 2 2 (*Avoidance of Payments*) and without recourse to, or any representation or warranty by, the Collateral Agent or any of its nominees. For the avoidance of doubt, where Clause 1 2 1(b) or (c) applies, no such release, cancellation or reassignment shall take place unless and until the relevant alternative Security referred to in Clause 1 2 1(b) or, as the case may be, Clause 1 2 1(c) is completed in form and substance satisfactory to the Trustee Agent (acting reasonably and in good faith)

1 2 2 Avoidance of Payments

If the Collateral Agent (on the basis of legal advice received from a reputable firm of solicitors, or, in a jurisdiction other than England and Wales, their equivalent for this purpose) considers that any amount paid or credited to it is capable of being avoided or reduced by virtue of any bankruptcy, insolvency, liquidation or similar laws the liability of the Company under, and the security created by, this Supplemental Intragroup Receivables Charge shall continue and such amount shall not be considered to have been irrevocably paid

1 2 3 Permitted Disposals

Where the Company makes a disposal of any Supplemental Intragroup Receivables Charged Property permitted by the Trustee Agent, the Collateral Agent shall, at the request and cost of the Company, take all or any action necessary to release the Supplemental Intragroup Receivables Charged Property which is the subject of such disposal from the security constituted by this Deed

1 3 Third Party Rights

A person who is not a party to this Deed has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed

1 4 Governing Law

This Charge, any non-contractual obligations arising out of or in connection with it and all other matters arising out of or in connection with it are governed by English law

1 5 Counterparts

This Deed may be executed in any number of counterparts, each of which shall be deemed an original and this has the same effect as if the signatures on the counterparts were on a single copy of this Deed. Any party may enter into this Supplemental Intragroup Receivables Charge by signing any such counterpart

THIS DEED has been entered into as a deed on the date stated at the beginning of this Deed

SCHEDULE
Details of Supplemental Intragroup Receivables Charged Property

SIGNATURES

The Collateral Agent

EXECUTED as a DEED by

DELAWARE TRUST COMPANY

as **COLLATERAL AGENT**

Alan R. Halpern
Vice President

before the following witness

(Signature)

(Name)

(Address)

James L. Grier
103 Faulk Rd.
Wilmington DE 19803

The Company

EXECUTED as a DEED by

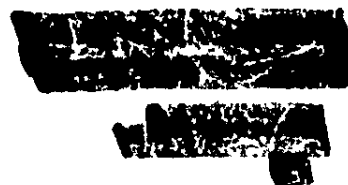
as attorney for
CENTRICA PLC

before the following witness

(Signature)

(Name)

(Address)



SIGNATURES

The Collateral Agent

EXECUTED as a DEED by

DELAWARE TRUST COMPANY

as COLLATERAL AGENT

before the following witness

(Signature)

(Name)

.(Address)

The Company

EXECUTED as a DEED by

MATTHEW BLAKE

as attorney for

CENTRICA PLC

before the following witness.

(Signature)

(Name)

(Address)



The Trustee Agent

EXECUTED as a DEED by

Ross Russell

as director of

Ross Russell Limited

as director of

CENTRICA PENSION TRUSTEES LIMITED

as Trustee Agent

[REDACTED]

Witnessed by Jen Acherman

[REDACTED]

Hogan Lovells, London EC1A 2FG

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