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COMPANIES FORM No. 395

Particulars of a mortgage or charge

A fee of £10 is payable to Companies House in respect of each register entry for a mortgage or charge.

Pursuant to section 395 of the Companies Act 1985

To the Registrar of Companies
(Address overleaf - Note 6)

For official use

Company number

03782700

Name of company

* EGGBOROUGH POWER LIMITED (the "Chargor")

Date of creation of the charge

26th March 2001

Description of the instrument (if any) creating or evidencing the charge (note 2)

A debenture originally dated 8th September, 2000 between the Chargor, British Energy plc ("BE"), British Energy Power and Energy Trading Limited ("BET"), and the Security Trustee (as defined below), as amended by side letters dated 24th October, 2000, 5th February, 2001, and 26th March, 2001 between the same parties (as amended, the "Debenture")

Amount secured by the mortgage or charge

All present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to BE, BET and any Finance Party under the Subordinated Loan Agreement, the Deed of Payment and the Finance Documents respectively, together with all costs, charges and expenses incurred by those parties in connection with the protection, preservation or enforcement of their rights under those documents or any other documents or any other document securing any such liability except for the obligation which, if it were so included, would result in the Debenture constituting unlawful financial assistance under Sections 151 and 152 of the Companies Act 1985. The terms "Subordinated Loan Agreement", "Deed of Payment" and "Finance Document" (each as defined below) include all amendments and supplements including supplements providing for further advances.

Names and addresses of the mortgagees or persons entitled to the charge

Barclays Bank plc (as agent and trustee for the Finance Parties, BE and BET) of 5 The North Colonnade, Canary Wharf, London E14 4BB (the "Security Trustee")

Postcode

Presentor's name address and reference (if any):

Allen & Overy
One New Change
London
EC4M 9QQ

TPA/HLB/PG:196459

Time critical reference

For official Use
Mortgage Section



A43
COMPANIES HOUSE

0523
06/04/01

Short particulars of all the property mortgaged or charged

Please see continuation sheets attached.

Please do not
write in
this margin

Please complete
legibly, preferably
in black type, or
bold block
lettering

Particulars as to commission allowance or discount (note 3)

Nil

Signed *Allen & Overy*

Date 5th April, 2001

On behalf of ~~[company]~~ ~~[mortgagee]~~ (chargee) †

A fee of £10 is
payable to
Companies House
in respect of each
register entry for a
mortgage or
charge.
(See Note 5)

† delete as
appropriate

Notes

- 1 The original instrument (if any) creating or evidencing the charge, together with these prescribed particulars correctly completed must be delivered to the Registrar of Companies within 21 days after the date of creation of the charge (section 395). If the property is situated and the charge was created outside the United Kingdom delivery to the Registrar must be effected within 21 days after the date on which the instrument could in due course of post, and if dispatched with due diligence, have been received in the United Kingdom (section 398). A copy of the instrument creating the charge will be accepted where the property charged is situated and the charge was created outside the United Kingdom (section 398) and in such cases the copy must be verified to be a correct copy either by the company or by the person who has delivered or sent the copy to the Registrar. The verification must be signed by or on behalf of the person giving the verification and where this is given by a body corporate it must be signed by an officer of that body. A verified copy will also be accepted where section 398(4) applies (property situate in Scotland or Northern Ireland) and Form No. 398 is submitted.
- 2 A description of the instrument, eg "Trust Deed", "Debenture", "Mortgage" or "Legal charge", etc, as the case may be, should be given.
- 3 In this section there should be inserted the amount or rate per cent. of the commission, allowance or discount (if any) paid or made either directly or indirectly by the company to any person in consideration of his;
 - (a) subscribing or agreeing to subscribe, whether absolutely or conditionally, or
 - (b) procuring or agreeing to procure subscriptions, whether absolute or conditional,for any of the debentures included in this return. The rate of interest payable under the terms of the debentures should not be entered.
- 4 If any of the spaces in this form provide insufficient space the particulars must be entered on the prescribed continuation sheet.
- 5 Cheques and Postal Orders are to be made payable to **Companies House**.
- 6 The address of the Registrar of Companies is:-

Companies House, Crown Way, Cardiff CF14 3UZ

SHORT PARTICULARS OF ALL THE PROPERTY MORTGAGED OR CHARGED

1. Pursuant to the Debenture:

The Chargor, as security for the payment of all the Secured Senior Liabilities, has charged in favour of the Security Trustee for the benefit of the Finance Parties:

- (a) by way of a first legal mortgage:
 - (i) all the property specified in Schedule 1 of the Debenture (and attached as Schedule 1 to this Form 395); and
 - (ii) all estates or interests in any freehold or leasehold property, except any Security Assets specified in Clause 2.1(a)(i) of the Debenture (and described in sub-paragraph (i) above), belonging to it at the date of the Debenture; and
- (b) by way of first fixed charge:
 - (i) (to the extent that they are not the subject of a mortgage under Clause 2.1(a) of the Debenture) all present and future estates or interests in any freehold or leasehold property belonging to it;
 - (ii) all plant and machinery owned by the Chargor at the date of the Debenture or in the future and its interest in any plant or machinery in its possession;
 - (iii) its interest at the date of the Debenture or in the future in all the Shares and their Related Rights;
 - (iv) all moneys standing to the credit of any account (including the Project Accounts but excluding the Revenue Account) and, to the extent the Chargor had any interest therein on the Security Accounts with any person and the debts represented by them and all Authorised Investments made from such Project Accounts, Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same;
 - (v) to the extent not effectively assigned under Clause 2.2(a) of the Debenture, all benefits in respect of the Insurances and all claims and returns of premiums in respect of them;
 - (vi) all of the Chargor's present and future book and other debts, the proceeds of the same and all other moneys due and owing to the Chargor and the benefit of all claims, rights, securities, receivables and guarantees of any nature enjoyed or held by it in relation to any of the foregoing;
 - (vii) (to the extent that they do not fall within subparagraphs (i) - (vi) or (viii)-(xii) of Clause 2.1(b) of the Debenture and are not effectively assigned under clause 2.2(a) of the Debenture) all of the Chargor's rights and benefits under the Relevant Agreements, any distributorship or similar agreements entered into by it at the date of the Debenture, or in the future (including, for the avoidance of doubt, any new agreement which the Chargor may enter into pursuant to the Balancing and Settlement Code) any letters of credit issued in

its favour and all bills of exchange and other negotiable instruments held by it;

- (viii) any beneficial interest, claim or entitlement of the Chargor in any pension fund;
- (ix) its present and future goodwill;
- (x) the benefit of all present and future licences, permissions, consents and authorisations (statutory or otherwise) held in connection with its business or the use of any Security Asset specified in Clause 2.1(a), 2.1(b)(i)-(ix) or (xi)-(xii), 2.2-2.6 of the Debenture and the right to recover and receive all compensation which may be payable to it in respect of them;
- (xi) its present and future uncalled capital; and
- (xii) its present and future Intellectual Property Rights (including the patents and trademarks specified in Schedule 2 of the Debenture (and attached as Schedule 2 to this Form 395)).

2. The Chargor, as security for the payment of all the Secured Subordinated Liabilities, has charged in favour of the Security Trustee for the benefit of BE:

- (a) by way of a second legal mortgage, all the Mortgaged Security Assets; and
- (b) by way of second fixed charge, all the Charged Security Assets.

3. The Chargor, as security for the payment of all Deed of Payment Liabilities, has charged in favour of the Security Trustee for the benefit of BET, all moneys standing to the credit of the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same.

4. The Chargor, as security for the payment of the Secured Senior Liabilities, has charged in favour of the Security Trustee for the benefit of the Finance Parties, all moneys standing to the credit of the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same.

5. The Chargor as continuing security for the payment, discharge and performance of the Secured Liabilities, has assigned and has agreed to assign to the Security Trustee (as agent and trustee as aforesaid) (i) all its right, title and interest (if any) in and to each Relevant Agreement and (ii) all of its present and future rights under and in respect of the Insurances.

6. The Chargor as continuing security for the payment, discharge and performance of the Secured Liabilities, has assigned and has agreed to assign to the Security Trustee all of its rights over receivables arising under the Settlement Arrangements (as defined in the Pooling and Settlement Agreement).

7. To the extent that any such right, title and interest described in Clauses 2.4 (a) and (b) of the Debenture (and in paragraphs 5 and 6 above) is not assignable or capable of assignment, the assignment thereof purported to be effected is to operate as:

- (i) in the case of the Insurances, an assignment of any and all proceeds of the Insurances received by the Chargor; and
- (ii) in the case of the Relevant Agreements, an assignment of any and all damages, compensation, remuneration, profit, rent or income which the Chargor may derive therefrom or be awarded or entitled to in respect thereof,

in each case as continuing security for the payment, discharge and performance of the Secured Liabilities.

8. Prior to the occurrence of a Default, which is continuing, (i) the Security Trustee has agreed that it will permit the Chargor to exercise the rights of the Chargor (other than to receive payment of money) under any Relevant Agreement (other than the Excepted Relevant Agreements) PROVIDED THAT the exercise of these rights in the manner proposed does not result in an Event of Default under the terms of the Finance Documents, and (ii) any payments received by the Security Trustee under or in respect of such Relevant Agreements by virtue of the Debenture will be paid by the Security Trustee to a Project Account in accordance with the terms of the Accounts Agreement save to the extent required by the terms of the Credit Agreement and the Intercreditor Agreement to be applied against any of the Secured Liabilities or otherwise.
9. (a) Prior to the occurrence of a BET Event which is continuing:
- (i) the Security Trustee has agreed that it will permit the Chargor to exercise the rights of the Chargor (including the right to receive money) in respect of the Excepted Relevant Agreements (including, in the case of the Pooling and Settlement Agreement and any Settlement Arrangements entered into pursuant thereto); and
 - (ii) the Chargor is entitled to instruct the counterparties to the Excepted Relevant Agreements to make payments due thereunder directly into the Revenue Account.
- (b) Each of the Security Trustee (on behalf of the Finance Parties) and BE has acknowledged and confirmed that any moneys paid directly into the Revenue Account in accordance with Clause 2.5(a) of the Debenture and described in paragraph (a) above shall be released from the security constituted by the Debenture .
10. (a) A reference in this Form 395 to a charge or mortgage of any freehold or leasehold property includes:
- (i) all buildings and Fixtures on that property;
 - (ii) the proceeds of sale of any part of that property; and
 - (iii) the benefit of any covenants for title given or entered into by any predecessor in title of the Chargor in respect of that property or any moneys paid or payable in respect of those covenants.
- (b) The parties to the Debenture have agreed that the fact that no details of properties or patents and trademarks or agreements are included in the Debenture does not affect the validity or enforceability of any security created by it.

- (c) Without prejudice to Clause 2.1(b)(vi) (Creation of first fixed security), Clause 2.2(b) (Creation of second fixed security), Clause 2.3(a) (Creation of first fixed security) and Clause 2.3 (b) (Creation of second fixed security) (Charge of Revenue Account) of the Debenture if, pursuant to Clause 8.3 of the Debenture, or the terms of the Accounts Agreement, the Chargor is entitled to withdraw the proceeds of any book and other debts standing to the credit of a Security Account and/or a Project Account and/or the Revenue Account and, as a result, those proceeds are in any way released from the fixed charges created pursuant to Clause 2.1(b)(vi) (Creation of first fixed security), Clause 2.2(b) (Creation of second fixed security), Clause 2.3 (a) (Creation of first fixed security) and Clause 2.3 (b) (Creation of second fixed security) (Charge of Revenue Account) of the Debenture and stand subject to the floating charges created pursuant to Clause 3.1 (Creation of first floating charge), Clause 3.2 (Creation of second floating charge), Clause 3.3 and Clause 3.4 of the Debenture (and described in paragraphs 11-14 below), the Chargor has agreed that the release will in no way derogate from the subsistence and continuance of the fixed charges on all other outstanding book and other debts of the Chargor and the proceeds of those debts.
11. The Chargor, as security for the payment of all of the Secured Senior Liabilities, has charged in favour of the Security Trustee for the benefit of the Finance Parties by way of a first floating charge all its assets (for the avoidance of doubt, excluding the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same) not otherwise effectively mortgaged or charged by way of the first fixed mortgage or charge by Clause 2.1 (Creation of first fixed security) of the Debenture.
12. The Chargor, as security for the payment of all the Secured Subordinated Liabilities, has charged in favour of the Security Trustee for the benefit of BE by way of a second floating charge all its assets (for the avoidance of doubt, excluding the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same) not otherwise effectively mortgaged or charged by way of the second fixed mortgage or charge by Clause 2.2 (Creation of second fixed security) of the Debenture.
13. The Chargor, as security for the payment of all of the Deed of Payment Liabilities, has charged in favour of the Security Trustee for the benefit of BET by way of a first floating charge all the moneys standing to the credit of the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same not otherwise effectively mortgaged or charged by way of the first fixed mortgage or charge by Clause 2.3(a) (Creation of first fixed security) of the Debenture.
14. The Chargor, as security for the payment of all of the Senior Secured Liabilities, has charged in favour of the Security Trustee for the benefit of the Finance Parties by way of a second floating charge all the moneys standing to the credit of the Revenue Account and the debts represented by it, together with all Authorised Investments made from the Revenue Account, all Investment Proceeds and Income arising in respect of such Authorised Investments and all rights to receive the same not otherwise effectively mortgaged or charged by way of the second fixed mortgage or charge by Clause 2.3(b) (Creation of second fixed security of the Debenture).

15. The parties to the Debenture have agreed that:

- (a) the Security Trustee may, by notice to the Chargor, in accordance with the other Finance Documents, convert each floating charge created by the Debenture into a fixed charge as regards all or any of the Chargor's assets specified in the notice if:
 - (i) an Event of Default is outstanding; or
 - (ii) the Security Trustee reasonably considers those assets to be in danger of being seized or sold under any form of distress, attachment, execution or other legal process or to be otherwise in jeopardy;
- (b) each floating charge created by the Debenture shall, in accordance with the other Finance Documents (in addition to the circumstances in which the same will occur under general law) automatically be converted into a fixed charge over the assets, rights and property of the Chargor in the convening of any meeting of the members of the Chargor to consider a resolution to wind the Chargor up (or not to wind the Chargor up).

16. The Chargor has agreed that each mortgage, charge and assignment created under the Debenture is made by the Chargor with full title guarantee in accordance with the Laws of Property (Miscellaneous Provisions) Act 1994.

Restrictions on dealing

17. The Chargor has agreed that it shall not:

- (a) create or permit to subsist any Security Interest on any Security Asset other than any Security Interest created by the Debenture or any Permitted Security Interest; or
- (b) sell, transfer, grant, or lease or otherwise dispose of any Security Asset, except for the disposal in the ordinary course of trade of any Security Asset subject to the floating charges created under Clauses 3.1 and 3.3 (Creation of first floating charge) and Clauses 3.2 and 3.4 (Creation of second floating charge) of the Debenture.

Definitions and construction

18. In this Form 395:

"Account Bank"

means such bank as the Chargor and the Majority Banks agree shall act as Account Bank and shall open each of the Project Accounts on behalf of the Chargor, pursuant to the Accounts Agreement.

"Accounts Agreement"

means the accounts agreement dated 8th September, 2000 between the Chargor, the Account Bank and the Agent.

"Act"

means the Electricity Act 1989.

"Active Energy"

means the electrical energy produced, flowing or supplied by an electric circuit during a time interval, and being the integral with respect to time of the instantaneous power, measured in units of watt-hours or standard multiples thereof, that is:

1000Wh=	=	1kWh
10000kWh	=	1MWh
1000MWh	=	1GWh
1000GWh	=	1TWh.

"Agent"

means Barclays Bank plc.

"Agreed Procedure"

means each of the agreed procedures specified in the Agreed Procedures Index and which is agreed to be treated as an Agreed Procedure for the purposes of the Pooling and Settlement Agreement by the Executive Committee and:

- (i) where the agreed procedure affects or relates to Stage 1 Settlement or the rights and obligations of the Settlement System Administrator, the Settlement System Administrator; and/or
- (ii) where the agreed procedure imposes obligations on the Grid Operator, the Grid Operator; and/or
- (iii) where such agreed procedure concerns the duties and responsibilities of the Pool Funds Administrator, the Pool Funds Administrator,

as the same may be amended or substituted by the Executive Committee provided that:

- (a) where such amendment or substitution affects or relates to Stage 1 Settlement or the rights and obligations of the Settlement System Administrator, the Settlement System Administrator shall have given its prior written consent thereto; and/or
- (b) where such amendment or substitution imposes obligations on the Grid Operator, the Grid Operator shall have given its prior written consent thereto; and/or
- (c) where such amendment or substitution concerns the duties or responsibilities of the Pool Funds Administrator, the Pool Funds Administrator shall have given prior written consent thereto,

in any such case such consent not to be unreasonably withheld or delayed and provided further that the reference to the Grid Operator in this definition shall be construed as if it were a reference to such term prior to the creation of Meter Operator Parties and the associated amendments to the Pooling and Settlement Agreement, but this shall be without limitation to any right to agree any adoption, amendment or substitution under this definition.

"Agreed Procedures Index"

means an index of agreed procedure agreed to be treated as Agreed Procedures in accordance with and for the purposes of the Pooling and Settlement Agreement.

"Air Gas Production Connection Agreement"

means the connection agreement dated 26th August, 1992 between the Chargor and Air Gas Production Limited.

"Air Gas Production Electricity Supply Agreement"

means the electricity supply agreement dated 18th March, 1992 between the Chargor and Air Gas Production Limited.

"Air Gas Production On-Site Supply Agreement"

means the agreement for the provision of site services dated 11th March, 1997 between the Chargor and Air Gas Production Limited.

"Ancillary Service"

means a System Ancillary Service and/or a Commercial Ancillary Service, as the case may be.

"Ancillary Services Agreement"

means the master ancillary services agreement dated 28th January, 2000 between NGC and the Chargor.

"Ancillary Services Provider"

means the person who for the time being and from time to time is required by the terms of a Transmission Licence to contract for Ancillary Services.

"Apparatus"

means all equipment in which electrical conductors are used or supported or of which they may form a part.

"Arranger"

means Barclays Capital (the investment banking division of Barclays Bank plc).

"Ash Marketing Agreement"

means the ash marketing agreement dated 3rd March, 2000 between National Power and the Chargor, together with any agreement for the sale or marketing of the ash produced by the Chargor and entered into by the from time to time.

"Authorised Area"

means:

- (a) in respect of a PES located in England and Wales, the area from time to time comprised in Schedule 1 to its PES Licence; and
- (b) in respect of a PES located in Scotland, the authorised supply area from time to time comprised in paragraph 1 of Schedule 2 to its PES Licence.

"Authorised Electricity Operator"

means any person who is authorised under the Act to generate, transmit or supply electricity and shall include any person transferring electricity to or from England and Wales across an interconnector (as such term is used in the NGC Transmission Licence), other than the Grid Operator in its capacity as operator of the NGC Transmission System.

"Authorised Investment"

means:

- (a) Sterling deposits placed with, or certificates of deposit, denominated in Sterling, of, any bank or guaranteed by a bank having a short-term senior debt rating of A or better issued by S&P for a term not exceeding 12 months and which is an authorised institution under the Banking Act 1987 and has capital and reserves in excess of £100,000,000;
- (b) commercial paper, denominated in Sterling, constituting direct, primary and unsubordinated obligations, the issuer or the guarantor of which has a short-term senior debt rating of A or better issued by S&P, for a term not exceeding 12 months; and
- (c) gilt-edged securities issued by the Government of the United Kingdom or any other freely negotiable and marketable debt securities issued by the Government of the United Kingdom, in each case (i) denominated in Sterling and (ii) with a maximum maturity of one year from the date of purchase, and which constitute direct, primary and unsubordinated obligations.

"Balancing and Settlement Code"

means the document setting out balancing and settlement arrangements established by NGC pursuant to its transmission licence.

"Banks"

means the financial institutions listed in Schedule 1 to the Credit Agreement.

"BET Event"

means a breach of the Capacity and Tolling Agreement by BET which has not been remedied in full by payment under the CTA Guarantee.

"Bulk Supply Point"

means any or (as the context may require) a particular point of supply where Metering Equipment for the purposes of the Bulk Supply Tariff is or would have been located and, in

the event of any dispute as to location, as determined in accordance with Clause 83 of the Pooling and Settlement Agreement.

"Bulk Supply Tariff"

means the basis of payment for Active Energy as levied by the Generating Board prior to the Effective Date.

"Calculations and Forecasting Agreement"

means the calculations and forecasting agreement dated 13th July, 2000 between the Chargor and the Agent as amended and restated by an amendment and restatement agreement dated 8th September, 2000.

"Capacity and Tolling Agreement"

means the capacity and tolling agreement dated 13th July, 2000 entered into between BET and the Chargor as amended and restated by an amendment and restatement agreement dated 8th September, 2000.

"Central Despatch"

means the process of Scheduling and issuing direct instructions by the Grid Operator referred to in paragraph 1 of Condition 7 of the NGC Transmission Licence and **"Centrally Despatched"** shall be construed accordingly.

"Charged Security Assets"

means those Security Assets subject to the first fixed charge in Clause 2.1(b) (Creation of first fixed security) of the Debenture.

"Code of Practice"

means each of the codes of practice in relation to any Metering Equipment or any part or class thereof which are specified in the Synopsis of Metering Codes, as the same may be amended or substituted from time to time by the Executive Committee with the agreement or approval of:

- (a) in the case of any Code of Practice in respect of Metering Equipment in respect of which it is the Operator, the Grid Operator;
- (b) in the case of any Code of Practice in respect of Metering Equipment relating to Reactive Energy, the Ancillary Services Provider; and
- (c) in the case of any change to any Code of Practice prior to 1st April, 1998 in respect of standards of accuracy of Metering Equipment required for Second Tier Customers up to (and including) 100kW or Non-Pooled Generators, the Suppliers in separate general meeting,

provided that, prior to the date on which the transitional arrangements regarding metering of Reactive Power at Grid Supply Points are brought into effect the ("**RP Date**") in the case of a Code of Practice or part thereof which relates to Reactive Power metering at Grid Entry

Points, such Code or part thereof may only be amended or substituted by agreement between the Ancillary Services Provider and all Committee Members,

and any other code of practice which is agreed from time to time to be treated as a Code of Practice for the purposes of the Pooling and Settlement Agreement by the Executive Committee (or, where appropriate, prior to the RP Date all Committee Members) and, where appropriate, the Grid Operator and/or the Ancillary Services Provider and/or the Suppliers.

"Commercial Ancillary Services"

means Ancillary Services, other than System Ancillary Services, utilised by the Grid Operator in operating the Total System if a User (or other person) has agreed to provide them under an Ancillary Services Agreement or under a Supplemental Agreement with payment being dealt with under an Ancillary Services Agreement or, in the case of Externally Interconnected Parties or External Pool Members, under any other agreement (and, in the case of Externally Interconnected Parties and External Pool Members, includes ancillary services equivalent to or similar to System Ancillary Services).

"Commissioned"

means:

- (a) in relation to any Plant or Apparatus connected to the NGC Transmission System or to any External Interconnection or any Distribution System, commissioned for the purposes of the Connection Agreement relating to such Plant or Apparatus; or
- (b) in relation to any Metering System or Metering Equipment, commissioned in accordance with the relevant Code of Practice.

"Commitment"

means:

- (a) in relation to a Bank which is a Bank on the date of the Credit Agreement, the amount in Sterling set opposite its name in Schedule 1 of the Credit Agreement and the amount of any other Bank's Commitment acquired by it under Clause 26 (Changes to the Parties) of the Credit Agreement; and
- (b) in relation to a Bank which becomes a Bank after the date of the Credit Agreement, the amount of any other Bank's Commitment acquired by it under Clause 26 (Changes to the Parties) of the Credit Agreement,

to the extent not cancelled, transferred or reduced under the Credit Agreement.

"Committee Member"

means a member of the Executive Committee appointed in accordance with the provisions of Part IV of the Pooling and Settlement Agreement.

"Communications Equipment"

means, at or relating to any Site, in respect of any Metering Equipment:

- (a) the terminating equipment (which may include a modem) necessary to convert data from such Metering Equipment into a state for transmission to the Settlement System Administrator for the purposes of Settlement; and
- (b) the exchange link which is dedicated to that terminating equipment; but
- (c) it shall not include an Outstation.

"Credit Agreement"

means the £550,000,000 project finance credit agreement dated 13th July, 2000 (as amended and restated on 8th September, 2000) between, inter alia, the Chargor, the Arranger, the Agent and the Security Trustee.

"CTA Direct Agreement"

means the direct agreement dated 13th July, 2000 entered into between BET and the Agent as amended and restated by an amendment and restatement agreement dated 8th September, 2000.

"CTA Guarantee"

means the guarantee dated 8th September, 2000 entered into between BE and the Chargor pursuant to which BE guarantees, in favour of the Chargor, BET's obligations under the Capacity and Tolling Agreement.

"Customer"

means a Stage 1 Customer or, as the case may be, a Stage 2 Customer.

"Data Collector"

means a person appointed by a Supplier in accordance with Schedule 26 of the Pooling and Settlement Agreement to retrieve, validate and process metering data in relation to Stage 2 Metering Equipment.

"Deed of Payment"

means the deed of payment dated 13th July, 2000 (as amended and restated on 8th September, 2000) between the Chargor and BET.

"Deed of Payment Liabilities"

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to BET under the Deed of Payment together with all costs charges and expenses incurred in connection with the protection, preservation or enforcement of its rights under the Deed of Payment or any other document securing any such liability. The term **"Deed of Payment"** includes all amendments and supplements including supplements providing for further advances.

"Default"

means an Event of Default or an event or circumstance which, with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition (or any combination of the foregoing), would constitute an Event of Default.

"Designated Capital Expenditure Plan"

means the schedule of capital expenditure contained in the Long Range Business Plan as modified in accordance with Schedule 9 of the Credit Agreement, as amended from time to time in accordance with Clause 17.17 of the Credit Agreement, which for the avoidance of doubt, includes the Major Plant Modifications and the Major Refurbishment Works.

"Distribution System"

means the system consisting (wholly or mainly) of electric lines owned or operated by a Public Electricity Supplier and used for the distribution of electricity from Grid Supply Points or Generating Units or other entry points to the point of delivery to Customers or other Users and includes any Remote Transmission Assets (as defined in the Grid Code) operated by such Public Electricity Supplier and any Plant and Apparatus and meters owned or operated by such Public Electricity Supplier in connection with the distribution of electricity, but does not include any part of the NGC Transmission System.

"Drawdown Date"

means the date of the advance of the Loan.

"Effective Date"

means 2400 hours on 30th March, 1990.

"Eggborough Plant"

means the components comprising the 2 Gigawatt coal fired power station located at Eggborough, together with all the land and components at Gale Common and including all water cooling abstraction facilities and pipework located at or adjoining the site.

"Embedded"

means having a direct connection to a Distribution System or the System of any other User to which Customers and/or Power Stations are connected, such connection being either a direct connection or a connection via a busbar of another User or of NGC (but with no other connection to the NGC Transmission System).

"EPHL"

means Eggborough Power (Holdings) Limited, a company incorporated under the laws of Scotland.

"EPHL Assignment"

means the assignment agreement entered into between EPHL and the Security Trustee.

"ESIS"

means Energy Settlement and Information Systems Limited (registered number 2444282) whose registered office is at Fairham House, Green Lane, Clifton, Nottingham NG11 9LN.

"Event of Default"

means an event specified as such in Clause 18.1 (Events of Default) of the Credit Agreement.

"Excepted Relevant Agreements"

means:

- (a) the Pooling and Settlement Agreement;
- (b) the Ancillary Services Agreement;
- (c) the Air Gas Production Connection Agreement;
- (d) the Air Gas Production Electricity Supply Agreement;
- (e) the Air Gas Production On-Site Supply Agreement;
- (f) the Saint Gobain Electricity Supply Agreement;
- (g) the Saint Gobain Connection Agreement;
- (h) the Saint Gobain UK Parent Guarantee;
- (i) the Ash Marketing Agreement;
- (j) the Gale Common Sharing Agreement;
- (k) the Insurances in respect of business interruption or loss of availability; and
- (l) the Master Connection and Use of System Agreement,

(in each case including any supplements, amendments or replacements thereof).

"Executive Committee"

means the committee established pursuant to Clause 14 of the Pooling and Settlement Agreement.

"External Interconnection"

means Apparatus for the transmission of electricity to or from the NGC Transmission System into or out of an External System.

"External Pool Member"

means a party supplying electricity to or taking electricity from the NGC Transmission System through an External Interconnection and which has been or (where appropriate) is to be admitted as a Pool Member in the capacity of a Generator and/or a Supplier.

"External System"

means, in relation to an Externally Interconnected Party, the transmission or distribution system which it owns or operates and any Apparatus or Plant which connects that system to the External Interconnection and which is owned or operated by such Externally Interconnected Party.

"Externally Interconnected Party"

means a person operating an External System which is connected to the NGC Transmission System by an External Interconnection (which person may or may not also be an External Pool Member).

"Fee Letter"

means each letter dated on or about the date of the Credit Agreement between certain Finance Parties and the Chargor setting out the amount of various fees referred to in Clause 20 (Fees) of the Credit Agreement.

"Finance Document"

means:

- (a) the Credit Agreement;
- (b) a Security Document;
- (c) the Intercreditor Agreement;
- (d) the Sponsor Undertaking;
- (e) the Accounts Agreement;
- (f) a Hedging Agreement;
- (g) a Fee Letter;
- (h) the CTA Direct Agreement;
- (i) a Novation Certificate; and
- (j) the Calculations and Forecasting Agreement,

or any other document designated as such by the Agent and the Chargor.

"Finance Party"

means the Arranger, a Bank, the Security Trustee, the Account Bank, the Hedging Bank or the Agent (and together the **"Finance Parties"**).

"Fixtures"

means all fixtures and fittings (including trade fixtures and fittings) and fixed plant and machinery on the Mortgaged Property.

"Founder Generators"

means the parties to the Pooling and Settlement Agreement of the first part at 30th March, 1990.

"Founder Suppliers"

means the parties to the Pooling and Settlement Agreement of the second part at 30th March, 1999.

"Funds Flow Statement"

means the funds flow statement prepared by the Chargor setting out the payment of funds on the Drawdown Date.

"Gale Common"

means the ash tipping site located at Gale Common near Eggborough, North Yorkshire.

"Gale Common Sharing Agreement"

means:

- (a) the agreement for sharing Gale Common dated 31st March, 1990 between Powergen plc and National Power;
- (b) the side letter to the agreement dated 16th November, 1999 between National Power and BE; and
- (c) the arrangements whereby the rights and obligations of National Power under paragraphs (a) and (b) above are to be transferred to the Chargor.

"Generating Board"

has the meaning give to that term in the Act.

"Generating Plant"

means a Power Station subject to Central Despatch.

"Generating Unit"

means any Apparatus which produces electricity and, in respect of an External Pool Member, means a Generation Trading Block.

"Generation Licence"

means a licence granted or to be granted under section 6(1)(a) of the Act.

"Generation Schedule"

has the meaning given to that term in the Grid Code.

"Generation Trading Block"

means a notional Centrally Despatched Generating Unit of an External Pool Member treated as such for the purposes of the Grid Code.

"Generator"

means:

- (a) a person who generates electricity under licence or exemption under the Act; or
- (b) a person who is an External Pool Member who delivers electricity or on whose behalf electricity is delivered to the NGC Transmission System; or
- (c) a person who is acting as the agent for any such person who is referred to in paragraph (a) or (b) above,

and, in any such case, for the time being party to the Pooling and Settlement Agreement in the capacity of a Generator and, where the expression is used in Part III or Part IV of the Pooling and Settlement Agreement, who is also or (where appropriate) is to become a Pool Member.

"Grid Code"

means the Grid Code drawn up pursuant to the Transmission Licence, as from time to time revised in accordance with the Transmission Licence.

"Grid Entry Point"

means the point at which a Power Station which is not Embedded connects to the NGC Transmission System.

"Grid Operator"

means the person who for the time being and from time to time is required by the terms of the Transmission Licence, *inter alia*, to implement the Grid Code.

"Grid Supply Point"

means the point of supply from the NGC Transmission System to Public Electricity Suppliers or to other Users with User Systems with Customers connected to them or Non-Embedded Customers.

"Group"

means BE and its Subsidiaries.

"Group Shares"

means any stocks, shares, debentures, bonds, warrants, coupons or other securities and investments in any member of the Group owned (either at the date of the Debenture or in the future) by the Chargor from time to time.

"GWh"

means Gigawatt-hour.

"Hedging Agreement"

means, to the extent such hedging agreement constitutes hedging arrangements in accordance with Clause 3.1 (Accession of Hedging Banks) of the Intercreditor Agreement:

- (a) the master agreement or other document specified in Schedule 2 of the Intercreditor Agreement; or
- (b) the master agreement or other document designated a Hedging Agreement in accordance with Clause 3.1 (Accession of Hedging Banks) of the Intercreditor Agreement,

including any contract entered into or confirmation given thereunder, and any instrument pursuant to which the same is, novated, varied, supplemented or amended from time to time.

"Hedging Bank"

means each bank or financial institution named in Schedule 1 of the Intercreditor Agreement and any other bank or financial institution which becomes a party thereto as a Hedging Bank under Clause 3.1 (Accession of Hedging Banks) of the Intercreditor Agreement in each case in its capacity as provider of interest rate swap or hedging facilities to the Chargor.

"Income"

means any interest, dividends or other income arising from or in respect of an Authorised Investment.

"Insurance Arrangements"

means all Insurances for the Project agreed between the Chargor and the Banks as set out in Schedule 8 of the Credit Agreement.

"Insurances"

means all contracts and policies of insurance and re-insurance of any kind which are taken out by or on behalf of the Chargor in accordance with the Insurance Arrangements or (to the extent of its interest) in which the Chargor has an interest, and such other policy or contract of insurance and re-insurance as the Agent and the Chargor agree shall be an Insurance.

"Intellectual Property Rights"

means all know-how, patents, trade marks, service marks, designs, business names, topographical or similar rights, copyrights and other intellectual property monopoly rights and any interests (including by way of licence) in any of the foregoing (in each case whether registered or not and including all applications for the same).

"Intercompany Loan Agreement"

means the intercompany loan agreement between the Chargor and EPHL entered into in accordance with the Funds Flow Statement.

"Intercreditor Agreement"

means the intercreditor agreement between the Chargor, BE, BET, the Banks, the Hedging Banks, the Agent, the Security Trustee and the Account Bank.

"Investment Proceeds"

means:

- (a) any net proceeds received by the Account Bank upon disposal or realisation; or
- (b) any sum received by the Account Bank upon maturity,

in respect of an Authorised Investment, but excluding all Income.

"kWh"

means kilowatt-hours.

"Loan"

means, subject to Clause 8 (Interest Periods) of the Credit Agreement, the principal amount of the borrowing by the Chargor under the Credit Agreement or the principal amount outstanding of the borrowing.

"Long Range Business Plan"

means the 20 year business plan prepared by the Chargor and set out in Schedule 12 of the Credit Agreement with such amendments as may be agreed between the Chargor and the Agent.

"Major Plant Modifications"

means those modifications set out at items 60, 61 and 62 of the capital expenditure schedule contained in the Long Range Business Plan.

"Major Refurbishment Works"

means those refurbishment works set out as items 1 to 58 (inclusive) and item 65 of the capital expenditure schedule contained in the Long Range Business Plan.

"Majority Banks"

means, at any time, Banks:

- (a) whose participations in the Loan then outstanding aggregate more than $66\frac{2}{3}$ per cent. of the Loan then outstanding; or
- (b) if no Loan is then outstanding, whose Commitments then aggregate more than $66\frac{2}{3}$ per cent. of the Total Commitments; or
- (c) if no Loan is then outstanding and the Total Commitments have been reduced to nil, whose Commitments aggregated more than $66\frac{2}{3}$ per cent. of the Total Commitments immediately before the reduction.

"Master Connection and Use of System Agreement"

means the agreement of that name dated 30th March, 1990 and made between NGC and others governing the connection to and use of the national electricity transmission system and the accession and interface thereto as supplemented by the Supplemental Agreement.

"Master Registration Agreement"

means the agreement of that title dated 1st June, 1998.

"Meter"

means a device for measuring Active Energy and/or Reactive Energy.

"Meter Operator Party"

means each person admitted in the capacity as such and for the time being and from time to time party to Schedule 21 of the Pooling and Settlement Agreement in accordance with the provisions thereof, and shall include any successor(s) in title to, or permitted assign(s) of, such person.

"Metering Equipment"

means Stage 1 Metering Equipment and/or Stage 2 Metering Equipment, as the context may require.

"Metering Point"

means the point, determined according to the principles and guidance given at Schedule 9 of the Master Registration Agreement at which a supply to (export) or from (import) a Distribution System:

- (a) is or is intended to be measured; or
- (b) where metering equipment has been removed, was or was intended to be measured; or
- (c) in the case of an Unmetered Supply, is deemed to be measured where in each case such measurement is for the purposes of ascertaining the Supplier's Settlement liabilities under the Pooling and Settlement Agreement.

"Metering System"

means a Stage 1 Metering System and/or a Stage 2 Metering System, as the context may require.

"Mortgaged Property"

means all freehold or leasehold property the subject of any security created by the Debenture.

"Mortgaged Security Assets"

means those Security Assets subject to the first legal mortgage in Clause 2.1(a) (Creation of first fixed security) of the Debenture.

"MWh"

means megawatt hours.

"National Power"

means National Power plc, a company incorporated under the laws of England and Wales.

"NGC"

means The National Grid Company plc (registered number 2366977) whose registered office is situate at National Grid House, Kirby Corner Road, Coventry CV4 8JY.

"NGC Transmission Licence"

means the Transmission Licence granted or to be granted to NGC.

"NGC Transmission System"

means the system consisting (wholly or mainly) of high voltage electric lines owned or operated by NGC and used for the transmission of electricity from one Power Station to a sub-station or to another Power Station or between sub-stations or to or from any External Interconnection and includes any Plant and Apparatus and meters owned or operated by NGC in connection with the transmission of electricity but does not include any Remote Transmission Assets (as defined in the Grid Code).

"Non-Embedded Customer"

means any Customer, other than a PES, receiving electricity direct from the NGC Transmission System irrespective of from whom it is supplied.

"Non-Pooled Generation"

means generation from any site which is directly connected to a Distribution System where:

- (a) the output is accounted for in Settlement; and
- (b) the generator owning such site:
 - (i) is exempted from holding a Generation Licence; or
 - (i) would be exempted from holding a Generation Licence if such site were the only site owned by that generator.

"Non-Pooled Generator"

means a generator who produces Non-Pooled Generation, provided that a generator shall be a Non-Pooled Generator only to the extent that it owns sites which produce Non-Pooled Generation.

"Novation Certificate"

has the meaning given to it in clause 26.3 (Procedure for novations) of the Credit Agreement.

"Obligor"

means the Chargor or EPHL.

"Operating Account"

means the account opened by the Account Bank entitled "Operating Account" with the account number as set out in Part A of Schedule 1 of the Accounts Agreement.

"Operator"

means:

- (a) in relation to any Stage 1 Metering System:
 - (i) used to measure the supply to a Customer or from a Non-Pooled Generator, the Meter Operator Party who is appointed as such by the Customer, the Non-Pooled Generator or by the Registrant (with the consent of that Customer or, as the case may be, Non-Pooled Generator) and who agrees to act as Operator in relation to such Metering System; or
 - (ii) not within paragraph (i) above or paragraphs (ii) to (v) below, the Meter Operator Party who is appointed as such by the Registrant of such Metering

System and who agrees to act as Operator in relation to such Stage 1 Metering System; or

- (iii) where new Metering Equipment is to be added to an existing Stage 1 Metering System, the Operator of such existing Stage 1 Metering System; or
 - (iv) the Meter Operator Party which continues as the Operator in accordance with the transitional arrangements set out in Section 23 of Schedule 21 of the Pooling and Settlement Agreement; or
 - (v) the Party who is deemed to be the Operator and Meter Operator Party in respect thereof in accordance with the terms of Clause 60.4.5 of the Pooling and Settlement Agreement; and
- (b) in relation to any Generating Unit and for the purposes of Schedule 20 of the Pooling and Settlement Agreement only, the Authorised Electricity Operator or any other person for the time being responsible (under contract or otherwise) for the generation or sale of electricity from such unit.

"Outstation"

means equipment which receives and stores data from a Meter(s) for the purpose, *inter alia*, of transfer of that metering data to the Settlement System Administrator or Data Collector, as the case may be, and which may perform some processing before such transfer. This equipment may be in one or more separate units or may be integral with the Meter.

"Party"

means each person for the time being and from time to time party to the Pooling and Settlement Agreement acting in a capacity, or deemed to be acting in a capacity, other than that of Operator or Meter Operator Party, and shall include any successor(s) in title to, or permitted assign(s) of, such person. For the purposes of Clause 8 of the Pooling and Settlement Agreement, "Party" has the extended meaning given to it in Clause 8.2.2 of the Pooling and Settlement Agreement.

"Permitted Security Interest"

means:

- (a) any lien arising by operation of law (or by agreement to the same or no greater effect) including, without limitation, any rights of set-off with respect to demand or time deposits with financial institutions and bankers' liens with respect to property held by financial institutions;
- (b) any Security Interest over goods or documents of title arising in the course of letter of credit transactions entered into in the ordinary course of business;
- (c) any Security Interest over cash paid into an escrow account by any third party pursuant to any deposit or retention of purchase price arrangements entered into pursuant to any disposal or acquisition made by the Chargor and any Security Interest created over the proceeds of the purchase price (or part) of an asset disposed of by the Chargor to secure any potential warranty claim arising from the disposal;

- (d) any Security Interest created by virtue of the operation of any cash pooling arrangements for the Chargor and other members of the Group with their bankers providing for the setting-off or netting of debit and credit balances on bank accounts of the Chargor and those members of the Group;
- (e) any Security Interest over the assets of the Chargor established to hold assets of any management or employee share option, share incentive or like scheme securing any loan made available to the Chargor to finance the acquisition of such assets;
- (f) title retention arrangements arising in the ordinary course of trading with suppliers of goods to the Chargor or arising under conditional sale or hiring arrangements in respect of goods supplied to the Chargor in the ordinary course of trading;
- (g) any Security Interest created under or in connection with or arising out of the Pooling and Settlement Agreement or which the Chargor is required to grant under any regulation implementing any replacement of or amendment to the Pooling and Settlement Agreement;
- (h) any Security Interest arising under the Security Documents;
- (i) any Security Interest arising in favour of BE to secure the Chargor's obligations to BE under the Subordinated Loan Agreement;
- (j) any Security Interest arising over the Revenue Account in favour of BET to secure the Chargor's obligations to BET under the Deed of Payment; and
- (k) any Security Interests created with the prior written consent of the Majority Banks.

"PES Licence"

means a licence granted or to be granted under section 6(1)(c) of the Act.

"Plant"

means fixed and moveable items used in the generation and/or supply and/or transmission of electricity, other than Apparatus.

"Pool Funds Administrator"

means the person for the time being and from time to time appointed pursuant to Schedule 15 of the Pooling and Settlement Agreement to act as Pool Funds Administrator.

"Pool Ledger Accounts"

means the accounting records required to be maintained by the Pool Funds Administrator in accordance with Section 6 of Schedule 11 of the Pooling and Settlement Agreement for the recording of transactions settled in accordance with Schedule 11.

"Pool Member"

means each of the Founder Generators and Founder Suppliers and any other person who is admitted to pool membership in accordance with Clause 8.2 of the Pooling and Settlement Agreement, in each case until it shall have resigned from pool membership or otherwise

ceased to be a member in accordance with the Pooling and Settlement Agreement, and **"Pool Membership"** shall be construed accordingly.

"Pool Rules"

means the rules referred to in Clause 7.4 and set out in Schedule 9 of the Pooling and Settlement Agreement, as amended, varied or substituted from time to time in accordance with the terms hereof.

"Pooling and Settlement Agreement"

means the pooling and settlement agreement for the Electronic Industry of England and Wales dated 30th March, 1990 between the parties named in the agreement as amended.

"Power Station"

means an installation comprising one or more Generating Units (even where sited separately), other than an External Interconnection, owned and/or controlled by the same Generator, which may reasonably be considered as being managed as one Power Station.

"Project"

means the operation and maintenance of the Eggborough Plant including but not limited to the implementation of the Designated Capital Expenditure Plan.

"Project Accounts"

means those accounts opened by the Account Bank with the account numbers specified in Part A of Schedule 1 of the Accounts Agreement.

"Public Electricity Supplier" or "PES"

means a person for the time being party to the Pooling and Settlement Agreement who is a public electricity supplier (as that expression is defined in the Act).

"Reactive Energy" means the integral with respect to time of the Reactive Power.

"Reactive Power" means the product of voltage and current and the sine of the phase angle between them measured in units of voltamperes reactive and standard multiples thereof, that is:

$$\begin{array}{rcl} 1000\text{VAr} & = & 1\text{kVAr} \\ 1000\text{kVAr} & = & 1\text{MVar}. \end{array}$$

"Registrant" means, in relation to a Stage 1 Metering System at or in relation to any Site which is:

(a) a Grid Entry Point,

the Pool Member which operates Generating Plant at such Site; or

(b) a Grid Supply Point or Bulk Supply Point,

the Pool Member whose System is directly connected to the NGC Transmission System at or in relation to such Grid Supply Point or Bulk Supply Point; or

- (c) the point of connection of a Customer of a Supplier and the NGC Transmission System,

the Supplier which is the supplier to that Customer; or

- (d) the point of connection to a Distribution System of a Generator which is Embedded or of a Supplier or of a Customer or of a Stage 1 Customer,

the Party which is such Generator which is Embedded or such Supplier or the Supplier in respect of such Customer or the Public Electricity Supplier in respect of such Stage 1 Customer, as the case may be; or

- (e) the point of connection of a Non-Pooled Generator to a Distribution System,

the Party which is the Supplier in respect of such Metering System of such Non-Pooled Generator; or

- (f) the point of connection of two or more Distribution Systems,

the Authorised Electricity Operator of one of such Distribution Systems which is nominated in accordance with the provisions of the Pooling and Settlement Agreement; or

- (g) the point of connection of an External Interconnection to the NGC Transmission System or a Distribution System,

the Externally Interconnected Party.

"Related Rights"

means any dividend or interest paid or payable in relation to any Share and any rights, moneys or property accruing or offered at any time in relation to any Shares by way of redemption, substitution, exchange, bonus or preference, under option rights or otherwise.

"Relevant Agreements"

means the following agreements:

- (a) the Capacity and Tolling Agreement;
- (b) the CTA Guarantee;
- (c) the agreement dated 15th November, 1999 between National Power and the Chargor for the sale of the business relating to the Eggborough Power Station by National Power to the Chargor;
- (d) the Pooling and Settlement Agreement;
- (e) the Ancillary Services Agreement;
- (f) the Air Gas Production Connection Agreement;

- (g) the Air Gas Production Electricity Supply Agreement;
 - (h) the Air Gas Production On-Site Supply Agreement;
 - (i) the Saint Gobain Electricity Supply Agreement;
 - (j) the Saint Gobain Connection Agreement;
 - (k) the Ash Marketing Agreement;
 - (l) the Insurances in respect of business interruption or loss of availability;
 - (m) the Master Connection and Use of System Agreement;
 - (n) the Intercompany Loan Agreement;
 - (o) the Saint Gobain UK Parent Guarantee;
 - (p) the ISDA Master Agreement dated as of 6th October, 2000 between the Chargor and Barclays Bank PLC and the schedule thereto and all confirmations thereunder;
 - (q) the Service Contract; and
 - (r) any Hedging Agreement entered into now or at any time in the future,
- (in each case including any supplements, amendments or replacements thereof).

"Revenue Account"

means the account opened by the Account Bank entitled "Revenue Account" with the account number as set out in Part A of Schedule 1 of the Accounts Agreement.

"Saint-Gobain"

means Saint-Gobain Glass UK Limited, a company incorporated under the laws of England and Wales.

"Saint-Gobain Connection Agreement"

means the connection agreement dated 23rd October, 1998 between the Chargor and Saint-Gobain.

"Saint-Gobain Electricity Supply Agreement"

means the electricity supply agreement dated 23rd October, 1998 between the Chargor and Saint-Gobain.

"Saint-Gobain UK Parent Guarantee"

means the guarantee dated 23rd October, 1998 granted by Saint-Gobain UK Limited in favour of the Chargor in respect of Saint-Gobain's obligations under the Saint-Gobain Connection Agreement.

"Scheduling"

means the process of compiling and issuing a Generation Schedule (as that expression is defined in the Grid Code).

"Second Tier Customer"

means a person who is supplied with or sold electricity by a Second Tier Supplier.

"Second Tier Supplier"

means a person for the time being party to the Pooling and Settlement Agreement who is the holder of a Second Tier Supply Licence.

"Second Tier Supply Licence"

means a licence granted or to be granted under section 6(2)(a) of the Act.

"Secured Liabilities"

means Secured Senior Liabilities and Secured Subordinated Liabilities.

"Secured Senior Liabilities"

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to any Finance Party under each Finance Document together with all costs, charges and expenses incurred by any Finance Party in connection with the protection, preservation or enforcement of its respective rights under the Finance Documents or any other document securing any such liability except for any obligation which, if it were so included, would result in the Debenture constituting unlawful financial assistance under Sections 151 and 152 of the Companies Act 1985. The term **"Finance Document"** includes all amendments and supplements including supplements providing for further advances.

"Secured Subordinated Liabilities"

means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Chargor to BE under the Subordinated Loan Agreement together with all costs, charges and expenses incurred by BE in connection with the protection, preservation or enforcement of its rights under the Subordinated Loan Agreement or any other document securing any such liability. The term **"Subordinated Loan Agreement"** includes all amendments and supplements including supplements providing for further advances.

"Security Account"

means any account established under Clause 8 (Security Accounts) of the Debenture.

"Security Assets"

means all assets of the Chargor the subject of any security created by the Debenture.

"Security Documents"

means:

- (a) the Debenture;
- (b) the Shares Pledge; and
- (c) the EPHL Assignment,

and any other document evidencing or creating any Security Interest over any asset of an Obligor to secure any obligations of the Obligors or BE to a Finance Party under the Finance Documents.

"Security Interest"

means any mortgage, pledge, lien, charge, assignment, hypothecation or security interest or any other agreement or arrangement having the effect of conferring security.

"Service Contract"

means the contract for services entered into between BE and the Chargor on 8th September, 2000.

"Service Line"

means:

- (a) for the purpose of Schedule 4 of the Pooling and Settlement Agreement, a legally binding operating document which is agreed for the time being and from time to time by the Settlement System Administrator and the Executive Committee to be a Service Line in respect of a particular Service; and
- (b) in any other case, a document of that title approved by the Executive Committee for the time being and from time to time.

"Services"

has the meaning given to that term in Schedule 4 of the Pooling and Settlement Agreement or, in relation to the Pool Funds Administrator, means the services and responsibilities to be supplied or discharged by it pursuant to the Pooling and Settlement Agreement.

"Settlement"

means the operation of the Settlement System under the Pooling and Settlement Agreement.

"Settlement Arrangements"

means the Pooling and Settlement Agreement, the Service Lines, the Agreed Procedures and the Codes of Practice.

"Settlement System"

means those assets, systems and procedures for the calculation in accordance with the Pool Rules of payments which become due thereunder, as modified from time to time.

"Settlement System Administrator"

means ESIS in its capacity as Settlement System Administrator or any replacement therefor as Settlement System Administrator from time to time appointed pursuant to the Pooling and Settlement Agreement, and for the purposes of Schedule 35 of the Pooling and Settlement Agreement includes any person who is to become the Settlement System Administrator.

"Shares"

means the Group Shares and any other stocks, shares, debentures, bonds or other securities and investments.

"Shares Pledge"

means the shares pledge between EPHL and the Security Trustee.

"Site"

means:

- (a) a Grid Entry Point;
- (b) a Grid Supply Point or Bulk Supply Point;
- (c) the point of connection of a Generator which is Embedded or of an Independent Network or of a Customer to a Distribution System or the NGC Transmission System, or the point of connection of a Non-Pooled Generator to a Distribution System;
- (d) the point of connection of two Distribution Systems; or
- (e) the point of connection of an External Interconnection to the NGC Transmission System.

"Sponsor Undertaking"

means the sponsor undertaking dated 13th July, 2000 between BE, BET and the Chargor as amended and restated by an amendment and restatement agreement dated 8th September, 2000.

"S&P"

means Standard & Poor's Rating Group, a division of McGraw Hill Inc.

"Stage 1 Customer"

means a person to whom electrical power is provided whose consumption is settled within the Stage 1 Settlement System (whether or not Embedded).

"Stage 1 Metering Equipment"

means Meters, measurement transformers (voltage, current or combination units), metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring, which are part of the Active Energy and/or a Reactive Energy measuring and transmitting equipment for Stage 1 Settlement.

"Stage 1 Metering System"

means all or that part of the Commissioned Metering Equipment at or relating to a Site linked to a single Outstation at or relating to that Site (and includes, for the avoidance of doubt, such Outstation) which measures a trade in Active Energy that is settled within the Stage 1 Settlement System or, as the case may be, Reactive Energy. Without prejudice to the generality of the foregoing, a set of non-exhaustive diagrammatic representations of Stage 1 Metering Systems is contained in Annex 5 to Schedule 21 of the Pooling and Settlement Agreement.

"Stage 1 Settlement"

means the operation of the Stage 1 Settlement System under the Pooling and Settlement Agreement.

"Stage 1 Settlement System"

means those assets, systems and procedures for the calculation of payments which become due under the Pool Rules in accordance with Parts I to VI (inclusive) and Parts XI and XII of Schedule 9 of the Pooling and Settlement Agreement and such Appendices to Schedule 9 of the Pooling and Settlement Agreement as relate to such Parts.

"Stage 2 Customer"

means a person to whom electrical power is provided whose consumption is settled within the Stage 2 Settlement System.

"Stage 2 Metering Equipment"

means Meters, measurement transformers (voltage, current or combination units), metering protection equipment including alarms, circuitry, associated Communications Equipment and Outstations and wiring, which are part of the Active Energy and/or Reactive Energy measuring and transmitting equipment for Stage 2 Settlement.

"Stage 2 Metering System"

means all or that part of the Stage 2 Metering Equipment which measures a trade in Active Energy or, as the case may be, Reactive Energy related to a Metering Point.

"Stage 2 Settlement"

means the operation of the Stage 2 Settlement System under the Pooling and Settlement Agreement.

"Stage 2 Settlement System"

means those assets, systems and procedures used for the calculation of payments which become due under the Pool Rules in accordance with Part I and Part VII to Part XII (inclusive) of Schedule 9 of the Pooling and Settlement Agreement and such Appendices to Schedule 9 as relate to such Parts.

"Subordinated Loan Agreement"

means the subordinated loan agreement dated 13th July, 2000 (as amended and restated on 8th September, 2000) between the Chargor and BE and executed pursuant to the Sponsor Undertaking.

"Subsidiary"

means an entity from time to time of which a person has direct or indirect control, or owns directly or indirectly more than fifty per cent (50%) of the share capital or similar right of ownership.

"Supplemental Agreement"

means the agreement of that name entered into between the Chargor and NGC.

"Supplier"

means a person for the time being party to the Pooling and Settlement Agreement in the capacity of a Supplier and, where the expression is used in Part III, Part IV or Part XI or Schedule 18 of the Pooling and Settlement Agreement, who is also or (where appropriate) is to become a Pool Member.

"Synopsis of Metering Codes"

means a synopsis maintained and updated as necessary by the Executive Committee listing each Code of Practice approved as such from time to time in accordance with the Pooling and Settlement Agreement.

"System"

means any User System or the NGC Transmission System, as the case may be.

"System Ancillary Services"

means Ancillary Services which are required for System reasons and which must be provided by Users (but in some cases only if a User has agreed to provide the same under a Supplemental Agreement).

"Total Commitments"

means the aggregate for the time being of the Commitments, being £550,000,000, at the date of the Credit Agreement.

"Total System"

means the NGC Transmission System and all User Systems in England and Wales.

"Transmission Licence"

means a licence granted or to be granted under section 6(1)(b) of the Act, the authorised area of which is England and Wales or any part of either thereof.

"TWh"

means terrawatt hours.

"Unmetered Supply"

means a supply of electricity to a particular inventory of Apparatus in respect of which a Public Electricity Supplier has issued an Unmetered Supply Certificate.

"Unmetered Supply Certificate"

means a certificate issued by a Public Electricity Supplier permitting a supply of electricity to be made in its Authorised Area without the requirement for such supply to be metered, such certificate to be agreed between the relevant Public Electricity Supplier and the Customer taking the supply and to contain at least the information set out or referred to in the relevant Agreed Procedure.

"User"

means a term utilised in various sections of the Grid Code to refer to a person, using the NGC Transmission System and includes an Externally Interconnected Party, all as more particularly identified in each section of the Grid Code concerned.

"User System"

means:

- (a) other than in relation to an External Pool Member or an Externally Interconnected Party, any system owned or operated by a User comprising Generating Units and/or Distribution Systems (and/or other systems consisting, wholly or mainly, of electric lines which are owned or operated by a person other than a Public Electricity Supplier) and Plant and/or Apparatus connecting Generating Units, Distribution Systems (and/or other systems consisting, wholly or mainly of electric lines which are owned or operated by a person other than a Public Electricity Supplier) or Non-Embedded Customers to the NGC Transmission System or (except in the case of Non-Embedded Customers) to the relevant other User System, as the case may be, including any Remote Transmission Assets (as defined in the Grid Code) operated by such User or other person and any Plant and/or Apparatus and meters owned or operated by the User or other person in connection with the distribution of electricity, but does not include any part of the NGC Transmission System; and
- (b) in relation to an External Pool Member or an Externally Interconnected Party, the External System connected to the relevant External Interconnection.

"Wh"

means watt-hours.

19. (a) In this Form 395, unless the contrary intention appears, a reference to:

(i) an **"amendment"** includes a supplement, novation or re-enactment and **"amended"** is to be construed accordingly;

"assets" includes properties, revenues and rights of every description;

an **"authorisation"** includes an authorisation, consent, approval, resolution, licence, exemption, filing and registration;

"control" means the power to direct the management and policies of an entity, whether through the ownership of voting capital, by contract or otherwise;

a **"month"** is a reference to a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last Business Day in that calendar month;

a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but if not, then being of a type with which a person of the class to whom it applies would be accustomed to apply) of any governmental, inter-governmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;

a **"person"** includes its successors and assigns;

(iii) a Finance Document or another document is a reference to that Finance Document or other document as amended or novated;

(iv) a time of day is a reference to London time.

(b) Unless the contrary intention appears, a term used in a Finance Document or in any notice given under or in connection with any Finance Document has the same meaning in that Finance Document or notice as in this Form 395.

(c) If and for so long as there is only one Bank party hereto, references herein to the **"Banks"**, the **"Majority Banks"** and similar expressions shall be taken as references to such Bank alone and this Form 395 shall be read and construed as referring, where relevant, only to such Bank.

Continuation sheet 34

Name of Company: Eggborough Power Limited

Company Number: 03782700

SCHEDULE 1

REAL PROPERTY

The freehold land and buildings known as Eggborough Power Station, Eggborough, Goole, North Yorkshire, comprised in a transfer dated 20 February 2000 $\S$ made between (1) National Power and (2) the Chargor (then known as Boron Limited), the title to which is in course of registration at H M Land Registry with Title Number NYK 233369.

The freehold land comprising Gale Common, North Yorkshire, comprised in a transfer dated 3 March 2000 made between (1) National Power and (2) the Chargor (then known as Boron Limited), the title to which is in course of registration at H M Land Registry with Title Numbers NYK 234230 and NYK 67029.

Continuation sheet 35

Name of Company: Eggborough Power Limited

Company Number: 03782700

SCHEDULE 2

SPECIFIC PATENTS AND TRADEMARKS

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FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

Pursuant to section 401(2) of the Companies Act 1985

COMPANY No. 03782700

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A DEBENTURE (ORIGINALLY DATED 8th SEPTEMBER 2000 (AS DEFINED) AS AMENDED BY SIDE LETTERS DATED 24th OCTOBER 2000, 5th FEBRUARY 2001 AND 26 MARCH 2001) DATED THE 26th MARCH 2001 AND CREATED BY EGGBOROUGH POWER LIMITED FOR SECURING ALL OBLIGATIONS AND LIABILITIES DUE OR TO BECOME DUE FROM THE COMPANY TO BE, BET AND ANY FINANCE PARTY UNDER THE SUBORDINATED LOAN AGREEMENT, THE DEED OF PAYMENT AND THE FINANCE DOCUMENTS RESPECTIVELY (ALL TERMS AS DEFINED) ON ANY ACCOUNT WHATSOEVER WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 6th APRIL 2001.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 11th APRIL 2001.

CR
hc



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES



Companies House

— for the record —