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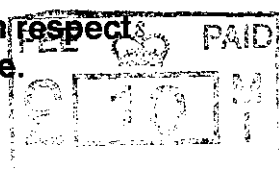
*insert full name of Company

COMPANIES FORM No. 395
Particulars of a mortgage or charge

030868/10

395

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



4498075

Name of company

* KILLINGHOLME POWER GROUP LIMITED (the "Company")

Date of creation of the charge

26 March 2003

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

KPGL Share Charge dated 26 March 2003 between the Company and Banc of America Securities Limited as facility agent (the "Facility Agent") (the "KPGL Share Charge").

Amount secured by the mortgage or charge

Secured Obligations being all present and future liabilities (actual or contingent) payable or owing solely or jointly by the Company to any Subordinated Finance Party and/or any Receiver under or in connection with any Subordinated Finance Document, whether or not matured and whether or not liquidated (as such terms are defined in the particulars attached hereto).

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

Banc of America Securities Limited
Bank of America House
1 Alie Street
London
Postcode E1 8DE

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

Shearman & Sterling
Broadgate West
9 Appold Street
London
EC2A 2AP

LNDOCS01/308542.01

Time critical reference
LH14692

For official Use
Mortgage Section

Post room



LD4
COMPANIES HOUSE

0346
04/04/03

Please see attached sheets.

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

Particulars as to commission allowance or discount (note 3)

Signed Shearman & Sterling Date 4/4/03
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

Continuation Sheets to Form 395

PART 1

Definitions

In this form 395 the following expressions have the following meanings:

"Charged Assets" means assets from time to time subject to the Charges or which the KPGL Share Charge from time to time purports to charge or any part of those assets;

"Charges" means Encumbrances created or which may at any time be created by or pursuant to the KPGL Share Charge or any of such Encumbrances and **"Fixed Charge"** shall be construed accordingly;

"Encumbrance" means a reference to:

- (a) a mortgage, charge (whether legal or equitable, fixed or floating), pledge, lien or other encumbrance securing any obligation of any person; or
- (b) any other type of preferential arrangement (including title transfer or retention, sale and leaseback or sale and purchase arrangements) having a similar effect;

"Enforceability Date" means the date upon which an Event of Default has occurred and is continuing;

"Event of Default" means any event of circumstance specified as such under the Subordinated Facility Agreement;

"KHL" means Killingholme Holdings Limited, a limited company incorporated in England and Wales (registered number: 3929730) whose registered office is at Chase Hill Road, North Killingholme, Immingham, North East Lincolnshire, DN40 3EH;

"Original Subordinated Lender" means each Subordinated Lender which is a Party as at the date of the Subordinated Facility Agreement;

"Party" means a party to the Subordinated Facility Agreement and includes its successors in title, permitted assigns and permitted transferees;

"Receiver" means an administrative receiver, receiver and manager or other receiver appointed in respect of the whole or any part of the Charged Assets by the Facility Agent (whether appointed pursuant to the KPGL Share Charge, pursuant to any Statute, by a court or otherwise);

"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;

"Security Document" means the KPGL Share Charge and the notices of assignment or charge, acknowledgements and other documents referred to therein and any other agreement, deed or document from time to time executed in favour of all or any of the Subordinated Finance Parties (or the Facility Agent on their behalf) for the purpose of securing all or any of the Secured Obligations.

"Shares" means any shares in the capital of KHL which are registered in the name of or are beneficially owned by the Company;

"Statutes" means the Companies Act 1985, the Insolvency Act 1986, the Law of Property Act 1925 and any other Acts of Parliament referred to at the date of the KPGL Share Charge or thereafter relevant in the context of the KPGL Share Charge;

"Subordinated Facility Agreement" means the subordinated facility agreement dated on or about the date of the KPGL Share Charge between KHL as borrower and Banc of America Securities Limited as Facility Agent and the subordinated lenders named therein;

"Subordinated Finance Document" means the Subordinated Facility Agreement, each Security Document and any other document designated as such by the Facility Agent and KHL;

"Subordinated Finance Party" means the Facility Agent or any Subordinated Lender;

"Subordinated Lender" means

- (a) any Original Subordinated Lender; and
- (b) any bank or financial institution which has become a Party in accordance with Section 8 (*Changes to Parties*) of the Subordinated Facility Agreement,

which, in each case, has not ceased to be a Party in accordance with the terms of the Subordinated Facility Agreement; and

"Termination Date" means the date on which (a) KHL has no further obligation or liability (whether actual or contingent) to make payments to any of the Subordinated Finance Parties under or pursuant to the terms of any of the Subordinated Finance Documents and (b) no Subordinated Finance Party has any obligation or liability (whether actual or contingent) pursuant to, or in connection with, the Subordinated Finance Documents, or any of the, which could give rise to such an obligation or liability of KHL.

Unless the context otherwise requires, any reference in the KPGL Share Charge to:

"rights" shall be construed as including rights, authorities, discretions, remedies and powers and **"right"** shall be construed accordingly.

PART 2

Short particulars of all property mortgaged or charged

1. Fixed Charge

Pursuant to Clause 2.1 of the KPGL Share Charge, the Company as security for payment of all Secured Obligations, with full title guarantee, charges in favour of the Facility Agent (for the benefit of itself and as trustee for the other Subordinated Finance Parties) by way of fixed charge, all present and future rights, title and interest to the Shares and all Related Rights.

2. Other Obligations

- (a) Pursuant to Clause 3.1(a) of the KPGL Share Charge, the Facility Agent may, at any time after the Enforceability Date, have any of the Shares (including the Related Rights) registered in its name or in the name of its nominee company or otherwise have the same held by, one or more nominees on its behalf if so requested by the Facility Agent. The Company shall, immediately upon the execution of the KPGL Share Charge, or, if later, upon it becoming entitled to the Shares (including the Related Rights), deliver to the Facility Agent all certificates and instruments of transfer in respect of each of the Shares (including its Related Rights) belonging to it duly executed by its holder but omitting the name of the transferee and the date. All documents required by Clause 3.1(a) of the KPGL Share Charge shall be in such form as the Facility Agent shall require.
- (b)
 - (i) Pursuant to Clause 3.1(b) of the KPGL Share Charge, prior to the Enforceability Date, the Company shall be entitled to:
 - (1) receive and retain all dividends, distributions and other amounts paid on or derived from the Shares (including the Related Rights);
 - (2) exercise or direct the exercise of the voting rights attached to the Shares, which comprises part of its Charged Assets in such manner as it sees fit, provided that the Company shall not exercise or direct the exercise of any such voting rights in a manner which the Facility Agent notifies the Company as being, in its reasonable opinion, prejudicial to the security constituted by the KPGL Share Charge.
 - (ii) Pursuant to Clause 3.1(b) of the KPGL Share Charge, after the Enforceability Date has occurred, the Facility Agent shall be entitled to:
 - (1) complete the instruments of transfer on behalf of the Company in favour of itself or such other person as it shall select; and
 - (2) receive and retain all dividends, distributions and other monies paid on the Shares (including any Related Rights); and
 - (3) exercise or direct the exercise of the voting rights attached to any Shares (including any Related Rights) which comprises part of the Charged Assets in such manner as it considers fit. The Company shall after such time:

- (aa) comply, or procure the compliance, with any directions of the Facility Agent in respect of the exercise of the voting rights attached to such Shares or Related Rights; and
 - (bb) if the Facility Agent so requires by notice to the Company, immediately deliver to the Facility Agent a form of proxy or other authority (in each case, in such form as the Facility Agent shall reasonably require) appointing such person as the Facility Agent shall select proxy of the Company or, as the case may be, its nominee or otherwise enabling such person as the Facility Agent shall select to exercise such voting rights as shall be specified (whether generally or specifically) in the relevant notice.
- (c) Pursuant to Clause 3.1(c) of the KPGL Share Charge, the Company undertakes that, until the Termination Date:
 - (i) it shall promptly, following receipt, deliver to the Facility Agent a copy of every circular, notice, report, set of accounts or other documents received by it or its nominee in connection with or from any of the Shares or Related Rights;
 - (ii) if any Shares or Related Rights are offered for subscription or purchase by way of rights in respect of any of the Shares or Related Rights comprising part of the Charged Assets then, if those Shares or Related Rights are vested in the Facility Agent or its nominee and if the Facility Agent so requires by notice to the Company, then the Company shall immediately put the Facility Agent in funds to enable it or its nominee to accept the offer and make any payments required in connection with such acceptance; and
 - (iii) it shall promptly pay or procure the payment of all calls, instalments or other payments which may at any time become due in respect of any of the Shares.

3. Undertakings

Pursuant to Clause 3.3 of the KPGL Share Charge, the Company undertakes with the Facility Agent that:

- (a) the Company shall identify the Shares as subject to the KPGL Share Charge by noting each certificate or other document of title in respect of such Shares with notice of the Facility Agent's rights under the KPGL Share Charge in such manner as the Facility Agent shall require;
- (b) the Company shall not create or permit to subsist or arise any encumbrance or any right or option on the Charged Assets or any part thereof (other than an encumbrance created by or pursuant to the KPGL Share Charge);
- (c) the Company shall not, except to the extent permitted by the KPGL Share Charge sell, convey, assign or transfer the Charged Assets or any interest therein or otherwise part with or dispose of any of the Charged Assets or otherwise assign any moneys payable to the Company in relation to the Charged Assets or agree to do any of the foregoing;
- (d) at the request of the Facility Agent, the Company shall produce to or provide for the Facility Agent such documents or information relating to the Charged Assets as the Facility Agent may reasonably require;

- (e) the Company shall pay all calls, instalments and other payments that may become due in respect of the Charged Assets and comply with all of its other obligations in respect of the Charged Assets and shall not do anything or omit to do anything which may lead to the forfeiture, seizure, suspension, cancellation or other loss of any of the Charged Assets; and
- (f) the Company shall not, without the prior written consent of the Facility Agent, cause or permit any of the rights attaching to the Charged Assets to be altered in any way.

4. Perfection of Security

Pursuant to Clause 3.4 of the KPGL Share Charge, and without prejudice to Clause 9 (*Further Assurance*) of the KPGL Share Charge, the Company shall promptly do all such acts or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as the Facility Agent may reasonably specify (and in such form as the Facility Agent may reasonably require in favour of the Facility Agent or its nominee(s)) to:

- (a) perfect the security interests created or intended to be created in respect of the Charged Assets (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 Assets) or for the exercise of the rights, powers and remedies of the Facility Agent provided by or pursuant to the KPGL Share Charge or by law; and/or
- (b) facilitate the realisation of the Charged Assets.

5. Power of sale

Pursuant to Clause 4.1 of the KPGL Share Charge, the power of sale or other disposal conferred on the Facility Agent and on the Receiver by the KPGL Share Charge shall operate as a variation and extension of the statutory power of sale under Section 101 of the Law of Property Act 1925 and such power shall arise (and the Secured Obligations shall be deemed due and payable for that purpose) on execution of the KPGL Share Charge.

The restrictions contained in Sections 93 and 103 of the Law of Property Act 1925 shall not apply to the KPGL Share Charge or to the exercise by the Facility Agent of its right to consolidate all or any of the Security with any other security interest in existence at any time or to its power of sale, which powers may be exercised by the Facility Agent without notice to the Company at any time on or after the Enforcement Date.

6. Continuing Security

Pursuant to Clause 14.1 of the KPGL Share Charge and subject to Clause 14 of the KPGL Share Charge, the Charges shall remain in full force and effect by way of continuing Encumbrances and shall not be affected in any way by any settlement of account (whether or not any Secured Obligations remain outstanding thereafter) or other matter or thing whatsoever.

FILE COPY



CERTIFICATE OF THE REGISTRATION OF A MORTGAGE OR CHARGE

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

COMPANY No. 04498075

THE REGISTRAR OF COMPANIES FOR ENGLAND AND WALES HEREBY CERTIFIES THAT A KPGL SHARE CHARGE DATED THE 26th MARCH 2003 AND CREATED BY KILLINGHOLME POWER GROUP LIMITED FOR SECURING ALL MONIES DUE OR TO BECOME DUE FROM THE COMPANY TO ANY SUBORDINATED FINANCE PARTY AND/OR ANY RECEIVER UNDER THE TERMS OF THE AFOREMENTIONED INSTRUMENT CREATING OR EVIDENCING THE CHARGE WAS REGISTERED PURSUANT TO CHAPTER 1 PART XII OF THE COMPANIES ACT 1985 ON THE 4th APRIL 2003.

GIVEN AT COMPANIES HOUSE, CARDIFF THE 9th APRIL 2003.

P. Daw



Companies House

— for the record —



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES