



Registration of a Charge

Company name: **CENTRICA BETA HOLDINGS LIMITED**

Company number: **04710850**



X9VK5DFM

Received for Electronic Filing: **05/01/2021**

Details of Charge

Date of creation: **05/01/2021**

Charge code: **0471 0850 0002**

Persons entitled: **CENTRICA PENSION TRUSTEES LIMITED ACTING IN ITS CAPACITY AS TRUSTEE AGENT**

Brief description:

Contains fixed charge(s).

Contains negative pledge.

Authentication of Form

This form was authorised by: **a person with an interest in the registration of the charge.**

Authentication of Instrument

Certification statement: **I CERTIFY THAT SAVE FOR MATERIAL REDACTED PURSUANT TO S.859G OF THE COMPANIES ACT 2006 THE ELECTRONIC COPY INSTRUMENT DELIVERED AS PART OF THIS APPLICATION FOR REGISTRATION IS A CORRECT COPY OF THE ORIGINAL INSTRUMENT.**

Certified by:

TRAVERS SMITH LLP



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4710850

Charge code: 0471 0850 0002

The Registrar of Companies for England and Wales hereby certifies that a charge dated 5th January 2021 and created by CENTRICA BETA HOLDINGS LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 5th January 2021 .

Given at Companies House, Cardiff on 6th January 2021

The above information was communicated by electronic means and authenticated by the Registrar of Companies under section 1115 of the Companies Act 2006



Companies House



THE OFFICIAL SEAL OF THE
REGISTRAR OF COMPANIES

ACCOUNT SECURITY AGREEMENT

DATED 5 JANUARY 2021

BETWEEN

CENTRICA BETA HOLDINGS LIMITED

- and -

CENTRICA PENSION TRUSTEES LIMITED

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THIS DEED is dated 5 JANUARY 2021 between:

- (1) **CENTRICA BETA HOLDINGS LIMITED**, a company registered in England and Wales with registered number 04710850 and having its registered office at Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD (the **Chargor**); and
- (2) **CENTRICA PENSION TRUSTEES LIMITED** a company incorporated in England and Wales under number 03479981 and having its registered office at Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD, acting in its capacity as trustee agent (the **Trustee Agent**).

RECITALS

- A. This Deed is entered into pursuant to the Release Deed (as defined below).
- B. The Parties intend to create fixed security in favour of the Trustee Agent over the Account (as defined below).
- C. The Parties and the Account Bank have entered into an escrow agreement in relation to the Account dated 18 December 2020 (the "Tripartite Escrow Agreement").
- D. In accordance with the Tripartite Escrow Agreement, it is intended that:
 - (i) on the same day as the execution of this Deed, the Chargor will serve a notice upon the Account Bank in the form set out in Schedule 3a of the Tripartite Escrow Agreement (and replicated in Schedule 1 to this Charge), which will cause the Escrow Account Security Period (as defined in the Tripartite Escrow Agreement) to commence; and
 - (ii) promptly following receipt of such notice the Account Bank will countersign such notice and return a copy thereof to the Parties.

IT IS AGREED as follows:

1. INTERPRETATION

1.1 Definitions

In this Deed:

Acceptable Bank means a financial institution that:

- (a) has a current Requisite Rating;
- (b) is regulated and approved for business by the Prudential Regulation Authority, or in each case its applicable successor, either directly or on the basis of rights in European Union law;
- (c) is domiciled in the United Kingdom or such other jurisdiction as the Chargor and the Trustee Agent agree in writing; and
- (d) is not affected by an Insolvency Proceeding.

Acceptable Conditions means terms and conditions applying to a relevant account, which:

- (a) are subject to English law and the jurisdiction of the English courts;
- (b) do not result in the Trustee Agent not having a first fixed charge over that account and any balance of that account;

- (c) are consistent with the terms of this Deed, including the notice to the account bank and acknowledgement from that account bank contemplated by this Deed; and
- (d) do not give the account bank (or any third party) any right of set off or lien over the account or the balance of that account.

Account means the account located in England named: Centrica Beta Holdings Limited with account number: [REDACTED], sort code: [REDACTED] and IBAN: [REDACTED] held at the London branch of JPMorgan Chase Bank, N.A. (as the same may be renumbered at any time, and any sub-accounts thereof) together with:

- (a) all additions to or renewals or replacements of each such account (in whatever currency; and
- (b) all rights, benefits and proceeds in respect of each such account (including interest and rights to repayment of any monies standing to the credit of such account).

Account Balance means all monies at any time standing to the credit of the Account from time to time including:

- (a) all interest at any time accrued or accruing on such monies;
- (b) all rights to repayment of any of the same.

Account Bank means JPMorgan Chase Bank, N.A., London branch or such other bank at which the Account is held pursuant to the terms of this Deed.

Act means the Law of Property Act 1925.

Actionable Default Notice has the meaning assigned to such term in Clause 7 of this Deed.

Business Day means a day (other than a Saturday or a Sunday) on which banks are open for general business in London.

Centrica means Centrica PLC, registered number 3033654.

Centrica Pension Schemes means together the Centrica Pension Plan, the Centrica Pension Scheme and the Centrica Engineers Pension Scheme or such other pension scheme into which those schemes are merged.

CF(US)L means Centrica Finance (US) Limited registered number 4140765.

Covenant to Pay Deed means the Covenant to Pay Deed originally dated 7 December 2007 and made between Centrica, the Chargor, CF(US)L, the trustees of the Centrica Pension Schemes and the Trustee Agent as amended and restated by the Covenant to Pay Deed between the same parties dated 23 July 2020 and as amended and restated by the Covenant to Pay Deed between the same parties on or about 18 December 2020.

Creditors' Process means, in relation to a person, any expropriation, attachment, sequestration, distress or execution (or any analogous event in any jurisdiction) which affects a material part of the assets of that person, and is not discharged within fourteen (14) days.

Demand means any demand made on the Chargor by the Trustee Agent made under the Covenant to Pay Deed.

Default has the meaning given in Clause 7 (Defaults).

Discharge Date has the meaning given in the Release Deed.

Financial Collateral Regulations means the Financial Collateral Arrangements (No.2) Regulations 2003.

Fitch means Fitch Ratings Limited or any successor to its ratings business.

Insolvency Proceedings means in respect of any person:

- a) a meeting of its shareholders, directors or other officers is convened for the purpose of considering any resolution for, to petition for or to file documents with a court or any registrar for, its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise), or any such resolution is passed;
- b) any person presents a petition, or files documents with a court or any registrar, for its winding-up, administration, dissolution or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise);
- c) any Security Interest is enforced by any person over a material part of its assets;
- d) an order for its winding-up, administration or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) is made;
- e) any liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer is appointed in respect of it or a material part of its assets;
- f) its shareholders, directors or other officers or that person itself request(s) or apply/ies to court for the appointment of, or give(s) notice of their intention to appoint, a liquidator, trustee in bankruptcy, judicial custodian, compulsory manager, receiver, administrative receiver, administrator or similar officer; or
- g) any other analogous step or procedure is taken in any jurisdiction.

Letter of Credit has the meaning given to it in the Covenant to Pay Deed.

Longstop Date has the meaning given in the Release Deed.

Material Adverse Effect means a material adverse effect on:

- (a) the validity or enforceability of, or the effectiveness or ranking of, this Deed; or
- (b) the validity or enforceability, or the effectiveness or ranking of, any material right or remedy of the Trustee Agent under this Deed.

Moody's means Moody's Investors Services Limited or any successor to its ratings business.

Net Enforcement Proceeds means, in relation to any Security Asset, any proceeds of sale or enforcement collected or received by the Trustees (or any Receiver) arising from that Security Asset following the enforcement of this Security, less all costs, expenses, remuneration and other items relating thereto contemplated in Subparagraph 12(a) (Application of proceeds).

Party means a party to this Deed.

Receiver means a receiver and manager or a receiver or an administrator or an administrative receiver, in each case, appointed under this Deed.

Release Deed means the Deed of Release dated 23 July 2020 entered into between the Trustee Agent, Delaware Trust Company, the Chargor, CF(US)L and Centrica as amended and restated by the Deed of Release between the same parties dated on or about 18 December 2020.

Requisite Rating means a current long term issuer rating of:

- (a) A- or better by Fitch; or
- (b) A3 or better by Moody's; or
- (c) A- or better by S&P.

Reservations means:

- (a) the principle that equitable remedies are remedies which may be granted or refused at the discretion of the court and damages may be regarded as an adequate remedy;
- (b) the limitation on enforcement as a result of laws relating to bankruptcy, insolvency, liquidation, reorganisation, court schemes, moratoria, administration and other laws affecting the rights of creditors generally;
- (c) the statutory time-barring of claims;
- (d) defences of set off or counterclaim;
- (e) rules against penalties and similar principles;
- (f) the fact that security which is described as fixed security may in fact be floating security;
- (g) the possibility that an undertaking to assume liability for, or indemnify a person against, non-payment of stamp duty may be void;
- (h) the fact that a court may refuse to give effect to a purported contractual obligation to pay costs imposed upon another person in respect of costs of an unsuccessful litigation brought against that person or may not award by way of costs all of the expenditure incurred by a successful litigant in proceedings brought before that court or that a court may stay proceedings if concurrent proceedings based on the same grounds and between the same parties have previously been brought before another court; and/or
- (i) any steps for perfection not required by the terms of this Deed to be taken,

and any other reservations or qualifications of law contained in any legal opinion delivered to the Trustees in respect of this Deed.

S&P means Standard and Poor's Rating Services, a Division of the McGraw Hill Companies, Inc. or any successor to its ratings business.

Secured Liabilities means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally and in any capacity whatsoever) of the Chargor to make payments (including any payment of the Secured Amount) to the Trustee Agent pursuant to the Covenant to Pay Deed.

Security Assets means all assets of the Chargor the subject of any Security Interest created, or purported to be created, by this Deed.

Security Interest means any mortgage, charge, pledge, lien, assignment, hypothecation or other security interest securing any obligation of any person or any other agreement or

arrangement having a similar effect.

Security Period means the period beginning on the date of this Deed and ending on the earlier to occur of:

- (i) the date on which all Secured Liabilities which may be or become due have been unconditionally and irrevocably paid and discharged in full;
- (ii) the date on which it is confirmed by Centrica either publicly or to the Trustees that the Unconditional Sale Date will not occur (and on that date the Discharge Date has not already occurred); and
- (iii) the Longstop Date if the Discharge Date has not occurred by that date.

Tax means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any related penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

Tax Deduction means a deduction or withholding for or on account of Tax from a payment under this Deed.

Tripartite Escrow Agreement has the meaning given in Recital C.

Unconditional Sale Date has the meaning given in the Release Deed.

1.2 Construction

- (a) In this Deed, unless the contrary intention appears, a reference to:
 - (i) **assets** includes present and future properties, revenues and rights of every description and includes uncalled capital;
 - (ii) an **authorisation** includes an authorisation, consent, approval, resolution, licence, exemption, filing, registration or notarisation;
 - (iii) **disposal** means a sale, transfer, grant, lease or other disposal, whether voluntary or involuntary, and **dispose** will be construed accordingly;
 - (iv) **this Security** means any Security Interests created by this Deed;
 - (v) a **person** includes any individual, firm, company, corporation, unincorporated association or body (including a partnership, trust, joint venture or consortium), government, state, agency, organisation or other entity whether or not having separate legal personality;
 - (vi) a **regulation** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law but, if not having the force of law, being of a type with which persons to which it applies are accustomed to comply) of any governmental, inter-governmental or supranational body, agency, department or of any regulatory, self-regulatory or other authority or organisation;
 - (vii) **Sterling** or **£** is a reference to the lawful currency for the time being of the United Kingdom;
 - (viii) a **provision of law** is a reference to that provision as extended, applied, amended or re-enacted and includes any subordinate legislation;
 - (ix) a **Clause**, a **Subclause**, a **Paragraph**, a **Subparagraph** or a **Schedule** is a reference to

a clause, a subclause, a paragraph or a subparagraph of, or a schedule to, this Deed;

- (x) a **Party** or any other person includes its successors in title, permitted assigns and permitted transferees and this Deed shall be binding on and enforceable by any person who is for the time being acting as trustee agent under the Covenant to Pay Deed on behalf of the trustees of the Centrica Pension Schemes (and this Subparagraph (x) shall be in addition to, and not affect, the provisions of the Trustee Act dealing with transfers of assets and liabilities from one trustee to another);
- (xi) this **Deed** (or any specified provision of it) or the Covenant to Pay Deed any other document shall be construed as a reference to this Deed, that provision, the Covenant to Pay Deed or that document (as applicable) as in force for the time being and as amended, restated, varied, supplemented or novated from time to time;
- (xii) **including** shall not be construed narrowly but be taken as reading **including without limitation**;
- (xiii) a **time of day** is a reference to London time; and
- (xiv) words importing the singular shall include the plural and vice versa.
- (b) Unless the contrary intention appears, a reference to a **month** or **months** 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 or the calendar month in which it is to end, except that:
 - (i) if the numerically corresponding day is not a Business Day, the period will end on the next Business Day in that month (if there is one) or the preceding Business Day (if there is not);
 - (ii) if there is no numerically corresponding day in that month, that period will end on the last Business Day in that month; and
 - (iii) notwithstanding Subparagraph (i) above, a period which commences on the last Business Day of a month will end on the last Business Day in the next month or the calendar month in which it is to end, as appropriate.
- (c) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed may not enforce any of its terms under the Contracts (Rights of Third Parties) Act 1999 and, notwithstanding any term of this Deed, no consent of any third party is required for any variation (including any release or compromise of any liability) or termination of this Deed. As contemplated by Subparagraph (a)(x) above, any person who is for the time being the trustee agent under the Covenant to Pay Deed may enforce or enjoy the benefit of any term of this Deed pursuant to the Contracts (Rights of Third Parties) Act 1999.
- (d) If the Trustee Agent considers that an amount paid to it under this Deed is capable of being avoided or otherwise set aside on the liquidation or administration of the payer or otherwise, then that amount will not be considered to have been irrevocably paid for the purposes of this Deed.
- (e) The headings in this Deed do not affect its interpretation.
- (f) A Default is **continuing** if either (A) it has not been remedied (unless enforcement action has been taken by the Trustee Agent in respect of such Default prior to it being remedied, in which case such Default shall cease to be capable of remedy) or waived (by notice in writing by the Trustee Agent or (B) an Actionable Default Notice has been

delivered, or deemed delivered, in respect thereof in accordance with Clause 7.5 of this Deed.

- (g) It is intended by the Parties that this document takes effect as a deed notwithstanding the fact that a Party may only execute this document under hand.
- (h) The recitals hereto are for information only and do not themselves create any legal obligations upon the Parties.
- (i) Any reference to all of the Chargor's present and future claims, rights, title and interest in or to, or in respect of, the Account and the Account Balance includes the Chargor's rights in respect of any amounts held by the Trustee Agent on trust pursuant to Clause 6.12 of this Deed.

2. COVENANT TO PAY

The Chargor must, on demand made by the Trustee Agent following the occurrence of any Default which is continuing pay or discharge the Secured Liabilities when due.

3. CREATION OF SECURITY

3.1 General

- (a) All the Security Interests created under this Deed:
 - (i) are created in favour of the Trustee Agent (acting as trustee on behalf of the trustees of the Centrica Pension Schemes);
 - (ii) are created over present and future assets of the Chargor;
 - (iii) are continuing security for the payment of all the Secured Liabilities; and
 - (iv) are made with full title guarantee in accordance with the Law of Property (Miscellaneous Provisions) Act 1994.

3.2 Fixed charge

The Chargor charges and agrees to charge, by way of first fixed charge, in favour of the Trustee Agent all of its present and future claims, rights, title and interest in or to, or in respect of, the Account and the Account Balance.

4. PAYMENTS

4.1 Funds

Payments under this Deed to the Trustee Agent must be made for value on the due date at such times and in such funds as the Trustee Agent may specify to the Chargor as being customary at the time for the settlement of transactions in the relevant currency in the place for payment.

4.2 Currency

Any amount payable under this Deed is payable in Sterling.

4.3 No set-off or counterclaim

All payments made by the Chargor under this Deed shall be calculated and must be made without (and be free and clear of any deduction for) set-off or counterclaim.

4.4 Business Days

If a payment under this Deed is due on a day which is not a Business Day, the due date for that payment will instead be the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

5. REPRESENTATIONS

5.1 Representations

The representations set out in this Clause 5 are made by the Chargor to the Trustees.

5.2 Status

It is a limited liability company, duly incorporated and validly existing under the laws of its jurisdiction of original incorporation.

5.3 Powers and authority

- (a) It has the power to enter into, perform and deliver, and has taken all necessary action to authorise the entry into, performance and delivery of, this Deed and the transactions contemplated by this Deed.
- (b) No limit on its powers will be exceeded as a result of the grant of this Deed.

5.4 Legal validity

Subject to the Reservations, the obligations expressed to be assumed by it in this Deed are legal, binding, valid and enforceable obligations.

5.5 Non-conflict

The entry into and performance by it of, and the transactions contemplated by, this Deed do not and will not conflict with:

- (a) any law or regulation applicable to it;
- (b) its constitutional documents; or
- (c) any document which is binding upon it or any of its assets or constitute a default or termination event (howsoever described) under any such document

in each case where such conflict has or is reasonably likely to have a Material Adverse Effect.

5.6 No default

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

5.7 Authorisations

All authorisations required by it in connection with the entry into, performance, validity and enforceability of, and the transactions contemplated by, this Deed have been obtained or effected (as appropriate) and are in full force and effect to the extent that failure to obtain of

effect such authorisation would have a Material Adverse Effect.

5.8 Litigation

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

5.9 Nature of security

- (a) This Deed creates those Security Interests it purports to create and is not liable to be amended or otherwise set aside in the insolvency, liquidation or administration of the Chargor or otherwise.
- (b) The Security Interests created by this Deed constitute a first priority Security Interest of the type described over the Security Assets and the Security Assets are not subject to any prior ranking or pari passu Security Interest.

5.10 Adverse claims

The Chargor has not received or acknowledged notice of any adverse claim by any person in respect of the Security Assets.

5.11 Account

It is the sole legal and beneficial owner of the Security Assets.

5.12 Times for making representations

- (a) The representations set out in this Clause 5 are made by the Chargor on the date of this Deed.
- (b) The representations set out in this Clause 5 (other than Clause 5.8) are deemed to be repeated by the Chargor:
 - (i) at any time that any monies are deposited into the Account; and
 - (ii) on 31 March and 1 April of each year during the Security Period.
- (c) When a representation is repeated, it is applied to the circumstances existing at the time of repetition.

6. COVENANTS

6.1 General

The Chargor agrees to be bound by the covenants set out in this Clause 6 so long as any Secured Liabilities are outstanding.

6.2 Notification of breach

The Chargor must notify the Trustee Agent of any breach of any of the provisions of this Deed promptly upon becoming aware of its occurrence.

6.3 Authorisations

The Chargor must promptly obtain, maintain and comply with the terms of any authorisation required under any law or regulation to enable it to perform its obligations under, or for the

validity or enforceability of, this Deed to the extent that failure to obtain of effect such authorisation would have a Material Adverse Effect.

6.4 Compliance with laws

The Chargor must comply in all respects with all laws to which it is subject where failure to do so has or is reasonably likely to have a Material Adverse Effect.

6.5 Pari passu ranking

The Chargor must ensure that its payment obligations under this Deed rank at least pari passu with all its other present and future unsecured payment obligations, except for obligations mandatorily preferred by laws of general application to companies.

6.6 Disposals and negative pledge

The Chargor must not:

- (a) create, purport to create or permit to subsist any Security Interest on any Security Asset (other than this Security);
- (b) sell, assign, transfer, withdraw from the Account, licence, lease or otherwise dispose of in any manner (or purport to do so) all or any part of, or any interests in, any Security Asset; or
- (c) create or grant (or purport to create or grant) any interest in any Security Asset in favour of a third party.

6.7 No withdrawals

The Chargor shall not withdraw or attempt or be entitled to withdraw (or direct any transfer of) all or any part of the Account Balance without the prior written consent of the Trustee Agent. The Trustee Agent shall be entitled in its absolute discretion to refuse to permit any such withdrawal or transfer.

6.8 Interest

Unless a Default has occurred and is continuing, the Chargor may require and the Trustee Agent shall consent to release any interest that has accrued on and been paid into the Account provided that:

- (a) the Security Assets at that time is, and following the withdrawal of interest shall be, no less than or equal to £250m or such lesser amount as the Trustees may agree; and
- (b) and the aggregate value of (i) the Security Assets following the withdrawal of interest and (ii) the amount of any Letters of Credit issued (or any other security agreed to by the Trustee Agent) at the time, is equal to or exceeds the value of the Secured Amount (as defined in the Covenant to Pay Deed).

6.9 No variation of terms

The Chargor shall not, without the prior written consent of the Trustee Agent, permit or agree to any variation of the rights attaching to the Account or the Account Balance which has or is reasonably likely to have a Material Adverse Effect or close the Account.

6.10 Account bank arrangements

The Chargor must:

- (a) serve a notice of charge on the date of this Deed (or such other date as may be agreed with the Trustee Agent, substantially in the form of Schedule 1 (Form of Notice to Account Bank and Acknowledgement by Account Bank), on the Account Bank; and
- (b) use its best endeavours to ensure that the Account Bank promptly acknowledges the notice by countersigning the notice of charge referred to in paragraph (a) above and returns copies thereof to the Parties.

6.11 Account

- (a) The Chargor must ensure that the Account is, and continues to be, subject to Acceptable Conditions.
- (b) The Chargor must ensure that the Trustee Agent has sole signing rights in relation to the Account.
- (c) The Chargor shall provide the Trustee Agent with all information which it may reasonably request in relation to the Security Assets and any communication received by the Chargor from the Account Bank in relation to the Account or the Security Assets.

6.12 Acceptable Account Bank and Resignation of Account Bank

- (a) The Chargor must promptly notify the Trustee Agent upon it becoming aware that the Account Bank has ceased to be an Acceptable Bank or, to the extent not already notified to the Trustee Agent, has resigned as Account Bank or served notice to terminate the Tripartite Escrow Agreement.
- (b) If the Account Bank ceases to be an Acceptable Bank or serves notice of its resignation or termination, the Chargor must:
 - (i) open a new account which is subject to Acceptable Conditions with another bank which is an Acceptable Bank (the "**Replacement Account**") and transfer all the Account Balance from the Account to the Replacement Account (and the Trustee Agent shall promptly execute such instructions as are required to effect such transfer, when satisfied (acting reasonably) that the Security Interests referred to in Sub-clause 6.12(b)(ii) below have been effectively created)); and
 - (ii) grant Security Interests over the Replacement Account:
 - (A) on terms that are not worse in any material way for the Trustee Agent compared to those set out in this Deed (including the service of the relevant notice to, and acknowledgement of such notice by, the relevant Acceptable Bank) and subject to a tripartite escrow account agreement between the Parties and the new account bank that holds the Replacement Account, containing terms equivalent to those contained in the Tripartite Escrow Agreement as required to provide the Trustee Agent with effective first fixed security over that Replacement Account; or
 - (B) on terms not worse in any material way for the Trustee Agent compared to those as set out in the form of Account Security Agreement that was scheduled as Annex C to the Deed of Release in its form as amended and restated on 23 July 2020 (including the service

of the relevant notices to, and acknowledgement from, the relevant replacement Acceptable Bank),

each as soon as reasonably practicable and:

- (C) where the Account Bank has ceased to be an Acceptable Bank, in any event within 30 days of the earlier of:
 - (x) the Chargor becoming aware that the Account Bank has ceased to be an Acceptable Bank; and
 - (y) a written request by the Trustee Agent following an Account Bank ceasing to be an Acceptable Bank; or
- (D) subject to Sub-clause 6.12(d)(i), where the Account Bank has resigned or terminated, no later than 5 Business Days before such resignation or termination notice takes effect ("**Termination Deadline**").

save that if this Security has become enforceable the Chargor shall only take the steps set out in Sub-clauses 6.12 (b)(i) and (ii) above if required to do so by the Trustee Agent.

- (c) If the period from (and including) the date of the relevant resignation or termination notice from the Account Bank to the Chargor to (and including) the Termination Deadline is less than thirty business days, and the Chargor has served written notice on the Trustee Agent prior to the date that the relevant resignation or termination notice takes effect, that sets out the date of the relevant resignation or termination notice (and a copy of that notice) and requires that Sub-clause 6.12(d) shall apply, then Sub-clause 6.12(d) shall apply.
- (d) If this Sub-clause 6.12(d) applies pursuant to Sub-clause 6.12(c):
 - (i) If the Termination Deadline falls earlier than the date falling thirty business days from (and including) the date of the relevant resignation or termination notice from the Account Bank to the Chargor, no Default will arise under Clause 5.6 of the Covenant to Pay Deed in respect of a failure by the Chargor to comply with paragraph 6.12(b)(ii)(D) above in respect of the relevant resignation or termination notice, unless the Chargor has failed to comply with paragraphs 6.12(b)(i) and/or (ii) above and such failure is continuing by the date falling thirty business days from (and including) the date of the relevant resignation or termination notice from the Account Bank to the Chargor;
 - (ii) Subject to no Default having occurred, the Trustee Agent will promptly issue instructions to the Account Bank to transfer the Account Balance to a bank account in the name of the Trustee Agent;
 - (iii) The Trustee Agent will hold any amount transferred to it by the Account Bank (the "**Trust Balance**") in accordance with such instruction on trust for the Chargor (and not, for the avoidance of doubt, for itself as sole legal and beneficial owner), so that:
 - (A) any interest accruing on that amount will accrue to the balance and will be subject to the trust (together with the Trust Balance the "**Trust Assets**");
 - (B) the Chargor's rights in respect of the Trust Assets, are held subject to the security rights created under this Deed;

- (C) as far as reasonably practicable, the Trust Assets shall be held in a separate account in the name of the Trustee Agent with an Acceptable Bank and shall be segregated from the assets of the Trustee Agent;
 - (D) the Trustee Agent may only take enforcement action pursuant to this Deed in relation to the Trust Assets upon the Security under this Deed becoming enforceable pursuant to Clause 8.1 (and the balance will be applied as contemplated by Clause 12 (*Application of Proceeds*));
 - (E) the Trustee Agent shall issue instructions to the bank that holds the Trust Assets, promptly following the Chargor having complied with Sub-paragraphs 6.12(b)(i) and (ii) (other than the requirement for the Chargor to transfer the Account Balance to the Replacement Account), to transfer the Trust Assets to the Replacement Account (and will provide all reasonable operational assistance with such transfer); and
 - (F) the Chargor will not have any right to call for the balance or otherwise require its payment out by the Trustee otherwise than as contemplated by Sub-paragraph 6.12(d)(iii)(D) above;
- (iv) Nothing in this Sub-clause 6.12(d) restricts the Trustee Agent's rights to take enforcement action, in accordance with this Deed, in respect of a Default;
 - (e) For the avoidance of doubt (and subject to Sub-paragraph 6.12(d)(i)), a failure by the Chargor to comply in any material respect with the provisions of Sub-clause 6.12 shall constitute a Default as referred to in clause 5.6 of the Covenant to Pay Deed with no further cure period applying.

7. DEFAULTS

7.1 Defaults

Each of the events set out in Sub-clauses 7.2 to 7.4 (inclusive) of this Clause 7 is a Default.

7.2 Misrepresentation

A representation made or repeated by the Chargor in this Deed is incorrect or misleading in any material respect when made or deemed to be repeated, unless the circumstances giving rise to the misrepresentation:

- (a) are capable of remedy; and
- (b) are remedied within fourteen (14) days of the earlier of the Trustees giving notice and the Chargor becoming aware of the circumstances giving rise to the misrepresentation.

7.3 Default under the Covenant to Pay Deed

Any Default as defined under the Covenant to Pay Deed occurs.

7.4 Effectiveness of this Deed

This Deed is not effective in accordance with its terms or is alleged by the Chargor to be ineffective in accordance with its terms for any reason.

7.5 Actionable Default Notice

If a Default occurs and is continuing, the Trustee Agent may declare that a Default has occurred

by giving notice (the “**Actionable Default Notice**”) to the Chargor provided that, in the case of any Default arising under Clause 7.3 of this Deed by reference to a default occurring under Clause 5.2 of the Covenant to Pay Deed, the Trustee Agent will be deemed to have delivered such Actionable Default Notice immediately upon the occurrence of such Default without any requirement of further notice. Following the delivery or deemed delivery of an Actionable Default Notice, the Trustee Agent shall be entitled to make demand under the Covenant to Pay Deed.

8. WHEN SECURITY BECOMES ENFORCEABLE

8.1 Default

This Security will become immediately enforceable if a Default occurs which is continuing. Prior to the occurrence of a Default, the Trustee shall not provide an instruction to withdraw any funds from the Account other than pursuant to Clause 6.12 or with the prior written consent of the Chargor.

8.2 Discretion

After this Security has become enforceable, the Trustee Agent may in its absolute discretion enforce all or any part of this Security in any manner it sees fit.

8.3 Power of sale

The power of sale and other powers conferred by Section 101 of the Act, as amended by this Deed, will be immediately exercisable at any time after this Security has become enforceable.

9. ENFORCEMENT OF SECURITY

9.1 General

Section 103 of the Act (restricting the power of sale) and Section 93 of the Act (restricting the right of consolidation) do not apply to this Security.

9.2 No liability as mortgagee in possession

No Trustee Agent nor any Receiver will be liable, by reason of entering into possession of a Security Asset, to account as mortgagee in possession or for any loss on realisation or for any default or omission for which a mortgagee in possession might be liable including any liability in connection with the Security Assets for:

- (a) any loss on realisation;
- (b) any failure to ensure that the correct amounts are paid or received in respect of the Security Assets;
- (c) any negligence, omission or default by its nominees; or
- (d) any other loss of any nature whatsoever.

9.3 Privileges

Each Receiver and each Trustee Agent is entitled to all the rights, powers, privileges and immunities conferred by the Act on mortgagees and receivers duly appointed under the Act, except that Section 103 of the Act does not apply.

9.4 Protection of third parties

No person (including a purchaser) dealing with the Trustee Agent or a Receiver or its or his agents will be concerned to enquire:

- (a) whether the Secured Liabilities have become payable;
- (b) whether any power which the Trustee Agent or a Receiver is/are purporting to exercise has become exercisable or is being properly exercised;
- (c) whether any money remains due in respect of the Secured Liabilities;
- (d) how any money paid to a Trustee Agent or to that Receiver is to be applied; or
- (e) about any propriety or regularity on the part of a Trustee Agent or of a Receiver in relation to any of the dealings referred to in this Clause 9.

9.5 Redemption of prior mortgages

- (a) At any time after this Security has become enforceable, the Trustee Agent may:
 - (i) redeem any prior Security Interest against any Security Asset; and/or
 - (ii) procure the transfer of that Security Interest to itself; and/or
 - (iii) settle and pass the accounts of the prior mortgagee, chargee or encumbrancer; any accounts so settled and passed will be, in the absence of manifest error, conclusive and binding on the Chargor.
- (b) The Chargor must pay to the Trustee Agent, immediately on demand, the costs and expenses incurred by the Trustee Agent in connection with any such redemption and/or transfer, including the payment of any principal or interest.

9.6 No duties

Neither a Trustee Agent nor a Receiver shall, in respect of any of the Security Assets, have any duty or incur any liability for:

- (a) ascertaining or taking any action in respect of any calls, instalments, conversions, exchanges, maturities, tenders or other matters relating to any Security Assets or the nature or sufficiency of any payment whether or not a Trustee Agent or a Receiver has or is deemed to have knowledge of such matters; or
- (b) taking any necessary steps to preserve rights against prior parties or any other rights relating to any of the Security Assets.

10. RECEIVER

10.1 Appointment of Receiver

- (a) Except as provided below, the Trustee Agent may appoint any one or more persons to be a Receiver of all or any part of the Security Assets if:
 - (i) this Security has become enforceable; or
 - (ii) the Chargor so requests the Trustee Agent in writing at any time.
- (b) Any appointment under Paragraph (a) above may be by deed, under seal or in writing under its hand.

- (c) Except as provided below, any restriction imposed by law on the right of a mortgagee to appoint a Receiver (including under Section 109(1) of the Act) does not apply to this Deed.
- (d) The Trustee Agent is not entitled to appoint a Receiver solely as a result of the obtaining of a moratorium (or anything done with a view to obtaining a moratorium) under Section 1A of the Insolvency Act 1986.

10.2 Removal

The Trustee Agent may by writing (subject to any requirement for an order of the court in the case of an administrative receiver) remove any Receiver appointed by it and may, whenever it thinks fit, appoint a new Receiver in the place of any Receiver whose appointment may for any reason have terminated.

10.3 Remuneration

The Trustee Agent may fix the remuneration of any Receiver appointed by it from time to time, the maximum rate specified in Section 109(6) of the Act will not apply and the remuneration of the Receiver shall be a debt secured by this Deed which shall be due and payable immediately upon its being paid by the Trustee Agent.

10.4 Agent of the Chargor

- (a) A Receiver will be deemed to be the agent of the Chargor for all purposes and accordingly will be deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. The Chargor alone is responsible for the contracts, engagements, acts, omissions, defaults and losses of a Receiver and for liabilities incurred by a Receiver.
- (b) The Trustee Agent will not incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason.

10.5 Relationship with Trustee Agent

To the fullest extent allowed by law, any right, power or discretion conferred by this Deed (either expressly or impliedly) or by law on a Receiver may after this Security becomes enforceable be exercised by the Trustee Agent in relation to any Security Asset without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11. POWERS OF RECEIVER

11.1 General

- (a) A Receiver has all of the rights, powers and discretions set out below in this Clause 11 in addition to those conferred on it by any law; this includes all the rights, powers and discretions conferred on a receiver (or a receiver and manager) under the Act and the Insolvency Act 1986.
- (b) If there is more than one Receiver holding office at the same time, each Receiver may (unless the document appointing him states otherwise) exercise all of the powers conferred on a Receiver under this Deed individually and to the exclusion of any other Receiver.

11.2 Possession

A Receiver may take immediate possession of, get in and collect any Security Asset.

11.3 Carry on business

A Receiver may carry on any business of the Chargor in any manner he thinks fit.

11.4 Employees

(a) A Receiver may appoint and discharge managers, officers, agents, accountants, servants, workmen and others for the purposes of this Deed upon such terms as to remuneration or otherwise as he thinks fit.

(b) A Receiver may discharge any person appointed by the Chargor.

11.5 Borrow money

A Receiver may raise and borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on any terms and for whatever purpose which he thinks fit.

11.6 Sale of assets

(a) A Receiver may sell, exchange, convert into money and realise any Security Asset by public auction or private contract and generally in any manner and on any terms which he thinks fit.

(b) The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which he thinks fit.

11.7 Compromise

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claim, account, dispute, question or demand with or by any person who is or claims to be a creditor of the Chargor or relating in any way to any Security Asset.

11.8 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Security Asset which he thinks fit.

11.9 Receipts

A Receiver may give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Security Asset.

11.10 Subsidiaries

A Receiver may form a subsidiary of the Chargor and transfer to that subsidiary any Security Asset.

11.11 Delegation

A Receiver may delegate his powers in accordance with this Deed.

11.12 Lending

A Receiver may lend money or advance credit to any customer of the Chargor.

11.13 Protection of assets

A Receiver may do any act to protect any Security Asset as he thinks fit.

11.14 Financial collateral

- (a) To the extent that the Security Assets constitute "financial collateral" and this Deed and the obligations of the Chargor under this Deed constitute a "security financial collateral arrangement" (in each case for the purpose of and as defined in the Financial Collateral Regulations) each Receiver and the Trustee Agent shall have the right on and at any time after this Security has become enforceable to appropriate with immediate effect all or any part of that financial collateral in or towards the satisfaction of the Secured Liabilities.
- (b) The value of any Security Asset appropriated under Subparagraph (a) above shall be the face value of the Account or Account Balance (as the case may be) at the time of appropriation, as converted, where necessary, into sterling at a market rate of exchange selected by the Trustee Agent or Receiver as appropriate prevailing at the time of appropriation.
- (c) The Trustee Agent or Receiver, as appropriate, will account to the Chargor for any amount by which the value of the appropriated Security Asset exceeds the Secured Liabilities and the Chargor shall remain liable to the Trustee Agent for any amount by which the value of the appropriated Security Asset is less than the Secured Liabilities.
- (d) The Chargor agrees that the method of valuing the Security Assets under Subparagraph (b) above is commercially reasonable.

11.15 Currency conversion

For the purpose of, or pending the discharge of, any of the Secured Liabilities a Receiver may convert any monies received, recovered or realised under this Deed (including the proceeds of any previous conversion under this Clause 11) from their existing currencies of denomination into such other currencies of denomination as the Receiver may think fit. Any such conversion shall be effected at the then prevailing spot selling rate of exchange for such currency against the existing currency. Each reference in this Clause 11 to a currency extends to funds of that currency and, for the avoidance of doubt, funds of one currency may be converted into different funds of the same currency.

11.16 Other powers

A Receiver may:

- (a) do all other acts and things which he may consider desirable or necessary for realising any Security Asset or incidental or conducive to any of the rights, powers or discretions conferred on a Receiver under or by virtue of this Deed or law;
- (b) exercise in relation to any Security Asset all the powers, authorities and things which he would be capable of exercising if he were the absolute beneficial owner of that Security Asset; and
- (c) use the name of the Chargor for any of the above purposes.

12. APPLICATION OF PROCEEDS

Any moneys received by the Trustee Agent or any Receiver after this Security has become enforceable must be applied in the following order of priority:

- (a) in or towards payment of or provision for all costs and expenses incurred by the Trustee Agent or any Receiver under or in connection with this Deed, of all remuneration due to any Receiver under or in connection with this Deed and the discharge of any liabilities incurred by any Receiver in, or incidental to, the exercise of any of their powers;
- (b) in or towards payment of or provision for the Secured Liabilities in accordance with the terms of the Covenant to Pay Deed; and
- (c) in payment of the surplus (if any) to the Chargor.

This Clause 12 is subject to the payment of any claims having priority over this Security. This Clause 12 does not prejudice the right of the Trustee Agent to recover any shortfall from the Chargor.

13. EXPENSES AND INDEMNITY

13.1 Amendment costs

If the Chargor requests an amendment, waiver or consent, the Chargor shall, within three (3) Business Days of demand, reimburse the Trustee Agent for the amount of all costs and expenses (including legal fees) reasonably incurred by the Trustee Agent (and the trustees of the Centrica Pension Schemes) in responding to, evaluating, negotiating or complying with that request.

13.2 Enforcement and preservation costs

The Chargor shall, within three (3) Business Days of demand, pay to the Trustee Agent the amount of all costs and expenses (including legal fees) incurred by the Trustee Agent and/or the Centrica Pension Schemes in connection with the enforcement of or the preservation of any rights under this Deed or this Security and any proceedings instituted in any jurisdiction by or against the Trustee Agent as a consequence of taking, holding or enforcing this Deed or this Security.

13.3 Stamp taxes and fees

The Chargor shall pay and, within three (3) Business Days of demand, indemnify the Trustee Agent against any cost, loss or liability that the Trustee Agent incurs in relation to all stamp duty, stamp duty reserve tax, registration and other similar Tax and fees payable in respect of this Deed.

13.4 Chargor default

The Chargor shall, within three (3) Business Days of demand, indemnify the Trustee Agent against any cost, expense, loss or liability incurred by the Trustee Agent as a result of:

- (a) the occurrence of any Default in relation to the Chargor;
- (b) investigating any event which it reasonably believes is a Default in relation to the Chargor; or
- (c) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this Deed.

13.5 Value added taxes

- (a) Any amount payable under this Deed by the Chargor is exclusive of any value added

tax or any other Tax of a similar nature which might be chargeable in connection with that amount. If any such Tax is chargeable, the Chargor must pay to the Trustee Agent (in addition to and at the same time as paying that amount) an amount equal to the amount of that Tax.

- (b) If the Chargor is required by this Deed to reimburse or indemnify the Trustee Agent for any cost or expense, the Chargor shall reimburse or indemnify (as the case may be) the Trustee Agent for the full amount of such cost or expense, including such part thereof as a value added tax or any other Tax of a similar nature, save to the extent that the Trustee Agent reasonably determines that it is entitled to a credit or repayment in respect of such Tax from the relevant tax authority.

13.6 Tax gross-up

- (a) The Chargor must make all payments to be made by it under this Deed without any Tax Deduction, unless a Tax Deduction is required by law.
- (b) If the Chargor is aware or becomes aware that it must make a Tax Deduction (or that there is a change in the rate or the basis of a Tax Deduction), it must promptly notify the Trustee Agent.
- (c) If a Tax Deduction is required by law to be made by the Chargor or the Trustee Agent, the amount of the payment due from the Chargor will be increased to an amount which (after making the Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.
- (d) If the Chargor is required to make a Tax Deduction, the Chargor must make the minimum Tax Deduction required by law and must make any payment required in connection with that Tax Deduction within the time allowed by law.
- (e) Within 30 days of making either a Tax Deduction or a payment required in connection with a Tax Deduction, the Chargor must deliver to the Trustee Agent evidence satisfactory to it (acting reasonably) that the Tax Deduction has been made or (as applicable) the appropriate payment has been paid to the relevant taxing authority.

14. DELEGATION

14.1 Power of Attorney

The Trustee Agent or any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by them or it under this Deed.

14.2 Terms

Any such delegation may be made upon any terms (including power to sub-delegate) which the Trustee Agent or any Receiver may think fit.

14.3 Liability

Neither the Trustee Agent nor any Receiver will be in any way liable or responsible to the Chargor for any loss or liability arising from any act, default, omission or misconduct on the part of any delegate or sub-delegate.

15. FURTHER ASSURANCES

The Chargor must, at its own expense, take whatever action the Trustee Agent or a Receiver may reasonably require for:

- (a) creating, perfecting or protecting any Security Interest intended to be created by this Deed; or
- (b) facilitating the realisation of any Security Asset, or the exercise of any right, power or discretion exercisable, by the Trustee Agent or any Receiver or any of their or its delegates or sub-delegates in respect of any Security Asset.

Including:

- (i) the execution of any transfer, conveyance, assignment or assurance of any property, whether to the Trustee Agent or the trustees of the Centrica Pension Schemes as the Trustee Agent's nominees; or
- (ii) the giving of any notice, order or direction and the making of any registration,

which, in any such case, the Trustee Agent may think expedient.

16. POWER OF ATTORNEY

The Chargor, by way of security, irrevocably and severally appoints the Trustee Agent, each Receiver and any of the foregoing's delegates or sub-delegates to be its attorney to take any action which the Chargor is obliged to take under this Deed to the extent the Chargor has failed to carry out such obligation by the date it was obliged to do so following the expiry of any time period permitted for performance or following the occurrence of a Default, for enabling the Trustee Agent or any Receiver to exercise the respective powers conferred on them under this Deed or by law. The Chargor ratifies and confirms whatever any attorney does or purports to do under its appointment under this Clause 16.

17. PRESERVATION OF SECURITY

17.1 Continuing security

This Security is continuing and will extend to the ultimate balance of the Secured Liabilities regardless of any intermediate payment or discharge in whole or in part.

17.2 Reinstatement

- (a) If any discharge, release or arrangement is made by the Trustee Agent in whole or in part on the faith of any payment, security or other disposition which is avoided, set aside, refunded or reduced under any applicable law or proves to have been invalid or must be restored in insolvency, liquidation, administration or otherwise without limitation, the liability of the Chargor under this Deed will continue as if the discharge, release or arrangement had not occurred.
- (b) The Trustee Agent may concede or compromise any claim that any payment, security or other disposition is liable to avoidance or restoration.

17.3 Waiver of defences

The liabilities and obligations of the Chargor under this Deed shall remain in full force and effect and will not be affected by any act, omission, neglect, event or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this Deed (without limitation and whether or not known to the Chargor or the Trustee Agent) including:

- (a) any time, waiver, consent or other accommodation granted to, or composition with, any person;
- (b) any release of any person under the terms of any composition or arrangement;

- (c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person;
- (d) any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person;
- (f) any amendment, novation, supplement, extension or restatement (however fundamental and whether or not more onerous, and of whatsoever nature) or replacement of this Deed, and Secured Liability or any other document or security, including any agreement or document relating to the Centrica Pension Schemes;
- (g) any unenforceability, illegality, invalidity or non-provability of any obligation of any person under this Deed, or any Secured Liability or any other document or security; or
- (h) any insolvency or similar proceedings.

17.4 Chargor intent

Without prejudice to the generality of Clause 17.3 (Waiver of defences) the Chargor expressly confirms that it intends that this Security shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Secured Liabilities.

17.5 Immediate recourse

The Chargor waives any right it may have of first requiring any Trustee Agent (or any trustee, agent or appointee on its behalf) to proceed against or enforce any other right or security or claim payment from any person before claiming from the Chargor under this Deed. This waiver applies irrespective of any law to the contrary.

17.6 Appropriations

- (a) The Trustee Agent (or any trustee, agent or appointee on its behalf) may at any time during the Security Period without affecting the liability of the Chargor under this Deed:
 - (i) refrain from applying or enforcing any other moneys, security or rights held or received by the Trustee Agent (or any trustee or agent on its behalf) in respect of those amounts; or
 - (ii) apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and the Chargor shall not be entitled to the benefit of the same; and
- (b) hold in an interest bearing suspense account any Net Enforcement Proceeds and any moneys received from the Chargor or on account of the Chargor's liability under this Deed including, without prejudice to the generality of the foregoing, until an insolvency event has occurred in relation to the Chargor.

17.7 Non-competition

Unless:

- (a) the Security Period has expired; or

(b) the Trustee Agent otherwise directs,

the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under this Deed or by reason of any amount being payable, or liability arising, under this Deed:

- (i) to be subrogated to any rights, security or moneys held, received or receivable by the Trustee Agent;
- (ii) to claim any contribution or indemnity from Centrica to make payments to the Trustee Agent or in respect of any payment made or moneys received on account of the Chargor's liability under this Deed;
- (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Trustee Agent in respect of any obligations or liabilities to make payments to the Centrica Pension Schemes, or under or pursuant to any other guarantee or security taken by the Trustee Agent pursuant to or in connection with such obligations or liabilities of Centrica;
- (iv) to bring legal or other proceedings for an order requiring Centrica to make any payment, or perform any obligation, in respect of any Secured Liability;
- (v) to exercise any right of set-off against any of Centrica; and/or
- (vi) to claim, rank, prove or vote as a creditor of Centrica or its estate in competition with the Trustee Agent (or any trustee or agent on their behalf).

If the Chargor receives any payment, distribution, benefit or security in relation to such rights it shall hold that payment, distribution, benefit or security on trust for the Trustee Agent and immediately pay or transfer the same to the Trustee Agent or in accordance with any directions given by the Trustee Agent.

17.8 Additional security

This Security is in addition to and is not in any way prejudiced or affected by, and shall not merge with any other judgment, guarantee, security, right or remedy now or subsequently obtained or held by the Trustee Agent for the discharge and performance of any of the Secured Liabilities.

18. CHANGES TO THE PARTIES

18.1 Assignments and transfers by the Chargor

Subject to Clause 18.2, neither Party may assign or transfer any of its rights and obligations under this Deed.

18.2 Assignments and transfers by the Trustee Agent

The Chargor acknowledges that:

- (a) the rights and obligations of the Trustee Agent under this Deed may be transferred in whole or in part to the Pension Protection Fund as a result of the operation of Section 161 of and Schedule 6 to the Pensions Act 2004; and
- (b) the rights and obligations under this Deed shall be binding upon and enure for the benefit of any person who is for the time being appointed the Trustee Agent for the purposes of the Covenant to Pay Deed.

19. AMENDMENTS

Any amendment of this Deed shall be in writing and signed by, or on behalf of, each Party.

20. RELEASE

20.1 End of Security Period

At the end of the Security Period, the Trustees must, at the request and cost of the Chargor, take whatever action is necessary to release the Security Assets from this Security.

21. REMEDIES AND WAIVERS

No failure to exercise nor any delay in exercising any right or remedy under this Deed against the Chargor shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise, or the exercise of any other right or remedy. The rights and remedies provided are cumulative and not exclusive of any rights or remedies provided by law.

22. SET-OFF

The Trustee Agent may set off any matured obligation owed to it by the Chargor under this Deed against any obligation (whether or not matured) owed by that Trustee Agent to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Trustee Agent may convert either obligation at a market rate of exchange selected by it (acting reasonably) for the purpose of the set-off.

23. SEVERABILITY, REMEDIES AND WAIVERS

- (a) If a term of this Deed is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, that shall not affect:
 - (i) the legality, validity or enforceability in that jurisdiction of any other term of this Deed; or
 - (ii) the legality, validity or enforceability in other jurisdictions of that or any other term of this Deed.
- (b) No failure to exercise, nor any delay in exercising, on the part of the Trustee Agent, any right or remedy under this Deed shall operate as a waiver of any such right or remedy or constitute an election to affirm this Deed. No election to affirm this Deed on the part of the Trustee Agent shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or

the exercise of any other right or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

24. COUNTERPARTS

This Deed may be executed in any number of counterparts. This has the same effect as if the signatures on the counterparts were on a single copy of this Deed.

25. CERTIFICATES AND DETERMINATIONS

Any certification or determination by the Trustee Agent of an amount under this Deed is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

26. NOTICES

26.1 In writing

- (a) Any communication in connection with this Deed must be in writing and, unless otherwise stated, may be given in person, by post or by email.
- (b) Unless it is agreed to the contrary, any consent or agreement required under this Deed must be given in writing.

26.2 Contact details

- (a) The contact details of the Chargor for this purpose are:

Address: Centrica Beta Holdings Limited
Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD
Email address: [REDACTED]
Attention: General Counsel

- (b) The contact details of the Trustees are:

Address: Centrica Pension Trustees Limited
Email address: [REDACTED]
Attention: Paul Cox (Scheme Secretary)

26.3 Effectiveness

- (a) Except as provided below, any communication in connection with this Deed will be deemed to be given as follows:
 - (i) if delivered in person, at the time of delivery;
 - (ii) if posted, five days after being deposited in the post, postage prepaid, in a correctly addressed envelope; and
 - (iii) if by email, when receipt is acknowledged by the recipient.
- (b) A communication given under Paragraph (a) above but not received on a Business Day or after 5 p.m. on a Business Day will only be deemed to be given on the next Business Day.

27. LANGUAGE

Any notice given in connection with this Deed must be in English.

28. GOVERNING LAW

This Deed and any non-contractual obligations arising out of or in connection with it are governed by English law.

29. ENFORCEMENT

29.1 Jurisdiction

- (a) The English courts have non-exclusive jurisdiction to settle any dispute in connection with this Deed (including a dispute relating to the existence, validity or termination of this Deed or any non-contractual obligation arising out of or in connection with this Deed).
- (b) The Parties agree that the English courts are the most appropriate and convenient courts to settle any such dispute and accordingly no Party will argue to the contrary.
- (c) Notwithstanding Paragraph (a) above, the Trustee Agent shall not be prevented from taking proceedings relating to any such dispute in any other courts with jurisdiction. To the extent allowed by law, the Trustee Agent may take concurrent proceedings in any number of jurisdictions.

29.2 Waiver of immunity

The Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Trustee Agent against it in relation to this Deed and to ensure that no such claim is made on its behalf;
- (b) consents generally to the giving of any relief or the issue of any process in connection with those proceedings;
- (c) waives generally all immunity it or its assets or revenues may otherwise have in any jurisdiction, including immunity in respect of:
 - (i) the giving of any relief by way of injunction or order for specific performance or for the recovery of assets or revenues; and
 - (ii) the issue of any process against its assets or revenues for the enforcement of a judgment or, in an action in rem, for the arrest, detention or sale of any of its assets and revenues; and
- (d) agrees that in any proceedings in England this waiver shall have the fullest scope permitted by the English State Immunity Act 1978 and that this waiver is intended to be irrevocable for the purposes of the English State Immunity Act 1978.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of this Deed.

SCHEDULE 1

**FORM OF NOTICE TO ACCOUNT BANK
AND ACKNOWLEDGEMENT BY
ACCOUNT BANK**

[On the letterhead of the Chargor]

JPMorgan Chase Bank, N.A.
FAO: Escrow Administration
25 Bank Street
Canary Wharf
London
E14 5JP
Email: emea.escrow@jpmorgan.com

cc: Party B

Date:

Re: Centrica Beta Holdings Limited and Centrica Pension Trustees Limited – Escrow Agreement dated [], Escrow Account No. 40056621, Sort code 60-92-42, in the name of Centrica Beta Holdings Limited

Dear Sir/Madam,

We refer to an escrow agreement dated [] between Centrica Beta Holdings Limited ("Party A"), Centrica Pension Trustees Limited (acting as trustee agent for the trustees from time to time of the Centrica Pension Schemes) ("Party B") and JPMorgan Chase Bank, N.A., as Escrow Agent (the "Escrow Agreement").

Capitalised terms in this letter that are not otherwise defined shall have the same meaning given to them in the Escrow Agreement.

This letter constitutes notice to you that Party A and Party B have entered into the Transaction Document pursuant to which we, Party A, have charged (by way of first fixed charge) in favour of Party B all of our present and future claims, rights, title and interest in or to, or in respect of:

1. the Escrow Account (as the same may be renumbered at any time, and any sub-accounts thereof), together with (i) all additions to or renewals or replacements of such accounts (in whatever currency); and (ii) all rights, benefits and proceeds in respect of such account (including interest and rights to repayment of any monies standing to the credit of such account); and
2. all monies at any time standing to the credit of the Account and all interest at any time accrued or accruing on such monies, and all rights to repayment of any of the same.

Pursuant to the Escrow Agreement we as Party A notify you as Escrow Agent that the security granted by us in favour of Party B pursuant to the terms of the Transaction Agreement is now in force. Accordingly, the Escrow Account Security Period referred to at paragraph 2 of the Escrow Release Conditions in the Escrow Agreement shall commence upon the Escrow Agent's receipt of this letter.

Please sign below and return copies of the signed document to the Trustee Agent at Centrica Pension Trustees Limited Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD (fao Paul Cox Scheme Secretary) with a copy to ourselves.

FOR AND ON BEHALF OF CENTRICA BETA HOLDINGS LIMITED:

Name:

Date:

Title:

We acknowledge receipt of the above notice, and that the Escrow Account Security Period has commenced.

For and on behalf of **JPMORGAN CHASE BANK, N.A., acting through its London Branch**

Name:

Date:

Title:


SIGNATORIES

Chargor

EXECUTED as a DEED by)
CENTRICA BETA HOLDINGS LIMITED)

acting by _____)

DocuSigned by:
Gaylene Kendall
3109B8B6ED89423...
Gaylene Kendall

DocuSigned by:

 77C14EDFA58F4D4... , a Director

Trustee Agent

EXECUTED as a DEED by)
CENTRICA PENSION TRUSTEES)
LIMITED)

acting by _____)

_____, a Director and

_____, a Director

SIGNATORIES

Chargor

EXECUTED as a DEED by)
CENTRICA BETA HOLDINGS LIMITED)
acting by)

_____, a Director and

_____, a Director

Trustee Agent

EXECUTED as a DEED by)
CENTRICA PENSION TRUSTEES)
LIMITED)
acting by)

David John Byrne
_____, a Director and

DocuSigned by:
David John Byrne
159BDF824101471...

Andrew Mark Reaney
_____, a Director

DocuSigned by:
Andrew Mark Reaney
FF3B2C4AB1FB45E...