



Registration of a Charge

Company name: **ENERGYBUILD LIMITED**

Company number: **04770293**



X9C9D6CY

Received for Electronic Filing: **26/08/2020**

Details of Charge

Date of creation: **24/08/2020**

Charge code: **0477 0293 0006**

Persons entitled: **TENAX CAPITAL LIMITED**

Brief description: **THE COMPANY CHARGES BY WAY OF FIRST LEGAL MORTGAGE THE PROJECT REAL PROPERTY (AS DEFINED IN THE INSTRUMENT), INCLUDING THE LEASEHOLD PROPERTY KNOWN AS ABERPERGWM COLLIERY GLYNNEATH NEATH SA11 5AJ WITH REGISTERED TITLE NUMBER CYM767144, THE LEASEHOLD PROPERTY KNOWN AS THE LAND LYING TO THE EAST OF ABERPERGWM COLLIERY GLYNNEATH NEATH SA11 5AJ WITH REGISTERED TITLE NUMBER CYM767142, THE LEASEHOLD PROPERTY KNOWN AS ROCK TIP: LAND AT ABERPERGWM COLLIERY GLYNNEATH NEATH WITH REGISTERED TITLE NUMBER CYM767145 AND THE LEASEHOLD PROPERTY KNOWN AS THE LAND LYING TO THE WEST OF MAIN ROAD CRYNANT NEATH WITH REGISTERED TITLE NUMBER CYM766466. FOR FURTHER INFORMATION, PLEASE SEE CLAUSE 4 AND SCHEDULE 2 OF THE INSTRUMENT. THE COMPANY ALSO CHARGES BY WAY OF FIRST FIXED CHARGE THE INTELLECTUAL PROPERTY (AS DEFINED IN THE INSTRUMENT), ALTHOUGH NO FURTHER DETAIL IS SPECIFIED IN THE INSTRUMENT. FOR FURTHER INFORMATION, PLEASE SEE CLAUSE 4 AND SCHEDULE 2 OF THE INSTRUMENT.**

Contains fixed charge(s).

Contains floating charge(s) (floating charge covers all the property or undertaking of the company).

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: **OLIVER ABEL SMITH**



CERTIFICATE OF THE REGISTRATION OF A CHARGE

Company number: 4770293

Charge code: 0477 0293 0006

The Registrar of Companies for England and Wales hereby certifies that a charge dated 24th August 2020 and created by ENERGYBUILD LIMITED was delivered pursuant to Chapter A1 Part 25 of the Companies Act 2006 on 26th August 2020 .

Given at Companies House, Cardiff on 27th August 2020

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

Execution version

Date: 24 August 2020

THE COMPANIES listed in Schedule 1

as Chargors

Tenax Capital Limited

as Security Trustee

Security Agreement

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Execution version

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THIS SECURITY AGREEMENT is made the 24 day of August 2020

BETWEEN:

- (1) **THE COMPANIES** listed in Schedule 1 (each a "**Chargor**", together the "**Chargors**"); and
- (2) **TENAX CAPITAL LIMITED** as agent and security trustee for itself and each of the Notes Parties (the "**Security Trustee**").

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

"Account" means any account opened by a Chargor;

"Account Bank" means any bank, building society, financial institution or other person with whom an Account is maintained by a Chargor;

"Act" means the Law of Property Act 1925;

"Administrator" means an administrator appointed under paragraph 14 of schedule B1 to the Insolvency Act 1986;

"Authorisation" means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration;

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

"Coal Authority Deposit" means the "Cash Deposit" under and as defined in the Existing Coal Authority Security and any other such cash deposit secured on similar terms pursuant to the Coal Authority Security;

"Coal Authority Documents" means:

- (a) the underground lease of Aberpergwm Colliery dated 7 January 1997 made between The Coal Authority (1) and Signalfern Limited (1) as the same is presently vested in Energybuild Mining;
- (b) the conditional underground operating licence dated 29 March 1996 between The Coal Authority (1) and Signalfern Limited (2) as the same is presently vested in Energybuild Mining permitting Energybuild Mining (as operator) to carry out coal mining operations; and
- (c) any amendments, variations, supplemental agreements or option agreements in relation to the above;

"Coal Authority Security" means the Existing Coal Authority Security and any further Security or Quasi-Security that Energybuild Mining is required to grant in favour of the Coal Authority in

respect of the Coal Authority Documents (including any replacement form of Security on similar terms required by the Coal Authority in respect of the Existing Coal Authority Security);

"Deed of Accession" means a deed substantially in the form of Schedule 5 (*Deed of Accession*);

"Dividends" means all dividends, interest, coupons and other distributions paid or payable in respect of any Investment;

"Equipment" means all fixed and moveable plant, machinery, tools, vehicles, computers and office and other equipment and the benefit of all related Authorisations, agreements and warranties (including all spare parts, replacements, modifications and additions) (including the equipment identified in respect of that Chargor in Part 1 of Schedule 2 (*Security Assets*));

"Event of Default" means any Event of Default as defined in the Instrument;

"Existing Coal Authority Security" means

- (a) the security deed in respect of a cash deposit granted by Signalferr Limited dated 29 March 1996 as assigned to Anthracite Mining Limited by a deed of assignment dated 1 November 2000 and as subsequently assigned to Energybuild Mining by a deed of assignment dated 4 July 2004; and
- (b) the security deed granted by Energybuild Mining dated 23 March 2020;

"Group" is defined in the Instrument;

"Group Shares" means, in relation to a Chargor, the shares in any member of the Group owned legally or beneficially by the Chargor or held by the Security Trustee or any nominee on its behalf (including the shares identified in respect of that Chargor in Part 2 of Schedule 2 (*Security Assets*)) (if any);

"Instrument" means the instrument created by the Company on or about the date of this Deed constituting up to GBP 5,000,000 secured loan notes 2025;

"Intellectual Property" means (i) any patents, trade marks, service marks, logos, trade names, domain names, copyrights (including rights in computer software), database rights, semi-conductor topography rights, utility models, rights in designs, rights in get-up, rights in inventions, rights in know-how and confidential information, moral rights and other intellectual property rights and interests (which may now or in the future subsist), in each case whether registered or unregistered, and all rights or forms of protection having equivalent or similar effect anywhere in the world, and (ii) the benefit of all applications for, and all rights to use, any of those things (which may now or in the future subsist), and "registered" includes registrations and applications for registration;

"Insurance Policy" means, in relation to a Chargor, any contract or policy of insurance of any kind (other than in relation to third party liabilities or similar claims) in which that Chargor has an interest from time to time and all rights related to any such policy;

"Investments" means, in relation to a Chargor:

- (a) any stock, share, debenture, loan stock, security, bond, warrant, coupon, interest in any investment fund and any other investment (whether or not marketable) whether held directly by or to the order of that Chargor or by any trustee, nominee, fiduciary,

investment manager or depository or clearance system on its behalf (including, but not limited to, the Group Shares);

- (b) all allotments, accretions, offers, options, rights, bonuses, benefits and advantages, whether by way of conversion, redemption, preference, option or otherwise which at any time accrue to or are offered or arise in respect of any such investments mentioned in paragraph (a) above; and
- (c) all rights that Chargor has against any trustee, nominee, fiduciary, investment manager, depository or clearance system in respect of any such investments mentioned in paragraphs (a) or (b) above;

"Lease" includes any lease, agreement for lease or tenancy and (where the context admits) any licence or other right of occupation;

"Material Adverse Effect" is defined in the Instrument;

"Material Contract" means:

- (a) any agreement specified in schedule 1 (material contracts) of a Supplemental Charge;
- (b) any agreement to which a Chargor is a party (other than the Notes Documents) the breach, non-performance, cancellation, failure to renew or changes to the terms of which could reasonably be expected to have a Material Adverse Effect; and
- (c) any agreement or instrument entered into by a Chargor which has a projected annual revenue of more than 5 per cent. of the annual revenue of the Chargor shown by its most recently delivered Monthly Management Report;

"Notes Documents" is defined in the Instrument;

"Notes Party" is defined in the Instrument;

"Obligor" is defined in the Instrument;

"Real Property" is defined in the Instrument (including, but not limited to, the property described in Part 4 of Schedule 2 (*Security Assets*));

"Receivables" means, in relation to a Chargor, book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Receiver" means any one or more persons appointed by the Security Trustee as a receiver, receiver and manager or (if allowed by law) administrative receiver under this Deed;

"Regulations" means the Financial Collateral Arrangements (No. 2) Regulations 2003 (SI 2003 No. 3226) (as amended) or (where the context admits) equivalent legislation in any applicable jurisdiction bringing into effect Directive 2002/47/EC on financial collateral arrangements;

"Rental Income" means, in relation to a Chargor, amounts payable to or for the benefit of the Chargor under or in connection with any Lease or any other letting of Real Property forming part of the Security Assets;

"Secured Obligations" means the aggregate amount of all present and future obligations and liabilities of each Obligor owed or expressed to be owed under or in connection with any Notes Document whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature;

"Secured Party" has the meaning given to that term in the Security Trust and Agency Appointment Deed;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Security Assets" means all assets and undertaking of each Chargor from time to time the subject of any Security created or, where the context admits, to be created by this Deed;

"Security Period" means the period beginning on the date of this Deed and ending on the date on which the Security Trustee is satisfied that all the Secured Obligations have been unconditionally and irrevocably paid, released and discharged in full and no further Secured Obligations are capable of becoming outstanding;

"Subsidiary" means a subsidiary undertaking of a Chargor within the meaning of section 1162 of the Companies Act 2006;

"Supplemental Charge" means each supplemental charge entered into by a Chargor pursuant to Clause 14 (*Contracts*) substantially in the form set out in Schedule 6 (*Form of Supplemental Charge*) in such other form as the Security Trustee may direct;

"Underground Operating Licence" means the conditional underground operating licence dated 29 March 1996 between The Coal Authority and Signalferrn Limited permitting Energybuild Mining Limited as operator to carry out coal mining operations and any amendments, variations, supplemental agreements or option agreements in relation to the licence dated 29 March 1996; and

"VAT" means value added tax as provided for in the Value Added Tax Act 1994 and any other tax of a similar nature.

1.2 Construction

- (a) In this Deed, unless a contrary indication appears, any reference to:
 - (i) **"assets"** includes present and future properties, revenues and rights of every description and includes the proceeds of sale of any such asset;
 - (ii) a Notes Document or any other agreement or document is a reference to that Notes Document or other agreement or document as it may have been, or may from time to time be, amended, varied, supplemented or novated;
 - (iii) a party to this Deed shall be construed so as to include its successors in title, permitted assigns and permitted transferees;
 - (iv) a **"person"** includes any individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, partnership or other entity (whether or not having separate legal personality);
 - (v) a provision of law includes that provision as amended, re-enacted or replaced from time to time and includes any subordinate legislation;

- (vi) **"Real Property"**, the **"Security Assets"**, and any other asset or assets or the **"Secured Obligations"** includes a reference to any part of them or it;
 - (vii) a **"regulation"** includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organisation;
 - (viii) **"this Security"** means any Security created or constituted by this Deed; and
 - (ix) words in the singular include the plural and vice versa and words in one gender include any other gender.
- (b) Headings in this Deed are for ease of reference only.
 - (c) Any covenant or undertaking by the Chargor under this Deed is given to or made in favour of the Security Trustee and remains in force during the Security Period.
 - (d) An Event of Default is **"continuing"** if it has not been waived in writing.
 - (e) It is intended that this document take effect as a deed notwithstanding the fact that (if executed by the Security Trustee) the Security Trustee may only execute this document under hand.
 - (f) The terms of the other Notes Documents and of any side letter between the parties to this Deed are incorporated in this Deed to the extent required to ensure that any purported disposition of or purported agreement to dispose of any Real Property contained in this Deed is a valid disposition in accordance with section 2(1) of the Law of Property (Miscellaneous Provisions) Act 1989.
 - (g) This Deed is a Notes Document.
 - (h) Unless expressly defined in this Deed or a contrary indication appears, words and expressions defined in the Instrument have the same meanings when used in this Deed.
 - (i) The fact that the details of any assets in the Schedules are incorrect or incomplete shall not affect the validity or enforceability of this Deed in respect of the assets of the Chargor.

1.3 Trustee Act 1925 and Trustee Act 2000

- (a) Section 1 of the Trustee Act 2000 shall not apply to any function of the Security Trustee. Where there is any inconsistency between the Trustee Act 1925 or the Trustee Act 2000 and the provisions of this Deed, the provisions of this Deed shall, to the extent allowed by law, prevail and, in the case of any inconsistency with the Trustee Act 2000, the provisions of this Deed shall constitute a restriction or exclusion for the purposes of the Trustee Act 2000.
- (b) For the avoidance of doubt:
 - (i) the Security Trustee may retain or invest in securities payable to bearer without appointing a person to act as a custodian; and
 - (ii) sections 22 and 23 of the Trustee Act 2000 shall not apply to this Deed.

1.4 Third party rights

- (a) Unless expressly provided to the contrary in this Deed, a person who is not a party to this Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce or to enjoy the benefit of any term of this Deed.
- (b) Notwithstanding any provision of this Deed, the consent of any person who is not a party to this Deed is not required to rescind or vary this Deed at any time.

2. Undertaking to pay

2.1 Undertaking to pay

Each Chargor, as primary obligor and not merely as surety, undertakes with the Security Trustee to pay the Secured Obligations on demand on the date(s) on which such Secured Obligations are expressed to become due and in the manner provided for in the relevant Notes Document.

2.2 Amount secured

Each Chargor acknowledges to the Security Trustee that the amount secured by this Deed and in respect of which this Security is enforceable is the full amount of the Secured Obligations.

2.3 Interest

If any Chargor fails to pay any of the Secured Obligations on the due date for payment of that sum, that Chargor shall on demand pay to the Security Trustee interest on all such sums from the due date until the date of payment (both before and after judgment) calculated and payable in accordance with the rate and in the manner specified in the Instrument.

3. Provisions relating to Security

3.1 Nature of Security created

- (a) All the Security created under this Deed is created:
 - (i) with full title guarantee as a continuing security for the payment, discharge and performance of the Secured Obligations;
 - (ii) in favour of the Security Trustee; and
 - (iii) (except in the case of assets which are the subject of a legal mortgage under this Deed) over all present and future assets of the kind described which are owned by each Chargor and, to the extent it does not own those assets, shall extend to any right, title or interest which it may have in them.
- (b) The Security Trustee holds the benefit of this Deed on trust for the Secured Parties.

3.2 Consents

- (a) If a Chargor purports to mortgage, assign or charge (absolutely or by way of fixed mortgage or charge) an asset under this Deed and such mortgage, assignment or charge breaches a term of an agreement or licence binding on that Chargor in respect of that asset because the consent of a person has not been obtained:

- (i) that Chargor shall notify the Security Trustee immediately;
- (ii) subject to paragraph (iv) below, the relevant mortgage, assignment or fixed charge under this Deed will extend (to the extent no breach of the relevant agreement would occur) to all amounts which that Chargor may receive and other rights in respect of that asset but will exclude the asset itself;
- (iii) unless the Security Trustee otherwise requires (and save in the case of Material Contracts unless a Default is continuing), that Chargor shall use all reasonable endeavours to obtain the consent of the relevant person and, once obtained, shall promptly provide a copy of that consent to the Security Trustee; and
- (iv) immediately upon the relevant consent being obtained, the relevant asset shall become subject to this Security in favour of the Security Trustee under Clause 4 (*Fixed Security*).

4. Fixed Security

4.1 Real Property

- (a) Each Chargor charges:
 - (i) by way of first legal mortgage the Real Property vested in it on the date of this Deed;
 - (ii) by way of first fixed charge any right, title or interest in Real Property (to the extent not the subject of a mortgage under paragraph (i) above).
- (b) Each Chargor assigns absolutely, subject to the provisions of Clause 29 (*Release and recourse*):
 - (i) all Rental Income;
 - (ii) all rights under any licence, agreement for sale or agreement for lease or other use of its Real Property or under any agreement to purchase Real Property (in each case present or future);
 - (iii) all rights, powers, benefits, claims, contracts, warranties, remedies, covenants for title, security, guarantees or indemnities in respect of any of its Real Property or any Rental Income;
 - (iv) the proceeds of sale of any of its Real Property; and
 - (v) any other moneys paid or payable in respect of its Real Property.

4.2 Equipment

Each Chargor charges by way of first fixed charge all its rights, title or interest in Equipment in so far as it is not charged under Clause 4.1 (*Real Property*) and in any Equipment for the time being in its possession.

4.3 Investments

- (a) Each Chargor charges by way of first legal mortgage all its rights, title or interest in the Group Shares and any other shares forming part of the Investments belonging to it on the date of this Deed and, in each case all Dividends in respect of the Group Shares or other Investments.
- (b) Each Chargor charges by way of first fixed charge all its rights, title or interest in the Investments (to the extent not the subject of an effective mortgage under paragraph (a) above).

4.4 Intellectual Property

Each Chargor charges by way of first fixed charge all its rights, title or interest in Intellectual Property (including the Intellectual Property described in Part 3 of Schedule 2 (*Security Assets*));

4.5 Receivables

Each Chargor charges by way of first fixed charge all its rights, title or interest in Receivables.

4.6 Accounts

Each Chargor charges by way of first fixed charge all its rights, title or interest in the Accounts and all monies standing to the credit of the Accounts and interest and other monies payable on or in respect of the Accounts.

4.7 Goodwill

Each Chargor charges by way of first fixed charge its goodwill.

4.8 Uncalled capital

Each Chargor charges by way of first fixed charge all its uncalled capital.

4.9 Authorisations

Each Chargor charges by way of first fixed charge all its rights, title or interest in Authorisations held in relation to any other Security Asset.

4.10 Insurances

Each Chargor assigns absolutely, subject to the provisions of Clause 29 (*Release and recourse*), all its rights, title or interest in the Insurance Policies and the proceeds of such policies.

4.11 Contracts

Each Chargor charges by way of first fixed charge all its rights, title or interest:

- (a) its Material Contracts;
- (b) all other agreements to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 4; and
- (c) the benefit of any guarantee or security for the performance of any of such Material Contracts or other agreements.

4.12 Pension funds

Each Chargor charges by way of first fixed charge any beneficial interest, claim or entitlement of that Chargor in any pension fund.

4.13 Specific Excluded Assets

Solely in respect of Energybuild Mining and until such time as the Coal Authority has provided consent to the grant of Security over the same there shall be excluded from the Security created, or purported to be created, by it pursuant to this Clause all rights, title or interest in:

- (a) the Underground Operating Licence; and
- (b) the Coal Authority Deposit.

5. Floating Security

5.1 Floating charge

- (a) Subject to paragraph (b) below, each Chargor charges by way of first floating charge the whole of its present and future business, undertaking and assets to the extent that they are not effectively mortgaged, charged or assigned to the Security Trustee by way of fixed security under Clause 4 (*Fixed Security*) or under a Supplemental Charge.
- (b) Solely in respect of Energybuild Mining, paragraph (a) above shall not apply to the Underground Operating Licence and the Coal Authority Deposit until such time as the Coal Authority has provided consent to the grant of Security over the same.

5.2 Conversion

Subject to Clause 5.3 (*Moratorium under Insolvency Act*), the Security Trustee may at any time by written notice to a Chargor convert the floating charge created by that Chargor by Clause 5.1 (*Floating charge*) into a fixed charge as regards any assets specified in the notice if:

- (a) an Event of Default has occurred and is continuing;
- (b) the Security Trustee considers such 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 or to be at risk of becoming subject to any Security (other than Permitted Security); or
- (c) the Security Trustee considers it is necessary in order to protect the value of the Security Asset or the priority of this Security.

5.3 Moratorium under Insolvency Act

The Security Trustee shall not be entitled to convert the floating charge created by Clause 5.1 (*Floating charge*) into a fixed charge as a result only of a Chargor obtaining a moratorium or anything done with a view to obtaining a moratorium under section 1A of and Schedule A1 to the Insolvency Act 1986.

5.4 Qualifying floating charge

Paragraph 14 of Schedule B1 to the Insolvency Act 1986 applies to the floating charge created by Clause 5.1 (*Floating charge*), which is a "qualifying floating charge" for the purpose of paragraph 14(1) of Schedule B1 to the Insolvency Act 1986.

5.5 Automatic conversion

The floating charge created by Clause 5.1 (*Floating charge*) will convert automatically into a fixed charge over all of a Chargor's assets not already subject to an effective fixed charge:

- (a) if the Security Trustee receives notice of an intention to appoint an administrator of any Chargor;
- (b) if any step is taken to appoint a liquidator, provisional liquidator, administrator or Receiver in respect of any Chargor or over all or any of its assets, or if such person is appointed;
- (c) any Chargor takes any step to create Security over any Security Asset in breach of Clause 6 (*Restrictions on dealing*);
- (d) on the crystallisation of any other floating charge over the Security Assets;
- (e) if any person takes any step to seize, attach, charge, take possession of or sell any Security Asset under any form of distress, sequestration, execution or other process; or
- (f) in any other circumstances prescribed by law.

5.6 Reconversion to floating charge

Any floating charge which has crystallised under Clause 5.2 (*Conversion*) or Clause 5.5 (*Automatic conversion*) may by notice in writing given at any time by the Security Trustee to the relevant Chargor be reconverted into a floating charge under Clause 5.1 (*Floating charge*) in relation to the assets, rights and property specified in such notice.

6. Restrictions on dealing

No Chargor shall:

- (a) create or permit to subsist any Security over any of the Security Assets; or
 - (b) sell, transfer, license, lease or otherwise dispose of any of the Security Assets,
- except as expressly permitted to do so under the Instrument.

7. Representations

Each Chargor makes the representations and warranties set out in this Clause to the Security Trustee.

7.1 Nature of Security

Subject to general principles of law limiting its obligations, this Deed creates the Security it purports to create in respect of each Chargor and such Security is valid and effective.

7.2 Security Assets

- (a) It is the sole legal and beneficial owner of, and absolutely entitled to, the assets it purports to mortgage, charge or assign under this Deed (save, where relevant, in respect of the legal ownership of any of its Investments registered in the name of its nominee or custodian or in the name of the Security Trustee (or its nominee) pursuant to this Deed).
- (b) Such assets are free from any Security (except as created by this Deed in favour of the Lender or as permitted by the Notes Documents) and it has not granted any option or other right in favour of a third party or otherwise encumbered any such assets.
- (c) As at the date of this Deed, Schedule 2 (*Security Assets*) and schedule 9 (*Accounts*) of the Instrument identifies:
 - (i) all of the Real Property, Accounts and Group Shares in which it has any interest (whether direct or indirect);
 - (ii) all of the Equipment in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it or is of material value; and
 - (iii) all of the Intellectual Property in which it has any interest that it considers (acting reasonably) is required to conduct its business or any part of it.

7.3 Investments

- (a) Its Investments are duly authorised, validly issued, freely transferable and fully paid.
- (b) The terms and conditions of its Investments do not restrict or otherwise limit its right to transfer or charge them other than any restriction permitted under the Notes Documents.
- (c) It has not nominated any person to enjoy or exercise any rights relating to the Investments pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) The Investments described in Part 2 of Schedule 2 (*Security Assets*) constitute all of the Group Shares and no person has or is entitled to any conditional or unconditional option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares, in the capital of any of its Subsidiaries.
- (e) It has complied with all notices relating to its Investments received by it pursuant to sections 790D and 790E of the Companies Act 2006.
- (f) No warning notice has been issued under paragraph 1(2) of Schedule 1B of the Companies Act 2006, and no restrictions notice has been issued under paragraph 1(3) of Schedule 1B of the Companies Act 2006, in respect of its Investments.

7.4 Intellectual Property

- (a) All Intellectual Property owned by it which is material to its business is identified in Part 3 of Schedule 2 (*Security Assets*).
- (b) It is not aware of any infringement or threatened infringement of its Intellectual Property.

7.5 Environment

- (a) No Environmental Claim has been commenced or (to the best of its knowledge and belief (having made due and careful enquiry)) is threatened against it where that claim has or is reasonably likely, if determined against it, to have a Material Adverse Effect;
- (b) It has not used or permitted to be used, except in material compliance with all Environmental and Social Requirements, any of the Real Property to release, dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance.
- (c) There is no presence of any Hazardous Substance on, in or under any of the Real Property and no Hazardous Substances will be generated from its use of such Real Property (including without limitation as a result of the conduct of operations at the Project) except in compliance in all material respects with all Environmental and Social Requirements.

7.6 Project Real Property

Save as has been specifically disclosed (if at all) in the statements and disclosures given at schedule 10 (*Property Disclosures*) of the Instrument:

- (a) The Chargors are in possession and actual occupation of the whole of the Project Real Property on an exclusive basis.
- (b) Where a Project Real Property is held by a Chargor under any lease, tenancy or licence:
 - (i) all covenants, conditions and agreements contained in the relevant lease, tenancy or licence have been complied with in all material respects;
 - (ii) there has been no complaint alleging any breach or any refusal to accept rent/licence fee or other payments;
 - (iii) there are no notices, negotiations or proceedings pending in relation to rent/licence fee reviews nor is any rent/licence fee liable at the date of this Instrument to be reviewed;
 - (iv) nothing has been done, or omitted to be done, which would give rise to an obligation to reinstate alterations to the relevant Project Real Property or to any liability for dilapidations in respect of such Project Real Property; and
 - (v) no relevant lease, tenancy or licence contains any provisions restricting the Chargors' ability to assign or charge the Project Real Property.
- (c) All licences, consents and approvals required from the landlord and any superior landlord under any lease of the Project Real Property and from any mortgagee have been obtained and the covenants by the tenant contained in such licences, consents and approvals have been duly performed and observed.
- (d) There are no leases or licences permitting any person other than an Obligor to occupy any part or parts of the Project Real Property.
- (e) The Project Real Property is not subject (nor likely to become subject) to any agreement, covenant, restriction or condition (save as contained in any lease or licence

under which the Project Real Property is held by a Chargor) or any other matter which might adversely affect the ability to continue to carry on the Project from the Project Real Property in the same manner as at present and at the same cost.

- (f) Neither the Project Real Property, nor any other land which benefits the Project Real Property, is subject to an order, resolution or proposal for compulsory acquisition or any local land charge.
- (g) The Project Real Property benefits from all permanent and legally enforceable easements and other contractual rights necessary or appropriate for the continued use, enjoyment and maintenance of the Project Real Property for the purpose of the Project carried on at or from such Project Real Property and all such easements and rights are on reasonable terms which (without limitation) do not entitle any person to terminate restrict or curtail them or impose any unusual or onerous conditions.
- (h) The Project Real Property is in an appropriate state of repair and condition for the purposes of the Project.
- (i) The Project Real Property is not subject to any outgoing nor are the Chargors actually or contingently liable to pay any sums in relation to the Project Real Property other than the usual rates and water and sewerage charges and, in the case of leaseholds, rent, insurance premiums and service charges.
- (j) The Chargors have no actual or contingent liability or obligation in respect of any land or premises (other than the Project Real Property) or (in any capacity, including as principal contracting party or guarantor) in relation to any lease, licence or other interest in, or agreement relating to, any land or premises (other than any current lease or licence of the Project Real Property).
- (k) The Project Real Property is free and clear of all Security other than Permitted Security.
- (l) It does not hold any freehold, leasehold or other real property interests or rights (including licenses from landholders permitting the use of land, leases, rights of way, occupancy rights, surface rights and easements) apart from the Project Real Property.
- (m) It owns or otherwise has valid rights to use all of the Project Real Property, and no person other than the Chargors have any rights to participate in the Project Real Property or operate the Project.
- (n) The Project Real Property constitutes all real property, mineral, surface interests and ancillary rights necessary for the development, construction and mining operations of the Project, as currently operated and as contemplated to be developed and operated.
- (o) All mining concession maintenance fees, recording fees, and Taxes and all other amounts have been paid when due and payable and all other actions and all other obligations as are required to maintain the Project Real Property in good repair, carrying out appropriate periodic inspections of the Project Real Property to assess their state and condition, have been taken and complied with in all material respects.

7.7 Material Contracts

- (a) Each Material Contract to which it is a party has been duly executed and delivered by the parties to it, is in full force and effect and enforceable in accordance with its terms except to the extent its enforceability may be limited by applicable bankruptcy,

insolvency, reorganisation, moratorium or similar laws generally affecting the rights of creditors and by equitable principles.

- (b) The entry into and performance by it of this Deed does not conflict with any term of any such Material Contract.

7.8 Repetition

The representations and warranties in this Clause are deemed to be made by each Chargor on the date of this Deed and to be repeated by each Chargor by reference to the facts and circumstances then existing on each day during the Security Period.

8. General undertakings

8.1 Covenant to perform

Each Chargor shall at all times observe and perform the obligations, terms and conditions on its part of the Notes Documents.

8.2 Carry on business

Each Chargor shall carry on its business in a proper manner and not make any material alteration in the nature of its business.

8.3 Laws

Each Chargor shall observe and perform all laws, covenants and stipulations from time to time affecting any of its Security Asset or otherwise relating to its business if failure so to comply has or is reasonably likely to have a Material Adverse Effect.

8.4 Not to jeopardise this Security

No Chargor shall do or cause or permit to be done anything which may depreciate, jeopardise or otherwise prejudice the Security Assets or their value to the Secured Parties.

8.5 Maintenance

Each Chargor shall keep all Equipment for the time being required for it to operate its business in good working order and condition (ordinary wear and tear excepted) and maintain and implement a maintenance and refurbishment programme for its mining fleet and mining equipment.

8.6 Accounting records

Each Chargor shall keep proper accounting records and make all proper entries in relation to its affairs and make such records available for inspection by or on behalf of the Security Trustee or any Receiver at the cost of that Chargor at times in accordance with the terms of the Instrument unless and until an Event of Default occurs which is continuing in which case such records shall be available for inspection at all reasonable times.

8.7 Information

Each Chargor shall promptly:

- (a) provide the Security Trustee or any Receiver with all such documents and information about its Security Assets and about that Chargor's business and affairs (including its books, accounts and records) as the Security Trustee may from time to time reasonably require;
- (b) provide the Security Trustee with copies of all communications sent to shareholders and/or creditors or any class of them generally; and
- (c) deliver to the Security Trustee a copy of any notice or litigation, arbitration or administrative proceedings which to its knowledge are threatened, pending or have been commenced against it which is likely to have a Material Adverse Effect.

8.8 Documents

- (a) Each Chargor shall, upon execution of this Deed or, if later, upon receipt, deposit with the Security Trustee all deeds, certificates and other documents evidencing title in respect of its Investments and Real Property.
- (b) Each Chargor shall deliver to the Security Trustee all deeds and other documents of title relating to its Intellectual Property (including any licences relating to, and any applications to register, any such Intellectual Property) and such other documents of title relating to Security Assets as the Security Trustee may from time to time require.
- (c) The Security Trustee is entitled to hold and retain all such deeds, certificates and documents until the expiry of the Security Period or, if earlier, until the Security Asset to which such deeds, certificates or documents of title relate is released from this Security in accordance with the Notes Documents.

8.9 Events of Default

Each Chargor shall upon becoming aware of the same promptly notify the Security Trustee of the occurrence of any Event of Default and at the same time inform the Security Trustee of any action taken or proposed to be taken by it in connection with it.

8.10 Accuracy of information

Each Chargor shall ensure that all information supplied to the Security Trustee by it is at the time of supply complete and accurate in all material respects.

8.11 Environmental compliance

Each Chargor shall:

- (a) comply with all Environmental Law;
- (b) obtain, maintain and ensure compliance with all requisite Environmental Permits;
- (c) implement procedures to monitor compliance with and to prevent liability under any Environmental Law,

where failure to do so has or is reasonably likely to have a Material Adverse Effect.

8.12 Project Real Property

Each Obligor shall:

- (a) maintain the Project Real Property in good repair, carrying out appropriate periodic inspections of the Project Real Property to assess their state and condition, paying or causing to be paid all concession, permit and license maintenances fees in respect thereof, paying or causing to be paid all rents and other payments in respect of leased properties forming a part thereof and otherwise maintaining the Project Real Property in compliance, in all material respects, with applicable laws;
- (b) ensure that the only mining activities taking place on the Project Real Property are those under the control and direction of the Company in furtherance of the Project; and
- (c) develop, construct and operate the Project in compliance with the requirements of any Environmental Permit, order or other Authorisation in respect of the Project.

8.13 Centre of main interests

No Chargor shall move its centre of main interests for the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) outside England and Wales.

9. Real Property

9.1 HM Land Registry

- (a) Each Chargor applies and agrees that it shall apply to HM Land Registry (by submitting a form RX1, CH2 or otherwise as appropriate) to:
 - (i) enter a restriction in the following terms (or such other form as the Security Trustee reasonably requires) on the register or registers of title relating to any of its Real Property now or after the date of this Deed registered at HM Land Registry and against which this Deed may be noted:

"No disposition of the registered estate by the proprietor of the registered estate or by the proprietor of any registered charge, not being a charge registered before the entry of this restriction, is to be registered without a written consent signed by the proprietor for the time being of the charge dated [date] in favour of [•] referred to in the charges register or their conveyancer."
 - (ii) enter a noting of any obligation to make further advances on the relevant registers of title.
- (b) Each Chargor certifies to HM Land Registry that this Security does not contravene any of the provisions of its memorandum or articles of association or other constitutive documents.

9.2 Acquisitions of Real Property

Each Chargor shall:

- (a) notify the Security Trustee immediately upon the acquisition by or on behalf of that Chargor of any Real Property and the title number of such Real Property;
- (b) at the cost of that Chargor, execute and deliver to the Security Trustee a legal mortgage in favour of the Security Trustee of any Real Property which becomes vested in it after the date of this Deed substantially in the form of this Deed;

- (c) it the title to such Real Property is (or is required to be) registered at HM Land Registry, promptly submit an application to register that Chargor as proprietor of the Real Property and of the Security Trustee as proprietor of such legal mortgage; and
- (d) if the consent of the landlord in whom the reversion of any lease comprised in any Real Property which becomes vested in that Chargor after the date of this Deed is required for that Chargor to create any fixed charge or legal mortgage, it will:
 - (i) use all reasonable endeavours to obtain such landlord's consent;
 - (ii) notify the Security Trustee in writing upon receipt of such consent; and
 - (iii) not be required to create a fixed charge or legal mortgage over such Real Property until it has received the landlord's consent.

9.3 Outgoings

Each Chargor shall punctually pay or cause to be paid and shall indemnify and/or secure the Security Trustee and any Receiver against all rents, rates, taxes, liabilities, duties, assessments and other outgoings payable in respect of or by the owner or occupier of its Real Property.

9.4 Repair

Each Chargor shall put and keep all buildings, installations and structures on its Real Property in good and substantial repair and condition, replacing, rebuilding and renewing the same when necessary and shall keep all fixtures and fittings from time to time on or in its Real Property in good and substantial repair and in good working order, in each case, ordinary wear and tear excepted.

9.5 Alterations

- (a) Subject to paragraph (b) below, no Chargor shall make any structural or alteration or addition to, erect, demolish or pull down, or change the use of, any of its Real Property or building or structure on its Real Property, or permit any such thing to be done.
- (b) Paragraph (a) above shall not apply to any routine maintenance carried out in the ordinary course of business of a Chargor in respect of any underground areas that form part of the Project Real Property.

9.6 Compliance with leases

Each Chargor shall:

- (a) observe and perform, in all material respects, all the terms on its part contained in any Lease comprised within its Real Property and enforce the due observance and performance, in all material respects, of all obligations of all other parties to such Lease;
- (b) not do or knowingly permit to be done any act as a result of which any such Lease may become liable to forfeiture or otherwise be determined;
- (c) not accelerate or defer payment of any moneys due or waive or vary any obligation under the terms of any Lease or other property agreement comprised within its Real Property; and

- (d) comply with any rent review procedures in Leases comprised within its Real Property.

9.7 Compliance with covenants

Each Chargor shall duly, punctually and in all material respects perform and observe and indemnify and/or secure the Security Trustee for any breach of any covenants and stipulations (restrictive or otherwise) affecting its Real Property or its use and enjoyment.

9.8 Compliance with applicable laws and regulations

Each Chargor shall perform all of its obligations under any law or regulation affecting its Real Property if failure so to comply has or is reasonably likely to have a Material Adverse Effect including, but not limited to, any planning permission in any way related to or affecting its Real Property or its use and enjoyment.

9.9 Notices

Each Chargor shall, promptly after the receipt by that Chargor of any material communication including, but not limited to, any application, requirement, order or notice served or given by any public or local or any other authority with respect to its Real Property, deliver a copy of the same to the Security Trustee and inform the Security Trustee of the steps taken or proposed to be taken to comply with the relevant communication.

10. Receivables

10.1 Restriction on dealing

No Chargor shall charge, factor, discount, assign or otherwise deal with any of the Receivables save as permitted by Clause 10.2 (*Collection and payment*) and shall not subordinate, release or waive its rights in respect of any of the Receivables.

10.2 Collection and payment

Each Chargor shall collect and realise all of its Receivables in a prudent manner and (subject to the terms of a Supplemental Charge or any notice given pursuant to that Supplemental Charge, if any), immediately on receipt, pay the proceeds of such payment or realisation or procure that such proceeds are paid into an Account, and pending that payment will hold all monies so received upon trust for the Security Trustee.

10.3 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default which is continuing or the entry into of a Supplemental Charge (whichever is earlier):

- (a) no Chargor shall be entitled to withdraw or otherwise transfer the proceeds of collection or realisation of any receivables standing to the credit of any Account without the prior written consent of the Security Trustee; and
- (b) each Chargor shall give written notice of this Security to the debtors in respect of any Receivable in such form as the Security Trustee may require.

11. Accounts

11.1 Notices

Each Chargor shall, on the date of this Deed or, in relation to any Account opened after the date of this Deed, no later than five Business Days after the date of opening of such account, give notice to each Account Bank substantially in the form set out in Schedule 3 (*Notice to Account Bank*) and shall use reasonable endeavours to ensure that the Account Bank delivers to the Security Trustee a duly completed acknowledgement of such notice.

11.2 Other undertakings

- (a) Prior to the occurrence of an Event of Default which is continuing, each Chargor shall (subject to the terms of the Instrument) be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account.
- (b) Each Chargor shall promptly deliver to the Security Trustee details of any Account maintained by it unless such details are set out in schedule 9 (*Accounts*) of the Instrument.
- (c) No Chargor shall, without the Security Trustee's prior written consent, permit or agree to any variation of the rights attaching to any Account or close any Account.

11.3 Exercise of rights on Event of Default

On and after the occurrence of an Event of Default which is continuing:

- (a) no Chargor shall be entitled to receive, withdraw or otherwise transfer any credit balance from time to time on any Account except with the prior written consent of the Security Trustee; and
- (b) the Security Trustee shall be entitled without notice to withdraw, apply, transfer or set off any or all of the credit balances from time to time on any Account in or towards payment or other satisfaction of all or part of the Secured Obligations in accordance with Clause 23 (*Application of proceeds*).

12. Investments

12.1 Documents of title relating to Investments

Each Chargor shall, on the date of this Deed or, if later, upon becoming entitled to the relevant Investments, deliver to the Security Trustee:

- (a) all stock and share certificates and other documents of title relating to its Investments; and
- (b) all stock transfer forms (duly executed in blank and left undated) and other documents that the Security Trustee may request in respect of such Investments and in such form as the Lender may require (including declarations of trust in relation to any Investments in which that Chargor has an interest that are not held in its sole name, and forms of waiver of any pre-emption rights necessary to enable such transfers to be registered).

12.2 Voting powers

- (a) Prior to the occurrence of a Voting Event:

- (i) each Chargor may continue to exercise the voting rights, powers and other rights in respect of its Investments (subject to paragraph (b) below); and
 - (ii) if the Investments of a Chargor have been registered in the name of the Security Trustee (or its nominee), the Security Trustee (or its nominee) shall exercise the voting rights, powers and other rights in respect of such Investments in such manner as that Chargor may direct in writing from time to time.
- (b) No Chargor shall exercise any of its voting rights, powers and other rights in respect of its Investments (or direct the Security Trustee (or its nominee) to exercise such voting rights, powers and other rights) in any manner which varies the rights attaching to or conferred by the Investments in any way which could reasonably be expected to adversely effect the interests of the Notes Parties or which could reasonably be expected to prejudice the value of or the ability of the Security Trustee to realise this Security in respect of such Investments.
- (c) Before the occurrence of a Voting Event, voting power (for the purposes of section 435(10) of the Insolvency Act 1986) in respect of its Investments shall remain with the Chargor and shall not pass to the Security Trustee.
- (d) In this Clause 12 "**Voting Event**" in relation to a particular Investment means service of a notice by the Security Trustee (either specifying that Investment or generally in relation to all or a designated class of Investments) on the relevant Chargor on or following an Event of Default which is continuing specifying that control over voting rights are to pass to the Security Trustee.

12.3 Other undertakings

- (a) Prior to the occurrence of an Event of Default which is continuing, each Chargor shall be entitled to receive and retain all Dividends paid or payable in relation to its Investments.
- (b) On and after the occurrence of an Event of Default which is continuing, all Dividends in respect of any of its Investments will be payable to the Security Trustee and may be applied by the Security Trustee in reduction of the Secured Obligations whether or not any such Investment is registered in the name of the Security Trustee or its nominee or in the name of any Chargor or its nominee.
- (c) No Chargor shall nominate any person, other than the Security Trustee (or its nominee), to enjoy or exercise any right relating to any of the Investments whether pursuant to Part 9 of the Companies Act 2006 or otherwise.
- (d) At any time when any Investments of a Chargor have been registered in the name of the Security Trustee (or its nominee), the Security Trustee (or its nominee) will not be under any duty to ensure that any Dividends or other monies payable in respect of such Investments are duly and promptly paid or received by it (or its nominee), or to verify that the correct amounts are paid or received by it (or its nominee), or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of such Investments.

- (e) Prior to the occurrence of an Event of Default, the Security Trustee shall use its reasonable endeavours to forward to the relevant Chargor all material notices, correspondence and other communication it receives in relation to the Investments.
- (f) Each Chargor shall promptly copy to the Security Trustee and comply with all requests for information which are made under the Companies Act 2006 (including, but not limited to, under sections 790D and 790E of the Companies Act 2006) relating to its Investments. If it fails to do so, the Security Trustee may elect to provide such information as it may have on behalf of any Chargor.
- (g) Each Chargor shall indemnify the Security Trustee (or its nominee) against any loss or liability incurred by the Security Trustee (or its nominee) as a consequence of the Security Trustee (or its nominee) acting at the direction of a Chargor in respect of its Investments.
- (h) Each Chargor shall pay when due all calls or other payments that may be or become due in respect of any of its Investments. In the case of a default by a Chargor in such payment, the Security Trustee may make such payment on behalf of that Chargor in which case any sums paid by the Security Trustee shall be reimbursed (together with interest at the rate applicable under Clause 2.3 (*Interest*) for the period from and including the date incurred up to and excluding the date reimbursed) by that Chargor to the Security Trustee on demand.

12.4 Exercise of rights on Voting Event

- (a) On and after the occurrence of a Voting Event, the Security Trustee (or its nominee) may exercise or refrain from exercising any voting rights, powers and other rights in respect of the Investments in each case in the name of a Chargor, the registered holder or otherwise and without any further consent or authority on the part of any Chargor and irrespective of any direction given by a Chargor.
- (b) Each Chargor irrevocably appoints the Security Trustee (or its nominee) as its proxy to exercise all voting rights in respect of the Investments with effect from the occurrence of a Voting Event to the extent that such Investments remain registered in its name.

12.5 Clearance systems

- (a) Each Chargor shall, if so requested by the Security Trustee:
 - (i) instruct or request its nominee or custodian to instruct any clearance system (including, but not limited to, CREST) to transfer any Investment held by it or its nominee or custodian for that Chargor to an account of the Security Trustee or its nominee with that clearance system; and
 - (ii) take whatever action the Security Trustee may request for the dematerialisation or rematerialisation of any Investments held in a clearance system.
- (b) The Security Trustee may, at the expense of each Chargor, take whatever action the Security Trustee considers necessary for the dematerialisation or rematerialisation of the Investments.

12.6 Custodian arrangements

Each Chargor shall:

- (a) promptly give notice of this Deed to any custodian of any Investment in any form which the Security Trustee may reasonably require; and
- (b) use reasonable endeavours to ensure that the custodian acknowledges that notice in any form which the Security Trustee may reasonably require.

13. Insurance

13.1 Cover

Each Chargor shall keep its Real Property and all its other assets which are of an insurable nature insured (with the Security Trustee named as composite insured in respect of its own separate insurable interest under each of the insurances and with the Security Trustee as loss payee in the case of the Real Property) against all risks which a prudent person carrying on a business similar to that of the relevant Chargor would reasonably insure against and against such other risks as the Security Trustee may from time to time specify:

- (a) in the case of assets other than buildings to their full replacement value; and
- (b) in the case of buildings on a full reinstatement basis and against all professional fees, VAT, demolition and site clearance charges and loss of rental and other income derived from such buildings for at least three years.

13.2 Notice of assignment

Each Chargor shall promptly or in relation to any Insurance Policy entered into after the date of this Deed, no later than five Business Days after the date of entry into of such Insurance Policy, give notice of assignment to each insurer in the form set out in Schedule 4 (*Notice of Insurance Assignment*) or such other form as the Security Trustee may approve and shall use all its reasonable endeavours to procure the prompt delivery to the Security Trustee of a duly completed acknowledgement of such notice.

13.3 Other undertakings

- (a) Each Chargor will promptly pay all premiums and take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of each of its Insurance Policies.
- (b) Each Chargor will not amend, waive or terminate any term of any of its Insurance Policies unless permitted by the Instrument.
- (c) Each Chargor shall supply to the Security Trustee on request copies of each of its Insurance Policy together with the current applicable premium receipts.

13.4 Policy endorsements

Each Chargor shall procure that each of its Insurance Policy contains:

- (a) a standard mortgagee clause providing that such insurance shall not be avoided or vitiated as against a mortgagee in the event or as a result of any misrepresentation, act

or neglect or failure to make disclosure on the part of the insured party or in any circumstances beyond the control of the insured party or the mortgagee;

- (b) terms providing that it shall not be invalidated so far as the Security Trustee is concerned by failure to pay any premium due or breach of any other policy term or condition, or otherwise cancelled or allowed to lapse, without the insurers first giving to the Security Trustee not less than 30 days' written notice; and
- (c) a waiver of the rights of subrogation of the insurer as against each Chargor, the Lender, any Receiver and the tenants of the Real Property other than any such rights arising in connection with any fraud or criminal offence committed by any of those persons in respect of the Real Property or any such insurance.

13.5 Proceeds

All money received under any Insurance Policy shall be applied in accordance with the Instrument.

13.6 Leasehold property

If any part of the Security Assets is held by any Chargor under a Lease or subject to a prior Security, this Clause shall apply to the extent compatible with the terms of the relevant Lease or prior Security.

14. Contracts

14.1 Performance

- (a) Each Chargor shall duly and promptly perform its obligations and enforce and diligently pursue its rights under each Material Contract.
- (b) Prior to the occurrence of an Default which is continuing, each Chargor shall remain entitled to exercise its rights and remedies under or in respect of the Material Contracts.
- (c) Each Chargor shall take all reasonable and practicable steps to preserve and enforce its rights and remedies under or in respect of Material Contracts.
- (d) Each Chargor shall give notice to the Security Trustee forthwith in writing of any breach of any Material Contract to which it is a party or right of rescission or termination arising under any such Material Contract together (where such breach is by the Chargor) with its proposals for causing any breach to be remedied and, subject to the Security Trustee's approval of such proposals, forthwith implement them at the relevant Chargor's expense to the satisfaction of the Security Trustee.

14.2 No amendments

Upon and following the occurrence of a Default which is continuing, no Chargor shall without the prior written consent of the Security Trustee:

- (a) amend or waive (or agree to amend or waive) any provision of, or rescind or terminate, any Material Contract;
- (b) exercise any discretion to give consent to any action to be taken by any other party to any Material Contract; or

- (c) do anything which might jeopardise the enforceability of any Material Contract.

14.3 Copies

Each Chargor shall supply to the Security Trustee on request copies of each Material Contract to which it is a party and any other information and documentation relating to any Material Contract.

14.4 No restrictions on assignment or charge

Each Chargor will use its best endeavours to ensure that no Material Contract which it enters into after the date of this Deed shall contain restrictions which would cause it to be excluded from the charges contained in Clauses 4 (*Fixed Security*) or 4.13 (*Floating Security*) or a Supplemental Charge.

14.5 Notice to third parties

Following the entry into of a Supplemental Charge, each Chargor shall, in respect of each Material Contract to which it is a party:

- (a) immediately serve notice of the Supplemental Charge, substantially in the form set out in schedule 2 of the Supplemental Charge (or in such other form requested by the Security Trustee and in form and substance satisfactory to the Security Trustee) on each counterparty to the Material Contract; and
- (b) use its best endeavours to procure that the counterparty promptly delivers to the Security Trustee a duly completed acknowledgement of such notice.

14.6 Supplemental charge

Following the occurrence of a Default that is continuing and upon the request of the Agent, each Chargor shall promptly execute a Supplemental Charge.

14.7 Exercise of rights on Default

On and after the occurrence of a Default which is continuing, the Security Trustee may exercise (without any further consent or authority on the part of the relevant Chargor and irrespective of any direction given by that Chargor) that Chargor's rights and remedies (including direction of any payments to the Security Trustee) under or in respect of any Material Contract.

15. Intellectual Property

15.1 Preservation

Each Chargor shall preserve and maintain the subsistence and validity of the Intellectual Property necessary for its business.

15.2 Infringements

Each Chargor shall prevent any infringement in any material respect of its Intellectual Property and immediately notify the Security Trustee if it becomes aware of any infringement or suspected infringement or any challenge to the validity, enforceability or ownership of its Intellectual Property and supply the Security Trustee with all relevant information in relation to it.

15.3 Registrations

Each Chargor shall make registrations and pay all registration and renewal fees and taxes necessary to maintain its Intellectual Property in full force and effect and record its interest in that Intellectual Property.

15.4 Use of Intellectual Property

No Chargor shall use or permit its Intellectual Property to be used in a way or take any step or omit to take any step in respect of its Intellectual Property which may materially and adversely affect the existence or value of its Intellectual Property or imperil its right to use its Intellectual Property.

15.5 Fees

Each Chargor shall pay all renewal and other fees which may become payable in respect of its Intellectual Property before or as soon as they become due and produce to the Security Trustee on demand a receipt for such fees or other evidence of payment of those fees.

15.6 Not abandon Intellectual Property

No Chargor shall abandon, cancel or allow any of its Intellectual Property to become void, lapse or to become vulnerable to attack for non-use or otherwise.

15.7 Detect infringements

Each Chargor shall use all reasonable endeavours to detect any material infringement of, or challenge to, any of its Intellectual Property and, immediately after becoming aware of such material infringement or challenge, inform the Security Trustee and take such steps at the cost of the relevant Chargor as the Security Trustee shall reasonably consider necessary or desirable in order to protect its Intellectual Property in relation to any infringement of or challenge to any of its Intellectual Property.

15.8 Notification of new Intellectual Property

Each Chargor shall promptly notify the Lender of the creation or acquisition by it of any new Intellectual Property.

15.9 Further assurance

Each Chargor shall promptly and at its own expense take all such steps and execute all such documents as the Security Trustee reasonably requires in relation to the registration of the Security Trustee's interest under this Deed in or in relation to its Intellectual Property or to record the interest of the Security Trustee in any registers relating to any such Intellectual Property.

15.10 Other undertakings

Each Chargor shall promptly provide details to the Security Trustee of any Intellectual Property that the Chargor considers (acting reasonably) is required to conduct its business or any part of it unless such details are set out in Part 3 of Schedule 2 (*Security Assets*).

16. Equipment

- (a) Each Chargor shall maintain a schedule of its Equipment (including serial numbers as applicable and updated from time to time for items of Equipment acquired after the date

of this Deed) in the main site entrance office, including a statement that all items of Equipment are subject to Security created in favour of the Security Trustee pursuant to this deed.

(b) Each Chargor shall, no later than ten Business Days after the date of this Deed, affix a plaque:

(i) in the main site entrance office; and

(ii) on or in close proximity to the entrance to the main production hall,

in each case, which is clearly visible and clearly states that all items of Equipment are subject to Security created in favour of the Security Trustee pursuant to this Deed.

17. Power to remedy

17.1 Security Trustee's powers

If any Chargor fails to comply with any of the covenants or obligations set out in this Deed or fails to perform its obligations affecting the Security Assets, and such failure is not remedied promptly to the satisfaction of the Security Trustee, each Chargor will allow the Security Trustee, its agents or contractors to take such action on behalf of the relevant Chargor as may be necessary to ensure that such covenants and obligations are complied with. Such action may include, but is not limited to:

- (a) entering any Chargor's Real Property and carrying out any repairs or other works which a Chargor has failed to do; and
- (b) taking such action as the Security Trustee considers necessary or appropriate to comply with or object to any notice served on any Chargor in respect of its Real Property,

and the Security Trustee shall not, by taking any such action, become liable as a mortgagee in possession.

17.2 Reimbursement of expenses

Each Chargor shall reimburse the Security Trustee on demand for all reasonable and documented costs and expenses incurred by the Security Trustee in anything done pursuant to the powers contained in Clause 17.1 (*Security Trustee's powers*) together with interest from the date of payment by the Security Trustee until the reimbursement calculated in accordance with Clause 2.3 (*Interest*).

18. When Security becomes enforceable

18.1 Timing

This Security shall become immediately enforceable if:

- (a) an Event of Default occurs and is continuing; or
- (b) any Chargor requests the Security Trustee to exercise any of its powers under this Deed.

18.2 Enforcement

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

19. Enforcement of Security

19.1 Security Trustee's powers

Immediately upon this Security becoming enforceable or at any time thereafter the Security Trustee may do all or any of the following:

- (a) exercise the power of sale and all other rights, powers and discretions conferred on mortgagees by section 101 of the Act as varied or extended by this Deed;
- (b) appoint one or more qualified persons as an Administrator of any Chargor (to act together or independently of any others so appointed) in accordance with schedule B1 to the Insolvency Act 1986, and for this purpose "qualified person" means a person who, under the Insolvency Act 1986, is qualified to act as an administrator of any company with respect to which he is appointed;
- (c) subject to section 72A of and paragraph 43 of schedule A1 to the Insolvency Act 1986, appoint one or more persons as a Receiver of all or any part of the Security Assets;
- (d) exercise all the rights, powers and discretions conferred on a Receiver by this Deed, the Act, the Insolvency Act 1986 or otherwise by law, without first appointing a Receiver or notwithstanding the appointment of a Receiver;
- (e) by notice to any Chargor end that Chargor's right to possession of all or any of its Real Property and enter into possession of all or such part of such Real Property;
- (f) exercise all other powers conferred on mortgagees or receivers by law;
- (g) to the extent that this Deed constitutes a "security financial collateral arrangement" as defined in the Regulations, without notice to the relevant Chargor, appropriate any Security Asset which constitutes "financial collateral" as defined in the Regulations in or towards satisfaction of the Secured Obligations and for this purpose the value of the financial collateral so appropriated shall be:
 - (i) in the case of cash, the amount standing to the credit of each relevant account together with any accrued but unposted interest at the time the right of appropriation is exercised;
 - (ii) in the case of any Investment, the market price of such Investment at the time the right of appropriation is exercised determined by the Security Trustee in a commercially reasonable manner (including by reference to a public index or independent valuation or other procedure selected by the Security Trustee acting reasonably); and
 - (iii) in the case of any other Security Asset, such amount as the Security Trustee determines having taken into account advice obtained by it from an independent investment or accounting firm of national standing selected by it.

Each Chargor agrees that the methods of valuation provided for in this clause are commercially reasonable for the purposes of the Regulations.

19.2 Consideration on a disposal

The consideration for any sale or other disposal of the Security Assets by the Security Trustee or any Receiver in the exercise of their respective powers may (in addition to that permitted under the Act on a sale by a mortgagee) consist of cash, shares, securities, debentures or other valuable consideration, may fluctuate according to or dependent upon profit or turnover or be determined by a third party, and may be payable in a lump sum or in instalments (with or without security).

19.3 Leasing

The statutory powers of leasing conferred on the Security Trustee are extended so as to authorise the Security Trustee to lease, make agreements for leases, accept surrenders of leases and grant options as the Security Trustee may think fit and without the need to comply with any provision of sections 99 or 100 of the Act, and may be exercised by the Security Trustee at any time after this Security has become enforceable. Any lease granted will bind any holder of a subsequent Security deriving title under the Security Trustee.

19.4 Protection of third parties

No person (including a purchaser) dealing with the Security Trustee or a Receiver will be concerned to enquire:

- (a) whether the Secured Obligations have become payable;
- (b) whether any right or power which the Security Trustee or a Receiver is purporting to exercise has arisen or become exercisable;
- (c) whether any money remains due under this Deed or the other Notes Documents;
- (d) how any money paid to the Security Trustee or to a Receiver is to be applied; or
- (e) as to the propriety or regularity of such dealings.

19.5 Redemption of prior mortgages

At any time after this Security has become enforceable, the Security Trustee may redeem any prior Security against any Security Asset, and/or procure the transfer of that Security to itself, and/or settle and pass the accounts of the prior mortgagee, chargee or encumbrancer. Any accounts so settled and passed shall be conclusive and binding on the relevant Chargor. All principal moneys, interest, costs, charges and expenses of and incidental to any such redemption and/or transfer shall be paid by the relevant Chargor to the Security Trustee on demand and form part of the Secured Obligations.

19.6 Cash cover

After this Security has become enforceable each Chargor shall, immediately on demand, provide to the Security Trustee full cash cover for any contingent liabilities forming part of the Secured Obligations including liabilities arising in respect of bills of exchange or promissory notes accepted, endorsed or discounted and bonds, guarantees, indemnities, documentary or other credits or other instruments from time to time entered into by the Security Trustee.

19.7 Receipts

The receipt of the Security Trustee or the Receiver shall be an absolute and a conclusive discharge to a purchaser and shall relieve it of any obligation to see to the application of any moneys paid to or by the direction of the Security Trustee or the Receiver.

19.8 General

- (a) For the purposes of all rights, powers and discretions implied by statute or arising by law, the Secured Obligations are deemed to have become due and payable on the date of this Deed.
- (b) The power of sale and all other powers conferred on mortgagees by section 101 of the Act as varied or extended by this Deed shall arise on the execution of this Deed by the Chargors.
- (c) 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.
- (d) The power to appoint a Receiver pursuant to Clause 19.1 (*Security Trustee's powers*) is in addition to the power to appoint a Receiver under section 101 of the Act. Section 109(1) of the Act does not apply to this Deed.

20. Receiver

20.1 Appointment

Any appointment of a Receiver by the Security Trustee shall be by deed or in writing under its hand.

20.2 Extension of appointment

If a Receiver is appointed of part of the Security Assets, the Security Trustee may subsequently extend the appointment to all or any other part of the Security Assets or appoint another Receiver of any other part of the Security Assets.

20.3 Removal

The Security Trustee may by writing under its hand or by deed (subject to any requirement for an order of the court in the case of an administrative receiver):

- (a) remove any Receiver appointed by it; and
- (b) whenever it deems it expedient, appoint a new Receiver to be an additional Receiver or in the place of any Receiver whose appointment may for any reason have terminated.

20.4 Remuneration

The Security Trustee may appoint any Receiver upon such terms as to remuneration and otherwise as the Security Trustee thinks fit, and the maximum rate specified in section 109(6) of the Act will not apply.

20.5 Payments to the Security Trustee

Only monies actually paid by a Receiver to the Security Trustee in satisfaction or discharge of the Secured Obligations shall be capable of being applied by the Security Trustee for that purpose.

20.6 Agent of Chargor

Each Receiver shall be the agent of each Chargor for all purposes and accordingly is deemed to be in the same position as a Receiver duly appointed by a mortgagee under the Act. Each Chargor alone shall be responsible for his remuneration and for his contracts, engagements, acts, omissions, defaults and losses and for liabilities incurred by him and the Security Trustee shall not incur any liability (either to any Chargor or to any other person) by reason of the Security Trustee making his appointment as a Receiver or for any other reason. If a liquidator is appointed in respect of any Chargor, the Receiver shall act as principal and not as agent of the Security Trustee.

20.7 Receivers of the same assets

If at any time any two or more persons appointed by the Security Trustee hold office as Receivers of the same assets or income, each of them may (unless otherwise stated in the instrument(s) appointing them) exercise all rights, powers and discretions conferred on Receivers by this Deed individually and to the exclusion of the other or others of them.

21. Powers of Receiver

21.1 General powers

A Receiver has (subject to any limitation or restriction expressed in the instrument appointing him) all the rights, powers and discretions set out below in this Clause 21 in addition to those conferred on the Receiver by any law or otherwise conferred by this Deed. Such rights, powers and discretions include (without limitation):

- (a) in the case of an administrative receiver all the rights, powers and discretions conferred on an administrative receiver under the Insolvency Act 1986;
- (b) otherwise, all the rights, powers and discretions conferred on a receiver (or receiver or manager) under the Act or the Insolvency Act 1986.

21.2 Possession

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

21.3 Comply with undertakings

A Receiver may comply with and perform all of the undertakings and covenants of any Chargor contained in this Deed.

21.4 Carry on business

A Receiver may carry on, manage, develop, amalgamate, reconstruct or diversify the whole or any part of any Chargor's business and, where that Chargor has one or more Subsidiaries, may supervise, control and finance any such Subsidiary or business.

21.5 Building operations

A Receiver may commence and/or complete any building operations or development on any Real Property subject to any of this Security and apply for and obtain any planning permissions, building regulation approvals and any other permissions, consents or licences, and may appoint and enter into contracts with building and engineering contractors or other contractors or professional advisors, in each such case as he may think fit.

21.6 Repairs

A Receiver may repair, decorate, maintain, furnish, alter or improve the Security Assets.

21.7 Borrow money

A Receiver may raise or borrow money either unsecured or on the security of any Security Asset either in priority to this Security or otherwise and generally on such terms as he may think fit.

21.8 Subsidiaries

A Receiver may form a Subsidiary of any Chargor and transfer any Security Asset to that Subsidiary on such terms and conditions as he thinks fit.

21.9 Leasehold property

If the Real Property subject to any of this Security is leasehold a Receiver may vary the terms of or surrender the lease and/or take a new lease of such Real Property on such terms as he may think fit. Any such new lease shall automatically be charged to the Security Trustee on the terms of this Deed so far as applicable, but a Receiver shall if requested by the Security Trustee execute a formal legal charge over such new lease in favour of the Security Trustee in such form as the Security Trustee may require.

21.10 Power of sale

A Receiver may sell, transfer, assign, exchange, hire out, lend or otherwise convert into money or realise or dispose of the Security Assets or concur in any of the same, either by public auction or private contract or in any other manner, and generally in such manner and on such terms and conditions and for such consideration as he may think fit. Equipment, other than landlord's fixtures (where the Real Property subject to this Security is leasehold), may be severed and sold separately from such Real Property.

21.11 Leases

A Receiver may grant Leases of Real Property subject to this Security for any term and at any rent, with or without a premium, and otherwise on such terms and conditions as he may think fit and may accept surrenders of such Leases on such terms as he may think fit, with or without a premium to or by any tenant or other person.

21.12 Transfers and other disposals

A Receiver may carry any sale, letting or other disposal into effect by transferring, letting or otherwise making such disposal in the name of the relevant Chargor and for that purpose may give valid receipts for all moneys and enter into covenants and contractual obligations in the name of and so as to bind that Chargor.

21.13 Legal actions

A Receiver may bring, prosecute, enforce, defend and abandon all actions, suits and proceedings in relation to the Security Assets or the business of any Chargor as he may think fit.

21.14 Obligations in relation to the Security Assets

A Receiver may enter into, perform, repudiate, rescind, rectify or vary contracts, bonds, covenants, commitments, guarantees, indemnities and similar matters in relation to the Security Assets and may make all payments needed to effect, maintain, perform or satisfy any of the same.

21.15 Settle disputes

A Receiver may settle, adjust, refer to arbitration, compromise and arrange any claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of any Chargor or relating in any way to the Security Assets.

21.16 Insurance

A Receiver may effect such insurances of or in connection with the Security Assets as he may think fit.

21.17 Employees

A Receiver may engage or employ or dismiss managers, officers, contractors, agents, servants, workmen and others for any of the purposes referred to in this Clause 20 upon such terms as to remuneration or otherwise as he may think fit.

21.18 Prior Security

A Receiver may redeem, discharge or compromise any prior Security and settle the account of encumbrances on such terms as he may think fit.

21.19 Act in Chargor's name

A Receiver may do all acts and execute in the name and on behalf of any Chargor, any deed, receipt or other document.

21.20 VAT

A Receiver may make such elections, registrations and applications for VAT purposes as he may think fit, and may do so in, or use any Chargor's name, for any such purpose.

21.21 Credit and guarantees

A Receiver may lend money or extend credit to any customer of any Chargor, enter into bonds, covenants, commitments, guarantees, indemnities or like matters and make all requisite payments to effect, maintain or satisfy the same.

21.22 Other acts

A Receiver may do all other acts and things which he may consider to be necessary, expedient or desirable for preserving, improving or realising any Security Asset or the getting in and collection of the Security Assets (or any assets which when got in would constitute Security

Assets) or which are incidental or conducive to any of the rights, powers and discretions conferred on a Receiver by or pursuant to this Deed or by law.

21.23 Other powers

A Receiver may exercise in relation to the Security Assets all powers, authorities and things which he could exercise if he were the absolute beneficial owner of the Security Assets.

22. Exclusion of liability

22.1 No obligation to recover

Neither the Security Trustee nor any Receiver is under any obligation to take action to collect any money or enforce any rights comprised in the Security Assets whether or not it is in possession of the relevant Security Assets.

22.2 No liability as mortgagee in possession

Neither the Security Trustee nor any Receiver shall be liable, by reason of entering into possession of the Security Assets to account as mortgagee or be liable for any loss on realisation or for any default or omission for which a mortgagee might be liable.

22.3 Possession

If the Security Trustee or any Receiver shall take possession of the Security Assets it or he may at any time go out of possession. Each Chargor will remain liable to observe and perform all conditions and obligations relating to its Security Assets.

22.4 Losses on enforcement

The Security Trustee or any Receiver will not be liable to any Chargor for any loss or damage arising from:

- (a) any sale of any Security Asset;
- (b) any act, default or omission of the Security Trustee or any Receiver in relation to any Security Asset; or
- (c) any exercise or non-exercise by the Security Trustee or any Receiver of any power conferred upon it in relation to any Security Asset by or pursuant to this Deed or by the Act,

unless such loss or damage is caused by the fraud, gross negligence or wilful misconduct of the Security Trustee or any Receiver.

23. Application of proceeds

23.1 Order of application

Subject to any claims having priority to this Security all money recovered by the Security Trustee or any Receiver as a result of the enforcement of this Deed or otherwise by reason of this Security will be applied in the following order:

- (a) in payment of all costs, fees, taxes and expenses incurred by the Security Trustee or any Receiver in or pursuant to the exercise of the powers set out in this Deed and all other outgoings properly payable by any Receiver;
- (b) in payment of remuneration to any Receiver;
- (c) in or towards payment of the Secured Obligations; and
- (d) the balance (if any) will be applied as required by law.

The Security Trustee may at any time vary such order in its absolute discretion.

23.2 Contingent or future liabilities

If any money is received by the Security Trustee or a Receiver as a result of the enforcement of or otherwise by reason of this Security at a time when the Secured Obligations include contingent or future liabilities the Security Trustee or any Receiver may hold some or all of such money in an interest bearing suspense account.

23.3 Insurance moneys

Any insurance moneys received by a Receiver deriving from any Insurance Policy which form part of the Security Assets shall be applied in accordance with Clause 13.5 (*Proceeds*) and section 109(8) of the Act shall not apply.

24. Expenses and payments

24.1 Enforcement and preservation costs

All costs and expenses (including legal fees), charges and liabilities incurred in connection with the negotiation, preparation, printing, execution, registration and perfection, enforcement of, or the preservation of any rights under, this Deed by the Security Trustee or any Receiver shall be paid by the Chargor to the Security Trustee in accordance with the provisions of clause 22 (*Costs and fees*) of the Instrument.

24.2 Indemnity

Each Chargor shall indemnify the Security Trustee and any Receiver upon demand against all liabilities, claims and expenses whether arising out of contract or in tort or in any other way which may at any time be incurred by any of them in connection with this Deed or for anything done or omitted to be done in the exercise or purported exercise of their powers pursuant to this Deed unless such liabilities, claims and expenses are caused by the fraud, gross negligence or wilful default of the Security Trustee or such Receiver.

24.3 Stamp taxes

Each Chargor shall pay and, within three Business Days of demand, indemnify and/or secure the Security Trustee and any Receiver against any cost, loss or liability the Security Trustee or Receiver incurs in relation to all stamp duty, stamp duty land tax, registration and other similar taxes payable in respect of or in connection with the entry into, performance or enforcement against any Chargor of this Deed.

24.4 VAT

Where this Deed requires any Chargor to reimburse or indemnify and/or secure the Security Trustee or any Receiver for any costs or expenses that Chargor shall at the same time pay and indemnify and/or secure the Security Trustee or any Receiver against all VAT incurred by the Security Trustee or any Receiver in respect of the costs and expenses to the extent that the Security Trustee or any Receiver determines that it is not entitled to credit or repayment of the VAT. All amounts payable by any Chargor under this Deed are exclusive of VAT. Each Chargor will, in addition, pay any applicable VAT on those amounts.

25. Delegation of powers by Security Trustee or Receiver

25.1 Delegation

The Security Trustee and (to the fullest extent permitted by law) any Receiver may delegate by power of attorney or in any other manner to any person any right, power or discretion exercisable by it under this Deed. Any such delegation may be made upon the terms (including power to sub-delegate) and subject to any conditions or regulations which the Security Trustee or Receiver (as the case may be) may think fit.

25.2 No liability for delegates

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

25.3 Construction of this Deed

References in this Deed to the Security Trustee or a Receiver shall be deemed to include references to any delegate of the Security Trustee or Receiver appointed in accordance with this Clause 25.

26. Further assurance

When required by the Security Trustee or any Receiver each Chargor shall, at its own cost:

- (a) execute an assignment of its Intellectual Property in such form as the Security Trustee or any Receiver from time to time requires;
- (b) execute a charge by way of legal mortgage, assignment by way of security or fixed charge over any assets of the Chargor and such legal mortgage, assignment or charge shall secure the Secured Obligations and contain a power of sale which arises immediately upon execution, provisions excluding section 93 of the Act and the restrictions contained in section 103 of the Act and such other provisions including any similar to those in this Deed as the Security Trustee may reasonably require;
- (c) execute any documents or do any other thing which the Security Trustee or any Receiver may require for perfecting or protecting any Security created or intended to be created by this Deed or in connection with the exercise of any rights, powers or discretions given to the Security Trustee or any Receiver under this Deed; and
- (d) convey, transfer, assign or otherwise deal with any Security Assets in such manner as the Security Trustee or any Receiver may require in connection with any enforcement of any of this Security.

27. Power of attorney

27.1 Grant of power of attorney

Each Chargor, by way of security, irrevocably and severally appoints the Security Trustee and each Receiver to be its attorney in its name and on its behalf to take any action which that Chargor is or may be obliged to take under or pursuant to this Deed or which the Security Trustee or any Receiver in its or his sole and absolute discretion considers to be requisite, expedient or appropriate in order to carry any sale, lease or other disposal into effect, or to execute any deed, document or instrument, or to convey or transfer any legal estate or other interest in any asset, or to get in the Security Assets, or generally to enable the Security Trustee or a Receiver to exercise the respective rights, powers and discretions conferred on them by or pursuant to this Deed or by law.

27.2 Ratification

Each Chargor agrees to ratify and confirm whatever any such attorney shall do, or attempt to do, in the exercise or purported exercise of the power of attorney granted under this Clause 27.

27.3 Appropriation

The power of attorney conferred on the Security Trustee and each Receiver shall continue notwithstanding the exercise by the Security Trustee of any right of appropriation pursuant to Clause 19.1 (*Security Trustees' powers*).

28. Non-release provisions

28.1 Waiver of defences

The obligations and liabilities of any Chargor under this Deed and this Security will not be affected by an act, omission or thing (whether or not known to it or the Security Trustee) which, but for this Clause, would reduce, release or prejudice any of such obligations and liabilities or Security including:

- (a) any time, waiver or consent granted to, or composition with, any Chargor or other person;
- (b) the release of any Chargor or any other 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 property of, any other Chargor or other 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 other Chargor or any other person;
- (f) any amalgamation, merger or reconstruction of the Security Trustee with any other person or any sale or transfer of the whole or any part of the assets of the Security Trustee to any other person;

- (g) the existence of any claim, set-off or other rights which any other Chargor may have at any time against the Security Trustee, whether in connection with the Notes Documents or otherwise;
- (h) any novation, amendment (however fundamental) or replacement of a Notes Document or any other document or Security;
- (i) any obligation of any person under any Notes Document or any other document or Security being void, voidable, invalid, unenforceable or otherwise irrecoverable; or
- (j) any insolvency or similar proceedings.

28.2 Immediate recourse

Each Chargor waives any right it may have of first requiring the Security Trustee to proceed against or enforce any other rights or Security or claim payment from any person before enforcing this Security. This waiver applies irrespective of any law or any provision of a Notes Document to the contrary.

28.3 Appropriations

During the Security Period the Security Trustee may:

- (a) refrain from applying or enforcing any moneys, Security or rights held or received by it (or any trustee or agent on its behalf) in respect of the Secured Obligations, or, subject to Clause 23 (*Application of proceeds*), apply and enforce the same in such manner and order as it sees fit (whether against the Secured Obligations 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 moneys received from any Chargor for or on account of the Secured Obligations.

28.4 Deferral of Chargors' rights

Until the expiry of the Security Period and unless the Security Trustee otherwise directs, no Chargor will exercise any rights which it may have by reason of the enforcement of this Deed to:

- (a) be indemnified by any other Chargor;
- (b) claim any contribution from any other Chargor or any other person in respect of any obligations and liabilities of that person under the Notes Documents;
- (c) take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Security Trustee under the Notes Documents or of any other guarantee or security taken pursuant to, or in connection with, the Notes Documents by the Security Trustee;
- (d) bring legal or other proceedings for an order requiring the Chargors to make any payment, or perform any obligation, in respect of which the relevant Chargor has given Security under this Deed;
- (e) exercise any right of set-off against a Chargor;
- (f) exercise any right of quasi-retainer or other analogous equitable right; and/or

- (g) claim or prove as a creditor of a Chargor in competition with the Security Trustee.

28.5 Turnover

If any Chargor receives any benefit, payment or distribution in relation to the rights referred to in Clause 28.4 (*Deferral of Chargors' rights*) it shall hold that benefit, payment or distribution on trust for the Security Trustee and shall promptly pay or transfer the same to the Security Trustee or as the Security Trustee may direct for application in or towards discharge of the Secured Obligations.

29. Release and recourse

29.1 Release of Security Assets

Upon the expiry of the Security Period (but not otherwise), the Security Trustee shall, at the request and cost of the relevant Chargor:

- (a) take whatever action is necessary to release the Security Assets from, and/or to cancel, this Security; and
- (b) reassign or procure the reassignment to that Chargor of the assets assigned by it to the Security Trustee pursuant to this Deed,

in each case subject to Clause 29.2 (*Releases conditional*) and without recourse to, or any representation or warranty by, the Security Trustee or any of its nominees.

29.2 Releases conditional

Any settlement, release or discharge under this Deed between the Security Trustee and any Chargor will be conditional upon no security or payment to the Security Trustee by that Chargor or any other person being avoided or set aside or ordered to be refunded or reduced by virtue of any provision or enactment relating to bankruptcy, winding-up, administration or insolvency for the time being in force, and if such condition is not satisfied, the Security Trustee will be entitled to recover from the relevant Chargor on demand the value of such security or the amount of any such payment as if such settlement, release or discharge had not occurred and/or to enforce this Security to the full extent of the Secured Obligations. The Security Trustee may concede or compromise any claim that any payment, security or disposition is liable to avoidance, refund or reduction.

30. Benefit of this Deed

30.1 Assignment by the Security Trustee

- (a) The Security Trustee may at any time assign or transfer all or any part of its rights, and/or obligations under this Deed without the consent of the Chargor to any successor appointed in accordance with the Notes Documents.
- (b) Each Chargor:
 - (i) agrees to be bound by the terms of clause 27 (*Changes to the Parties*) of the Security Trust and Agency Appointment Deed;
 - (ii) agrees to enter into any documents specified by the Security Trustee to be necessary or desirable to give effect to such assignment or transfer; and

- (iii) authorises the Security Trustee to execute on its behalf any such document the Security Trustee considers necessary or desirable in relation to the creation, perfection or maintenance of this Security and any assignment or transfer contemplated by such provisions.

30.2 No assignment by the Chargor

No Chargor may assign or transfer all or any part of its rights and/or obligations under this Deed.

30.3 Disclosure of information

The Security Trustee may disclose to:

- (a) any person to (or through) whom it assigns or transfers (or may potentially assign or transfer) this Security or all or any of its rights and obligations under this Deed;
- (b) any Receiver or proposed replacement or additional Receiver;
- (c) any person with (or through) whom it enters into (or may potentially enter into) any arrangement in relation to, or any other transaction under which payments are to be made by reference to, the Secured Obligations; or
- (d) any person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation,

any information about any Chargor and this Deed as the Security Trustee shall consider appropriate.

30.4 Change in name or constitution

This Deed shall remain valid and enforceable notwithstanding any change in the name, composition or constitution of any party or any merger, amalgamation or consolidation of such party with any other corporation or any reconstruction or reorganisation of any kind.

31. Notices

31.1 Communications in writing

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

31.2 Addresses

The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Chargor and the Security Trustee for any communication or document to be made or delivered under or in connection with this Deed is that identified with its name below (or in the case of any assignee or transferee at its address given in the relevant Accession Deed) or any substitute address or email address or department or officer as the relevant Chargor may notify to the Security Trustee by not less than five Business Days' notice.

- (a) *Chargors*

Address:

Aberpergwm Colliery
Engine Cottage Site

Glynneath
Neath
West Glamorgan
SA11 5AJ

Attention: Morgan Rhidian Davies

Email: rhidian.davies@energybuild.co.uk

keith.calder@caldersite.co.uk

(b) *The Security Trustee*

Address:

Dominican House
4 Priory Court
Pilgrim Street
London EC4V 6DE

Attention: Andreas Tretzmüller

Amanda Callaghan

Email: tretzmuller@tenaxcapital.com

callaghan@tenaxcapital.com

31.3 Delivery

Any communication or document made or delivered by the Security Trustee to any Chargor under or in connection with this Deed will only be effective:

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

31.4 English language

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

32. Miscellaneous

32.1 Continuing security

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

32.2 Additional Security

This Security is in addition to and is not in any way prejudiced by any bill, note, guarantee, indemnity or other Security now or subsequently held by the Security Trustee for any of the Secured Obligations.

32.3 New accounts

If the Security Trustee receives, or is deemed to be affected by, notice, whether actual or constructive, of any subsequent Security or other interest affecting any Security Asset and/or the proceeds of sale of any Security Asset, or this Security for any reason ceases to be a continuing security in respect of any Chargor, the Security Trustee may open a new account for that Chargor. If the Security Trustee does not open a new account, it shall nevertheless be treated as if it had done so at the time when it received or was deemed to have received notice. As from that time all payments made to the Security Trustee will be credited or be treated as having been credited to the new account and will not operate to reduce any amount for which this Deed is security.

32.4 No deduction or withholding

All payments made by any Chargor to the Security Trustee under this Deed shall (save insofar as required by law to the contrary) be paid in full without set-off or counterclaim and free and clear of and without any deduction or withholding or payment for or on account of any present or future tax, levy, duty, impost or other charge or withholding of a similar nature. If any Chargor shall be required by law to effect any such deduction or withholding or payment that Chargor shall immediately pay to the Security Trustee such additional amount as will result in the immediate receipt by the Security Trustee of the full amount which would otherwise have been received had no such deduction or withholding or payment been made.

32.5 Set-off

The Security Trustee may set off any matured obligation owed by any Chargor to the Security Trustee against any obligation (whether or not matured) owed by the Security Trustee to that Chargor regardless of the place of payment, or currency of either obligation. If the obligations are in different currencies, the Security Trustee may convert either obligation at a market rate of exchange for the purpose of the set-off in an amount estimated by it in good faith to be the amount of that obligation.

32.6 Remedies

No failure to exercise, nor any delay in exercising, on the part of the Security Trustee, any right or remedy under this Deed, 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 in this Deed are cumulative and not exclusive of any rights or remedies provided by law.

32.7 Waivers

A waiver given or consent granted by the Security Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

32.8 Partial invalidity

If, at any time, any provision of this Deed is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

32.9 Amendments

Any term of this Deed may be amended, varied or supplemented with the consent of the Security Trustee and the Chargor and by an instrument in writing signed by the parties to this Deed and any such amendment, variation or supplement will be binding on the Security Trustee and the Chargor.

32.10 Certificates and determinations

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

32.11 Accounts

In any litigation or arbitration proceedings arising out of or in connection with this Deed, the entries made in the accounts maintained by the Security Trustee are *prima facie* evidence of the matters to which they relate.

32.12 Currency

- (a) In this Clause, the "**Spot Rate**" means the Security Trustee's spot rate of exchange for the purchase of any currency with any other currency in the London foreign exchange market.
- (b) The Security Trustee may convert any moneys received, recovered or realised in any currency under this Deed (including the proceeds of any previous conversion under this Clause) from their existing currency into any other currency, by purchasing that other currency at the Spot Rate.
- (c) If any Chargor fails to pay any sum under this Deed on the due date, the Security Trustee may, without notice to that Chargor, purchase at the Spot Rate any currency which the Security Trustee considers necessary or desirable to cover the liabilities of that Chargor to pay that sum.

32.13 Currency indemnity

- (a) If any sum due from any Chargor under this Deed (a "**Sum**"), or any order, judgment or award given or made in relation to a Sum, has to be converted from the currency (the "**First Currency**") in which that Sum is payable into another currency (the "**Second Currency**") for the purpose of:
 - (i) making or filing a claim or proof against the Chargor; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

each Chargor shall as an independent obligation, within three Business Days of demand, indemnify and/or secure the Security Trustee against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to the Security Trustee at the time of its receipt of that Sum.

- (b) Each Chargor waives any right it may have in any jurisdiction to pay any amount under this Deed in a currency or currency unit other than that in which it is expressed to be payable.

32.14 Counterparts

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

33. Governing law

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

34. Enforcement

34.1 Jurisdiction

- (a) The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed (including a dispute regarding the existence, validity or termination of this Deed or any non-contractual obligations arising out of or in connection with this Deed) (a "**Dispute**").
- (b) The Security Trustee and each Chargor agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly neither of them will argue to the contrary.
- (c) This Clause 34.1 is for the benefit of the Security Trustee only. As a result, the Security Trustee shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Security Trustee may take concurrent proceedings in any number of jurisdictions.

34.2 Waiver of immunity

Each Chargor irrevocably and unconditionally:

- (a) agrees not to claim any immunity from proceedings brought by the Security Trustee against that Chargor in relation to this Deed and any non-contractual obligations arising out of or in connection with it 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; and
- (c) waives all rights of immunity in respect of it or its assets.

EXECUTED as a deed and delivered by each Chargor and signed on behalf of the Security Trustee on the date stated at the beginning of this document.

Schedule 1

Chargors

Name	Registered Number
Energybuild Limited	04770293
Energybuild Resources Limited	11091702
Energybuild Mining Limited	04934085
Mineral Extraction and Handling Limited	03258359

Schedule 2

Security Assets

Part 1 – Equipment

Chargor	Item	No of items	Serial Number
Energybuild Limited	Bucyrus RH25 roadheaders in the New Drift	3	RH 25-482R2
Energybuild Limited	LH1300 in the New Drift	1	RH24-3 477R4
Energybuild Limited	Eimco 627 crawler mounted loaders	3	RH25L – Roadheader
Energybuild Limited	Eimco bucket loader	1	DLH-1300AR1000
Energybuild Limited	913 bucket loader	1	No. 7,9,10
Energybuild Limited	912 FSVs	5	625B
			LH00074
Capital Equipment Assets / Equipment List as per Energybuild Valuation Report updated 1st April 2020			
Energybuild Limited	Dosco MK 3 Road header within the New Drift	1	LMSSU43868
Energybuild Limited	Joy Quad Bolter within the Nine Feet Seam	4	LMS43859
Energybuild Limited	Joy 12cm15 Continuous Miner within the Nine Feet Seam	1	QDS 43850
Energybuild Limited	Webster CP90 at the surface	1	ODSSU43832
Energybuild Limited	Eimco 912 FSV at the surface	2	
Energybuild Limited	Dosco LH1400 within the West Return	1	
Energybuild Limited	Joy Shuttle Car 10SC32 within the Nine Feet Seam	2	DMK3 1000HDR
Energybuild Limited	Joy Feeder Breaker BF14 within the Nine Feet Seam	1	A2 143

Energybuild Limited	Joy 12cm12 Continuous Miner in transit in Norway	1	RT144
Energybuild Limited	Joy Feeder Breaker BF14 at the surface	1	A1147
Energybuild Limited	Joy Shuttle Car 10SC32 at the surface	1	A3148
Energybuild Limited	Joy Shuttle Car 10SC32 in transit in Norway	3	12CM15-10D
Energybuild Limited	Joy Feeder Breaker BF14 in transit in Norway	1	187
			SU 43832
Parnaby 400 TPH Dense Medium Washery System as per Energybuild Valuation Report dated February 2019 consisting of:			
Energybuild Limited	A01 Dump Hopper suitable of 400t/h minus 200mm Parnaby A02 Raw Coal Conveyor 45 Allowance of 68 m Parnaby A03 Belt Weigher 5amp Siemens A04 Magnet 5.5 Eriez A05 Metal Detector 5amp Eriez A06 Binder Screen 30 Double deck to remove 6mm Binder A07 Twin roll crusher 110 standard case twin roll Parnaby A08 Feeder 7.5 6m x 1m wide Parnaby A09 Dry Fines Transfer Conveyor 11 20m allowance Transfer Parnaby A10 Raw Coal Conveyor 30 32 m Parnaby A11 Crushed RC Return Conveyor 22 31 m crs. B01 Desliming Screen 37 3.0 x 8.8 banana Vibromech B02 Cyclone Feed tank Constant volume tank Parnaby B03 Cyclone Feed Pump 315 Warman 12/10 FFG		

	Warman B04 Dense Medium Cyclone Multotec Max1000-20-1-XA-AB Multotec B05 Sieve Panel Parnaby B06 Coal Product Screen 37 3 x 8.8m Medium Recovery Screen Vibromech B07 Sieve Panel Parnaby B08 Discard Screen 30 2.4 x 6.1 Medium Recovery Screen Vibromech B09 Small Coal Centrifuge 45 Tema HSG 1300 Tema B10 Small Coal Collection Conveyor 22 35m crs. Parnaby B11 Small Coal Stockpile Conveyor 30 (re: <8mm) 46m crs. Parnaby B12 Discard Collection Conveyor 30 36m crs. Parnaby B13 Small Coal CM Tank Parnaby B14 Small Coal CM Pump 150 Warman 12/10 EEM Warman B15 Density Detector Ramsey B16 Headbox Parnaby B17 Small Coal DM tank Parnaby B18 Small Coal DM Pump 30 8/6 EAH Warman B19 Headbox Parnaby B20 Magnetic Separator 3 36"x120" Eriez B21 Magnetic Separator 3 36"x120" Eriez B22 Overdense Tank Parnaby B23 Overdense Pump 30 4/3 CAH Warman B24 Headbox Parnaby B25 Fines Clean up sump pump 15 65QVSP Warman	
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	B26 Magnetite Clean up sump pump 15 65QVSP Warman B27 Belt Weigher 5amp Cleaned Coal Conveyors Siemens B28 Magnetite Mixing sump pump 15 65QVSP Warman B29 Ash Monitor 5amp Scan Tech B30 Modular support Parnaby B31 Modular access Parnaby B32 Modular Piping Parnaby B33 Transfer tank Parnaby B34 Transfer Pump 30 Warman 8/6 EAH Warman B35 Additional screen (CC sizing) 22 2-deck screen Finedoor B36 Additional screen (CC sizing) 11 2-deck screen Finedoor B37 Product conveyors minus 14 plus 8 Parnaby B38 Product conveyors minus 22 plus 14 Parnaby B39 Product conveyors minus 45 plus 22 Parnaby B40 Product conveyors minus 65 plus 45 Parnaby C01 Fines Collection Tank Parnaby C02 Classifying Cyclone Feed Pump 75 Warman 8/6 EAH Warman C03 Classifying Cyclones 350mm Dia Cyclones Parnaby C04 Bank of Spirals 10 off twin start spirals SWM C05 Cleaned coal tank Parnaby C06 Secondary Classifying pump 45 6/4 DAH Warman C07 Secondary Cyclones Mozley C08 Vibratory Sieve bend Parnaby	
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	C09 High G centrifuge 55 + 0.75 Tema C10 Fines Clean up sump pump 15 100RVSP Warman C11 Vibratory Sieve bend Parnaby C12 Fine Discard dewatering Screen 2 x3.9 5 x 10' Parnaby C13 Modular Support structure Parnaby C14 Modular access Parnaby C15 Modular piping Parnaby D01 Thickener 3 10m Dia Thickener Parnaby D02 Clarified Water Tank 80m3 Capacity tank Parnaby D03 Clarified Water pump 90 VSD 8/6 EAH Warman D04 Thickener underflow pump 15 100RVSP Warman D05 Buffer tank 11 Parnaby D06 Extraction pump 11 VSD 4/3 CAH Warman D07 3m Mk VI Press 5.5VSD Parnaby D08 Filtercake Collection Conveyor 5.5 Parnaby D09 Filtercake Stacking Conveyor 5.5 Parnaby D10 Anionic Flocculent Mix and Dose 5-amp Sodi Scientifica powder system Sodi D11 Cationic Mix and Dose system 5 amp D12 Spray Water Pump 22 4/3 CAH Warman D13 Filtrate Sump Pump 22 100 RVSP Warman D14 Modular piping E01 Electrics		
			SASC1286

Continental Conveyor and Zitron Ventilation equipment presently stored at Maxwell's Storage facility as per Energybuild Valuation Report, Maxwell's dated January 2019 consisting of:		
Energybuild Limited	Continental equipment comprising: Feeder Transfer building Powerpack housing Set of spares Impact Tail Unit - Surface Set of gantries - Surface Set of trestles - Surface Drive Tower Assembly - Surface 112KW Drive - Surface GTU Assembly - Surface Delivery end & gantry - Surface Spiral chute & support tower - Surface 1200mm 3.0MT Floor mounted Conv section Loop take up assembly - hyd winch Impact loading tail unit - outbye drift Tail end grading structure Set of outbye drift conveyor structure 1700 m Return Belt Clamp 2 x 500KW Drive/Delivery Unit C/w belt clamp - outbye Delivery end & chute - outbye drift Fines conveyor - outbye drift 1200mm 3.0MT Floor mounted Conv section	

	Loop take up assembly - hyd winch Impact loading tail unit - inbye drift Tail end grading structure Set of Inbye drift conveyor structure 1500 m Return Belt Clamp 2 x 500KW Drive/Delivery Unit C/w clamp & chute Inbye 1200mm 3.0MT Floor mounted Conv section 1200 m of type 12 1200mm belting Zitron ventilation fans comprising: 4 number ZEL1-200-500/4 500 KW 3 number ZEL1-12-37/4 37 KW 2 number ZEL-10-15/4 15 KW	
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Part 2 – Group Shares

- 70,102 ordinary shares of £1.00 each held in Mineral Extraction and Handling Limited.
- 2 ordinary shares of £1.00 each held in Energybuild Limited.
- 2 ordinary shares of £1.00 each held in Energybuild Mining Limited.

Part 3 – Intellectual Property

None as at the date of this Deed.

Part 4 – Project Real Property

Short name and address	Property type: freehold / leasehold/other	Registered title number	Legal owner / Beneficial owner
Aberpergwm Main Site: Aberpergwm Colliery Glynneath	Leasehold	CYM767144	Energybuild Limited

Neath SA11 5AJ			
Aberpergwm Site 2 / Cae Capel: Land lying to the east of Aberpergwm Colliery Glynneath Neath SA11 5AJ	Leasehold	CYM767142	Energybuild Limited
Rock Tip: Land at Aberpergwm Colliery Glynneath Neath	Leasehold	CYM767145	Energybuild Limited
Treforgan: Land lying to the west of Main Road Crynant Neath	Leasehold	CYM766466	Energybuild Limited
Hirwaun: Unit D Hirwaun Industrial Estate, Hirwaun, Aberdare	Leasehold	Unregistered	Energybuild Limited
Tipping Area: The former opencast coal site known as Forest Quarry and extensions	Licence	Unregistered	Energybuild Limited
Access Licence: The bridge over the Neath Canal	Licence	Unregistered	Energybuild Limited
Coal Authority Lease: Aberpergwm Colliery, Glynneath being all the Coal (as defined in the lease) and coal mine contained within or comprising such parts of the White Four Feet, Eighteen Feet, Cornish, Nine Feet and Bute seams as lie in the County Borough of Neath Port Talbot beneath the	Leasehold	Unregistered	Energybuild Mining Limited

surface area of 1312 hectares or thereabouts as shown edged red on Plan A(2) annexed to the lease (the "Specified Seams") together with the three surface drifts, the approximate locations of which are shown on that plan, and together with all other underground roadways and other underground spaces used or occupied at any time within eighty years from 07.01.1997 in connection with the winning working and getting of Coal from the Specified Seams.			
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Schedule 3

Notice to Account Bank

To: *[Account Bank]*

[Date]

Dear Sirs

Security Agreement dated [•] (the "Security Agreement") between *[insert name of Chargor]* and [•] (the "Security Trustee")

1. This letter constitutes notice to you that under the Security Agreement we have charged by way of first fixed charge in favour of the Security Trustee all our rights, title and interest in all sums of money which may now or in the future be held with you for our account in the accounts identified in the schedule to this notice and to any other accounts from time to time maintained with you by us (the "**Accounts**") together with all interest from time to time earned on such sums and the debts represented by such sums and interest.
2. With effect from the date of your receipt of this notice:
 - (a) subject to paragraph (e) below, all sums from time to time standing to the credit of the Accounts should be held to the order of the Security Trustee;
 - (b) subject to paragraph (e) below, such sums may only be paid or released in accordance with the written instructions of the Security Trustee at any time;
 - (c) the terms and conditions relating to the Accounts designated as "Blocked" may not be amended, varied or waived without the prior written consent of the Security Trustee;
 - (d) we are not permitted to withdraw any amount from the Accounts designated as "Blocked" in the schedule to this notice without the prior written consent of the Security Trustee; and
 - (e) we are permitted to withdraw or transfer amounts from the Accounts designated as "Not blocked" in the schedule to this notice until such time as the Security Trustee provides written notification to you that such permission is withdrawn (and the Security Trustee may withdraw or modify this permission in its absolute discretion at any time).
3. You are authorised and instructed, without requiring further approval from us:
 - (a) to pay all monies received by you for the Accounts to (and only to) the credit of the Accounts;
 - (b) to provide the Security Trustee with such information relating to the Accounts as it may from time to time request; and
 - (c) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Security Agreement, the sums standing to the credit of the Accounts from time to time or the debts represented by them which you receive at any time from the Security Trustee without any reference to or further authority from us and

without any enquiry by you as to the justification for or validity of such notice or instruction.

4. These instructions may not be revoked without the prior written consent of the Security Trustee.
5. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm (by way of undertaking in favour of the Security Trustee) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest of any third party in the accounts; and
 - (c) you have not and will not claim, exercise or enforce any security interest, right of set-off, counterclaim or similar right in respect of the Accounts or the debts represented by them without the prior written consent of the Security Trustee.
6. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....

for and on behalf of
[•] as Chargor

.....

for and on behalf of
[•] as Security Trustee

Execution version

SCHEDULE

Account Number	Sort Code	Status
[●]	[●]	[Blocked/not blocked]

Execution version

[*On acknowledgement copy*]

To: [Security Trustee]

[Address]

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Account Bank]

Date: [•]

Schedule 4

Notice of Insurance Assignment

To: [insert name of insurance company]

[Date]

Dear Sirs,

Re: [identify the relevant insurance policy(ies)] (the "**Policies**")

Security Agreement (the "Security Agreement") dated [•] between [insert name of Chargor] and [•] (the "Security Trustee")

1. This letter constitutes notice to you that under the Security Agreement we have assigned to the Security Trustee all our rights, title and interest in and to the insurance policies identified in the schedule to this letter and to any other insurance policies taken out with you by us or on our behalf or under which we have a right to a claim (other than in relation to third party liabilities) (the "**Insurance Policies**").
2. We will remain liable under the Insurance Policies to perform all obligations imposed on us under the Insurance Policies and none of the Security Trustee, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Insurance Policies.
3. We will remain entitled to exercise all of our rights under the Insurance Policies and you should continue to give notices under the Insurance Policies to us, until such time as the Security Trustee provides written notification to the contrary. After such written notification:
 - (a) all amounts payable under the Insurance Policies should be paid to the Security Trustee or as it directs; and
 - (b) all rights in respect of the Insurance Policies will be exercisable by the Security Trustee and notices under the Insurance Policies should be given to the Security Trustee or as it directs.
4. You are authorised and instructed (without requiring further approval from us) to provide the Security Trustee with such information relating to the Insurance Policies as it may from time to time request.
5. These instructions may not be revoked without the prior written consent of the Security Trustee.
6. Please note the interest of the Security Trustee on the Insurance Policies and show the Security Trustee as loss payee and first priority assignee.
7. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm (by way of undertaking in favour of the Security Trustee) that:
 - (a) you agree to the terms of this notice and to act in accordance with its provisions;
 - (b) you have not received notice of the interest of any third party in any of the Insurance Policies;

- (c) [in the case of insurance of real property] the Insurance Policies [have the Security Trustee named as composite insured in respect of its own separate insurance interest under each of the insurances]/[are in the joint names of the Security Trustee and ourselves] [and with the Security Trustee as loss payee];
 - (d) the Insurance Policies shall not be vitiated or avoided as against the Security Trustee in the event or as a result of any misrepresentation, act or neglect or failure to make disclosure on our part or in any circumstances beyond the control of us or the Security Trustee;
 - (e) the Insurance Policies shall not be invalidated or otherwise cancelled or allowed to lapse so far as the Security Trustee is concerned by failure to pay any premium due or otherwise cancelled unless you have first given to the Security Trustee not less than 30 days' written notice;
 - (f) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Insurance Policies without the consent of the Security Trustee;
 - (g) you will notify the Security Trustee of any breach by us of the terms of any Insurance Policy and will allow the Security Trustee to remedy that breach; and
 - (h) the Security Trustee shall not in any circumstances be liable for the premium in relation to the Insurance Policies (but may elect to pay it).
8. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully

.....

for and on behalf of
[•] as Chargor

.....

for and on behalf of
[•] as Security Trustee

Execution version

Schedule

[Details of Insurance Policies to be inserted]

Execution version

[*On acknowledgement copy*]

To: [Security Trustee]

[Address]

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

.....

for and on behalf of

[Insurer]

Date: [•]

Schedule 5

Form of Deed of Accession

THIS DEED OF ACCESSION is made the [•] day of [•] 202[•]

BETWEEN:

- (1) [•] a company incorporated under the laws of [England and Wales] with registration number [•] and whose registered office is at [•] (the "**Acceding Chargor**");
- (2) [•] a company incorporated under the laws of [England and Wales] with registration number [•] and whose registered office is at [•] (the "**Parent**") for itself and as agent for and on behalf of each of the other Chargors named in the Security Agreement referred to below; and
- (3) [•] (the "**Security Trustee**") as agent and trustee for itself and the other Notes Parties referred to in the Security Agreement (as defined below).

BACKGROUND

- (A) The Acceding Chargor is a [wholly-owned] Subsidiary of [the Parent].
- (B) The Parent has entered into a Security Agreement dated [•] 202[•] (as supplemented and amended by Deeds of Accession or otherwise from time to time, the "**Security Agreement**") between the Parent, each of the other companies named in it as Chargors, and the Security Trustee as agent and security trustee for certain other Notes Parties referred to in the Security Agreement, a copy of which is attached to this Deed as the Appendix.
- (C) The Acceding Chargor has at the request of the Parent and in consideration of the Notes Parties making or continuing to make facilities available to the Parent [or any other member of the Group] and after giving due consideration to the terms and conditions of the Security Agreement and the other Notes Documents and satisfying itself that there are reasonable grounds for believing that the entry into this Deed by it will be of material commercial benefit to it and its members as a whole, decided in good faith and for the purpose of carrying on its business to enter into this Deed and become a Chargor under the Security Agreement.

NOW THIS DEED WITNESSES as follows:

1. Terms defined in the Security Agreement shall have the same meaning in this Deed.
2. The Acceding Chargor agrees to become a party to and to be bound by the terms of the Security Agreement as a Chargor with immediate effect and so that the Security Agreement shall be read and construed for all purposes as if the Acceding Chargor had been an original party to it in the capacity of Chargor (but so that the security created consequent on such accession shall be created on the date of this Security Agreement).
3. The Acceding Chargor undertakes to be bound by all the covenants and agreements in the Security Agreement that are expressed to be binding on a Charger. In accordance with the foregoing, the Acceding Chargor now grants to the Security Trustee as agent and security trustee for the Notes Parties the assignments, charges, mortgages and other security described in the Security Agreement as being granted, created or made by Chargors under the Security Agreement, to the intent that its assignments, charges, mortgages and other security shall be effective and binding upon it and its property and assets and shall not in any way be avoided,

discharged or released or otherwise adversely affected by any ineffectiveness or invalidity of the Security Agreement or of any other party's execution of it or any other Deed of Accession, or by any avoidance, invalidity, discharge or release of any guarantee, assignment or charge contained in the Security Agreement or in any other Deed of Accession or in any other Notes Document. The Security Agreement and this Deed shall be read as one to this extent and so that references in the Security Agreement to "this Security Agreement", "herein", and similar phrases shall be deemed to include this Deed and all references in the Security Agreement to any Schedule (or any part of it) shall be deemed to include a reference to the Schedule[s] to this Deed (or relevant part of it).

4. The Parent, for itself and as agent for and on behalf of all other Chargers under the Security Agreement, agrees to all matters provided for in this Deed.
5. Without limiting the generality of the other provisions of this Deed and the Security Agreement, pursuant to the terms of this Deed and of the Security Agreement, the Acceding Chargor as continuing security for the payment, discharge and performance of all Secured Liabilities, by this Deed and by the Security Agreement in favour of the Security Trustee (as agent and trustee for itself and each of the Notes Parties):
 - (a) charges by way of first legal mortgage all the property (if any) now belonging to it brief descriptions of which are specified in the Schedule to this Deed;
 - (b) assigns all of its right, title and interest (if any) in and to each of the contracts and agreements specified in Clause 4.11 (*Contracts*) of the Security Agreement and in or to:
 - (i) [list additional Material Contracts to be assigned by way of security].
 - (c) agrees that the Acceding Charger's estates and other interests in certain Group Shares and other Investments (together with all related Dividends for the purposes of paragraph (a) of Clause 4.3 (*Investments*) of the Security Agreement, as such provisions apply in relation to the Acceding Chargor, are specified in the Schedule to this Deed and are by this Deed mortgaged or charged as provided in such provisions and the other provisions of the Security Agreement;
 - (d) agrees that the Acceding Chargor's estates and other interests in certain specific Intellectual Property for the purposes of Clause 4.4 (Intellectual Property) of the Security Agreement, as such provisions apply in relation to the Acceding Chargor, are specified in the Schedule to this Deed and are by this Deed charged by way of security as provided in such provisions and the other provisions of the Security Agreement; and
 - (e) agrees that the Acceding Chargor's estates and other interests in certain specific Accounts for the purposes of Clause 4.6 (Accounts) of the Security Agreement, as such provisions apply in relation to the Acceding Chargor, are specified in the Schedule to this Deed and are by this Deed charged by way of security as provided in such provisions and the other provisions of the Security Agreement,

in each case in accordance with Clause 3 (*Provisions relating to Security*) of the Security Agreement.
6. This Deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.

SCHEDULE

Insert details (adopting same format as used in Schedule 2 (*Security Assets*) to the Security Agreement) of:

1. freehold, leasehold and other immovable property in which the Acceding Chargor has an interest;
2. Group Shares and other Investments in which the Acceding Chargor has an interest;
3. Intellectual Property in which the Acceding Chargor has an interest;
4. Accounts in which the Acceding Chargor has an interest.

Execution version

APPENDIX

[attach executed copy of Security Agreement]

SIGNATORIES

(to Deed of Accession)

The Acceding Chargor

(for a company incorporated in the United Kingdom)

EXECUTED as a **DEED** by [.....] **LIMITED/PLC** acting
by [a director and its secretary][two directors]:

.....

Signature of director

.....

Signature of [secretary][director]

OR

EXECUTED as a **DEED** by [.....] **LIMITED/PLC** acting
by a director in the presence of:

.....
Signature of director

Signature of witness

Print name

Address

.....

.....

Execution version

The Parent

EXECUTED as a **DEED** by [.....] **LIMITED/PLC** acting
by [a director and its secretary][two directors]:

.....

Signature of director

.....

Signature of [secretary][director]

OR

EXECUTED as a **DEED** by [.....] **LIMITED/PLC** acting
by a director in the presence of:

.....
Signature of director

Signature of witness

Print name

Address

.....

.....

The Security Trustee

SIGNED for and on behalf of [•]

By:

Schedule 6

Form of Supplemental Charge

THIS SUPPLEMENTAL CHARGE is made by deed the [•] day of [•] 20[•]

BETWEEN:

- (1) [•] a company registered in England and Wales with registration number [•] and whose registered office is at [•] (the "Chargor"); and
- (2) **TENAX CAPITAL LIMITED** as agent and security trustee for itself and each of the Notes Parties (the "**Security Trustee**").

BACKGROUND

- (A) The Chargor has agreed to enter into this Deed in connection with the Instrument (as defined below).
- (B) This Deed is supplemental to the Security Agreement (as defined below).

IT IS AGREED as follows:

1. Definitions and interpretation

1.1 Definitions

In this Deed:

"Instrument" means the instrument created by the Energybuild Mining Limited dated [•] constituting up to GBP 5,000,000 secured loan notes 2025;

"Material Contract" means:

- (a) the agreements specified in Schedule 1 of this Supplemental Charge;
- (b) any agreement to which the Chargor is a party (other than the Notes Documents) the breach, non-performance, cancellation, failure to renew or changes to the terms of which could reasonably be expected to have a Material Adverse Effect; and
- (c) any agreement or instrument entered into by the Chargor which has a projected annual revenue of more than 5 per cent. of the annual revenue of the Chargor shown by the most Monthly Management Report;

"Receivables" means book and other debts and rights to money and income liquidated and unliquidated due or owing to the Chargor including the benefit of all negotiable instruments, securities, guarantees and indemnities for such debts and rights but excluding cash at bank;

"Secured Obligations" means the aggregate amount of all present and future obligations and liabilities of each Obligor owed or expressed to be owed under or in connection with any Notes Document whether actual or contingent and whether owed or incurred alone or jointly and/or severally with another and as principal or as surety or in any other capacity or of any nature;

"Security Agreement" means a security agreement dated [•] made between (inter alios) the Chargor and the Security Trustee; and

"Supplemental Charged Assets" means all assets, property and undertaking of the Chargor from time to time the subject of any Security created or to be created by this Deed.

1.2 Construction and incorporation of terms

- (a) The provisions of Clauses 1 (Definitions and interpretation) of the Security Agreement shall be deemed to be incorporated into this Deed as if set out in full with the necessary modifications and except that references in the Security Agreement to "this Deed" shall be construed as references to this Deed and "this Security" means any Security created or constituted by this Deed.
- (b) This Deed is supplemental to and shall be read together with and as constituting part of the Security Agreement.
- (c) It is intended by the parties that this document take effect as a deed despite the fact that the Lender may only execute this document under hand.
- (d) This Deed is a Notes Document.

2. Undertaking to pay

The Chargor, as primary obligor and not merely as surety, undertakes with the Security Trustee to pay the Secured Obligations on demand on the date(s) on which such Secured Obligations are expressed to become due and in the manner provided for in the relevant Notes Document.

3. Security

3.1 Fixed charge

The Chargor charges by way of first fixed charge all its rights, title or interest in:

- (a) its Material Contracts;
- (b) all other agreements to which it is a party except to the extent that it is subject to any fixed security created under any other term of this Clause 4;
- (c) the benefit of any guarantee or security for the performance of any of such Material Contracts or other agreements; and
- (d) Receivables.¹

4. Undertakings and agreements

4.1 Material Contracts and Receivables deemed to be Material Contracts and Receivables for the purposes of the Security Agreement

The Material Contracts and Receivables shall be deemed to be "Material Contracts" and "Receivables" for the purposes of the Security Agreement and this Deed and the representations

¹ Note – Unless any amounts are to be paid direct to the Security Trustee, fixed charge (and associated notice and perfection steps) in relation to bank accounts to be included.

and warranties, rights, obligations, undertakings, covenants and other provisions, express or implied, of the Security Agreement shall apply to this Deed and in relation to the Material Contracts, and Receivables and to this Security to the same extent that the same apply to any "Material Contracts" and "Receivables" referred to in the Security Agreement (including, without limitation, clause 3 (*Provisions relating to Security*), clause 10 (*Receivables*) and clause 14 (*Contracts*) of the Security Agreement) and as if set out in this Deed in full (with the necessary modifications).

4.2 Negative pledge

The Chargor shall not:

- (a) create or permit to subsist any Security over the Supplemental Charged Assets; or
- (b) sell, transfer, licence, lease or otherwise dispose of any of the Supplemental Charged Assets,

except as expressly permitted to do so under the Instrument.

4.3 Notice to be given by the Chargor

The Chargor shall upon the execution of this Deed in respect of each Material Contract to which it is a party and upon the entry into by it of each Material Contract entered into after the date of this Deed:

- (a) immediately serve notice of the fixed charge contained in Clause 3.1 above, substantially in the form set out in Schedule 2 of this Deed (or in such other form requested by the Security Trustee and in form and substance satisfactory to the Security Trustee) on each counterparty to the Material Contract; and
- (b) use its best endeavours to procure that the counterparty promptly delivers to the Security Trustee a duly completed acknowledgement of such notice.

5. Governing Law

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

EXECUTED as a deed and delivered by the Chargor and signed on behalf of the Security Trustee on the date stated at the beginning of this document.

Execution version

Schedule 1

Material Contracts

Counterparty name	Date	Description of contract

Schedule 2

Notice to Counterparty

[On the letterhead of the Chargor]

To: [Contract Party]

Copy to: [•] as Security Trustee

[Date]

Dear Sirs

Security Agreement (the "Security Agreement") dated [•] between [insert name of Chargor] and [•] (the "Security Trustee")

1. This letter constitutes notice to you that under the Security Agreement we have charged by way of first fixed charge to the Security Trustee all our rights, title and interest in respect of [insert details of contract] (the "Contract") as security for certain obligations owed by us.

2. We will remain liable under the Contract to perform all obligations imposed on us under the Contract and none of the Security Trustee, its agents, any receiver, administrator or any other person will at any time be under any obligation or liability to you under or in respect of the Contract.

3. With effect from the date of this notice, all rights in respect of the Contract (including the right to direct payments of amounts due under it to another account) will be exercisable by the Security Trustee and notices under the Contract should be given to the Security Trustee or as it directs.

4. With effect from the date of this notice, please make all payments of amounts under the Contract to the following account: [•].

5. You are authorised and instructed (without requiring further approval from us) to provide the Security Trustee with such information relating to the Contract as it may from time to time request;

6. These instructions may not be revoked without the prior written consent of the Security Trustee.

7. Please sign and return the enclosed copy of this notice to the Security Trustee (with a copy to us) to confirm (by way of undertaking in favour of the Security Trustee) that:

(a) you agree to the terms of this notice and to act in accordance with its provisions;

Execution version

(b) you have not and will not claim, exercise or enforce any right of set-off, counterclaim or similar right in respect of the Contract without the consent of the Security Trustee;

(c) you have not received notice of the interest of any third party in the Contract; and

(d) you will notify the Security Trustee of any breach by us of the terms of the Contract and will allow the Security Trustee to remedy that breach.

8. This notice and any non-contractual obligations arising out of or in relation to this notice shall be governed by, and interpreted in accordance with, English law.

Yours faithfully,

for and on behalf of

[•] as Chargor

for and on behalf of

[•] as Security Trustee

[On acknowledgement copy]

To: [Security Trustee]

[Address]

Copy to: [•]

We acknowledge receipt of the above notice and agree to and confirm the matters set out in it.

for and on behalf of

[Counterparty to relevant Material Contract]

Date: [•]

Execution version

Signatories to Supplemental Charge

The Chargor

EXECUTED as a DEED by [...] LIMITED/PLC acting
by [a director and its secretary][two directors]:

Signature of director

Signature of [secretary][director]

Or

EXECUTED as a DEED by [...] LIMITED/PLC acting
by a director in the presence of:

Signature of director

Signature of witness

Print name

Address

Occupation

The Security Trustee

[•]

By:

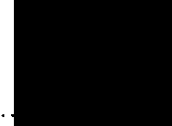
Execution version

SIGNATORIES

(To Security Agreement)

The Chargors

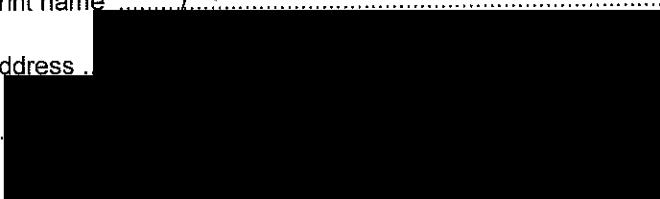
EXECUTED as a **DEED** by **ENERGYBUILD RESOURCES LIMITED** acting by a director in the presence of:



Signature of director

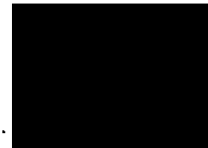
Signature of witness 

Print name *Michael Williams*

Address 

Occupation *Solicitor*

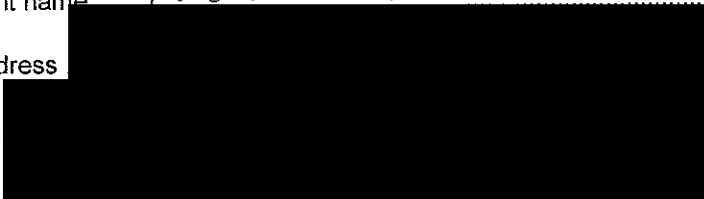
EXECUTED as a **DEED** by **ENERGYBUILD LIMITED** acting by a director in the presence of:



Signature of director

Signature of witness 

Print name *Michael Williams*

Address 

Occupation *Solicitor*

Execution version

EXECUTED as a **DEED** by **ENERGYBUILD MINING LIMITED**
acting by a director in the presence of:

Signature of witness
Signature of director
Print name *Michael Williams*
Address
Occupation *Solicitor*

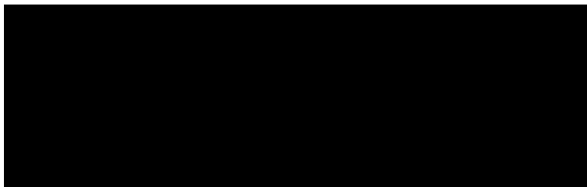
EXECUTED as a **DEED** by **MINERAL EXTRACTION AND
HANDLING LIMITED** acting by a director in the presence of:

Signature of witness
Signature of director
Print name *Michael Williams*
Address
Occupation *Solicitor*

Execution version

The Security Trustee

SIGNED for and on behalf of **TENAX CAPITAL LIMITED**

A large black rectangular redaction box covering the signature area.

Signature

Name: Massimo Figna